

DOI: [10.55643/fcaptive.1.54.2024.4253](https://doi.org/10.55643/fcaptive.1.54.2024.4253)

Igor Chugunov

D.Sc. in Economics, Professor, Head of the Department of Finance, State University of Trade and Economics, Kyiv, Ukraine;
ORCID: [0000-0002-3612-7236](https://orcid.org/0000-0002-3612-7236)

Valentyna Makohon

D.Sc. in Economics, Professor of the Department of Finance, State University of Trade and Economics, Kyiv, Ukraine;
e-mail: makvkn@ukr.net
ORCID: [0000-0002-2331-8455](https://orcid.org/0000-0002-2331-8455)
(Corresponding author)

Mykhailo Titarchuk

Candidate of Economy Sciences, Doctoral student of the Department of Finance, State University of Trade and Economics, Kyiv, Ukraine;
ORCID: [0000-0002-1752-1633](https://orcid.org/0000-0002-1752-1633)

Vladyslav Nychyk

Graduate student of the Department of Finance, State University of Trade and Economics, Kyiv, Ukraine;

Volodymyr Hrehul

Graduate student of the Department of Finance, State University of Trade and Economics, Kyiv, Ukraine;

Received: 16/11/2023

Accepted: 28/12/2023

Published: 29/02/2024

© Copyright
2024 by the author(s)



This is an Open Access article distributed under the terms of the [Creative Commons CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/)

FINANCIAL SUPPORT FOR THE ECONOMY DEVELOPMENT OF UKRAINE

ABSTRACT

Preserving the fiscal and financial stability of countries, and supporting economic recovery in order to create conditions for the sustainable growth of a socially inclusive economy is a strategic task of state institutions under martial law. Despite the unpredictability that Ukraine faces in war conditions, it is important to develop a constructive financial instrument for the recovery of the country's economy now. The research is based on the hypothesis that defining the conceptual foundations of financial support for the recovery of the Ukrainian economy, raising the quality level of the financial risk management mechanism, and minimizing their consequences, will help ensure macro-financial stability. General scientific and special methods are used, namely: dialectical, complex analysis, scientific generalization, selective, scientific abstraction, economic and statistical. Provisions regarding international financial instruments for the economic recovery of Ukraine's economy have been disclosed. A study of the main problems in the financial sphere, which must be solved in the context of the recovery of Ukraine, was carried out. The peculiarities of the implementation of the state programs "Affordable loans 5-7-9%" and "Affordable financial leasing 5-7-9%" are revealed, which play an important role in supporting entrepreneurial activity and ensuring the country's economic security as a necessary prerequisite for ensuring financial stability and recovery countries. It is substantiated that the formation of holistic approaches to the financial support of the restoration of Ukraine, the determination of measures and criteria for the implementation of the state's financial policy will contribute to the solution of the systemic problems facing the state at this stage. Important tasks are: ensuring fiscal and financial stability; neutralization of the influence of negative factors on the financial system; prevention of hidden capital outflow; effective attraction and use of state loans; prevention of legalization of illegally obtained income; ensuring rational distribution and effective use of state financial resources.

Keywords: finance, financial resources, politics, economy, restoration, spending, deficit

JEL Classification: E62, F36, G00, H56

INTRODUCTION

A full-scale war in Ukraine led to the destruction of the country's infrastructure, mass migration and a deep financial and economic crisis. Financial market participants suffered significant losses due to disruptions in financial transactions. Revenues of the state and local budgets decreased, while expenditures increased, primarily in the security and defense sector. Important tasks have become: ensuring fiscal transparency and fiscal stability; increasing the efficiency of budget expenditures and the predictability of budget policy; development of the tax and customs system taking into account European integration processes; activation of the capital markets of Ukraine and their integration into the European financial space; ensuring the availability of credit for business. At the same time, measures by state authorities and financial support from international partners helped stabilize the macroeconomic situation to some extent. It is assumed that the economy will continue to adapt to martial law and financial security risks will decrease accordingly in the medium term. At the same time, the estimate of the change in GDP in 2024 varies from a decrease of 1.5% (estimated by the IMF) to an increase of 3.5% (estimated by the NBU) [17, 19].

In times of war, financial institutions are faced with significant financial problems and the inability to operate in regions where active hostilities are taking place. At the same time, there is a moderate demand for credit resources from corporations, in particular, this is due to the simplification of the conditions for participation in the state program "5-7-9% available loans".

In order to increase the attractiveness of the national currency and reduce pressure on the foreign exchange market, the discount rate was increased from 10% to 25% in June 2022. At the same time, the foreign exchange market is still not capable of self-balancing and needs intervention, accordingly, from July 28, 2023, the discount rate was reduced to 22%, from September 15 to 20%, and from October 27 to 16%. In the medium term, a gradual transition to a more flexible exchange rate, easing of exchange control and a return to the inflation targeting regime is envisaged[19].

The restoration of Ukraine requires an appropriate level of financial support necessary to create conditions for sustainable economic growth and the well-being of citizens based on European values. There is a need to intensify global financial efforts to increase the financial stability of the country and develop the tools of state financial policy in order to increase the effectiveness of the use of state financial resources aimed at restoring the domestic economy[6]. The strategic goal in the implementation of tasks for the restoration of Ukraine is the coordination of the efforts of state authorities and international partners. Despite the unpredictability Ukraine is facing, it is important to design a constructive financial instrument for the restoration of the country now, trying to restore its economy in the conditions of war.

LITERATURE REVIEW

Both domestic and foreign scientists pay considerable attention to the study of financial tools for the economic restoration of the economy. Key issues of economic recovery and development of countries after armed conflicts and wars are revealed in works: A.P. Duka, S.V. Ivanova, O.O. Okhrimenko, R.O. Popova, I. Samokhodskiy [9, 11, 21, 27]. It is determined that the restoration of the country is preceded by a political decision based on national patriotism and geopolitical expediency regarding the restoration and development plan. At the same time, important tasks are the development of the concept of restoration of the economy taking into account the geopolitical situation; state support for certain strategic areas of development that will ensure a high level of competitiveness of goods and services on foreign markets; strengthening control over the use of borrowed funds; introduction of economic mechanisms to combat the shadow sector of the economy; increasing the quality level of social policy [11]. It is justified that the restoration of the country involves both the attraction of foreign financing and the implementation of economic reforms aimed at restoring and revitalizing business activity in the country [21, 5]; the process of rebuilding Ukraine requires conceptualization and a clearly defined model of Both domestic and foreign scientists pay considerable attention to the study of financial tools for economic restoration of the economy taking into account the peculiarities of the country's economic development [23].

According to the research of Irtischev I., Kramarenko I., Sirenko I. "Economics of wartime and postwar economic development: global and Ukrainian realities" it was established that "an important task for the purpose of rebuilding the country is to strengthen the coordination of actions between state authorities and local self-government. Implementation of the concept of sustainable development will expand opportunities for the modernization of economic relations based on the harmonization of the interests of territorial communities with the interests of state authorities [10].

It is determined that the restoration of countries largely depends on the coordination of efforts of the state authorities of a certain country and international partners, while financial assistance should be provided gradually over a decade [7]. Important factors of economic recovery include market and private sector development instruments [16].

Issues of restoring the economy of European countries to ensure stable conditions after the Second World War are revealed in the works: Barro RJ, Choudhry T., Williams Andrew J., Collier P., Heffler A. Aid, Malletta R. and Payne A. [1, 5, 30, 7, 16, 28]. Effective programs for the restoration of Europe include the "Marshall Plan". The answer to which was foreseen: conducting negotiations between the governments of European countries with the aim of promptly concluding multilateral trade and economic agreements; ensuring the cooperation of governments, trade unions, enterprises for the purpose of carrying out coordinated actions regarding the increase of production volumes; freedom to choose strategies for the restoration of countries; focus on strategic recovery in the long term; significant financial support from the USA on an irrevocable and gratuitous basis (90% of the financial assistance was provided in the form of grants) [22, 30].

The impact of war on social development is revealed in the following studies: Boungou W., Yatié A., Umar M., Riaz Y., Yousaf I., Lei L., Aziz G., Sarwar S., Waheed R., Tiwari A., Chen S., Bouteska A., Sharif T., Abedin M., Beraic, M., Amzile K., Laamire J., Zirari O., Amine Fadali M., Izzeldin, M., Muradoğlu Y., Pappas V., Petropoulou A., Sivaprasad S. [3, 29, 15, 4, 2, 12]. It is determined that the large-scale military actions in Ukraine caused a surge in price volatility and affected the

disruption of global economic activity much more than the oil shocks of the 1970s [4]. The war in Ukraine significantly affected fluctuations in financial markets around the world, in particular, due to non-working Black Sea ports and economic embargoes [2, 3, 4, 28]. It is assumed that the rate of economic growth will decrease to 0.5% in the USA and 0.3% in Ukraine and the EU [12].

Paying tribute to the scientific achievements of scientists in the field of economic recovery and development of countries after armed conflicts and wars, it should be noted the insufficient level of research and justification of the issues of financial tools for the economic restoration of the economy of Ukraine. Large-scale military actions on the territory of Ukraine necessitated the development of new and improvement of existing financial instruments. For this purpose, the peculiarities of state financial policy in the conditions of martial law are revealed.

The research is based on the hypothesis that the determination of the conceptual foundations of financial support for the restoration of the economy of Ukraine, the formation of an effective mechanism of state management of financial risks, aimed at minimizing their consequences, will contribute to ensuring macroeconomic stability and restoring the pace of economic growth. At the same time, the budget, tax and monetary policy should be implemented in a coordinated manner together with the economic policy and ensure the maintenance of structural changes in the national economy. The formation of holistic approaches to financial tools for the economic restoration of the economy of Ukraine, and the determination of measures and criteria for the implementation of state financial policy will contribute to solving systemic problems in the financial sphere and reducing the risks of breaching financial security.

AIMS AND OBJECTIVES

The purpose of the study is to substantiate the peculiarities and strategic objectives of the state's financial policy regarding financial instruments for the recovery of the economy of Ukraine. The aforementioned led to the solution of the following tasks: to reveal the importance of the state's financial policy in ensuring the economic recovery of the country and the conceptual foundations of international financial support for the recovery of Ukraine; to determine the key factors of financial support for the recovery of Ukraine and the main problematic issues in the financial sphere that must be resolved in this context; evaluate the state programs "Affordable loans 5-7-9%" and "Affordable financial leasing 5-7-9%", which play an important role in supporting business activity and ensuring the economic security of the country as a fundamental basis for rebuilding the country and ensuring macro-financial stability.

METHODS

To achieve the outlined goal, the following methods were used: dialectical, complex analysis, scientific generalization - in the process of researching the works of domestic and foreign scientists on the issues of economic recovery and development of countries after armed conflicts and wars, highlighting the role of state financial policy in the economic recovery of countries and provisions on international financial tools for economic restoration of the economy of Ukraine; samples - to highlight the peculiarities of the implementation of the state financial policy of Ukraine in the conditions of martial law; scientific abstraction - to substantiate the factors of financial tools for economic restoration of the economy of Ukraine and the main problems in the financial sphere that must be solved in this context; economic and statistical - to evaluate the main financial and budgetary indicators and state programs "Affordable loans 5-7-9%", "Affordable financial leasing 5-7-9%". The structure of the main part of the study contains three sections, the first of which is devoted to the disclosure of provisions regarding international financial tools for the economic restoration of the economy of Ukraine. In the second chapter, a study of the main problems in the financial sphere, which must be solved in the context of the restoration of Ukraine, is carried out. The third chapter is devoted to the disclosure of the state programs "Affordable loans 5-7-9%" and "Affordable financial leasing 5-7-9%", which play an important role in supporting business activity and ensuring the economic security of the country as a necessary prerequisite for ensuring financial stability and restoration countries.

RESULTS

International financial tools for economic restoration of the economy of Ukraine

Ukraine during the war receives significant international financial support (the war against Ukraine began on February 24, 2024). In particular, in 2022, the consolidated budget of Ukraine received UAH 481.3 billion. of transfers (9.3% of GDP) (Table 1).

Table 1. Transfers from the European Union, foreign governments, international organizations, donor institutions, UAH million. (Source: built by the authors based [18])

	Funds received from the secretariat of the UN, NATO, the EU, the OSCE or another international organization for Ukraine's participation in international operations to maintain peace and security	Grants (gifts) received by budgets of all levels	Receipts within the aid programs of the European Union, foreign governments, international organizations, donor institutions	In total
2022	432.3	456468.4	24413.3	481314.0
January	41.4	0.0	0.0	41.4
February	54.8	3652.0	0.0	3706.8
March	140.1	3652.7	0.0	3792.8
April	206.7	21609.5	3830.9	25647.2
May	206.7	37113.0	4203.7	41523.5
June	291.4	75143.8	4207.6	79642.8
July	291.4	155573.3	4207.6	160072.3
August	328.7	265334.7	4221.2	269884.6
September	384.0	320302.8	21840.0	342526.8
October	384.0	320309.2	21841.3	342534.6
November	384.0	320495.2	21847.8	342727.1
December	432.3	456468.4	24413.3	481314.0
2023 (January-August)	87.7	317295.1	67.1	317450.0
January	0.0	36571.1	1.2	36572.3
February	0.0	87988.8	5.8	87994.6
March	6.3	133849.4	8.4	133864.0
April	6.3	179561.2	8.4	179575.9
May	87.7	225280.1	10.6	225378.5
June	87.7	269717.7	50.0	269855.5
July	87.7	317288.5	51.2	317427.4
August	87.7	317295.1	67.1	317450.0

In 2023, with the aim of providing financial support to Ukraine, an Interdepartmental Donor Coordination Platform was created, which is aimed at deepening coordination and interaction between financial institutions. According to the report "Second Rapid Assessment of Damage and Reconstruction Needs in Ukraine (RDNA2) as of February 24, 2023, it was determined that the total reconstruction and reconstruction needs of Ukraine for 2023-2033 amount to USD 410.6 billion (Table 2). Most of the financial resources are needed for the restoration of housing, energy infrastructure, and social protection and livelihood.

Table 2. Total recovery and restoration needs by sector (USD billion) as of February 24, 2023. (Source: built by the authors based [20, 28])

	2023-2026	2027-2033	2023-2033
Dwelling	31.5	37.1	68.6
Education and science	4.3	6.4	10.7
Health care	3.6	12.7	16.4
Social protection and livelihood	17.8	24.0	41.8
Culture and tourism	2.3	4.6	6.9
Agriculture	10.2	19.5	29.7
Water resources management	0.1	8.8	8.9
Trade and Industry	12.1	11.1	23.2
Finance and banking	6.5	0.3	6.8
Energy infrastructure	5.7	41.3	47.0
Telecommunications and digital technologies	3.0	1.5	4.5
Water supply and drainage	3.9	3.3	7.1
Communal economy	1.7	4.0	5.7
Environment, management of natural resources	0.4	1.0	1.5
Civil Protection	0.5	1.0	1.5
Governance	0.2	0.4	0.6
Fire and technical inspection of objects with increased explosive danger	10.0	27.6	37.6
In total	128.0	282.6	410.6

In 2023, it is proposed to create a new mechanism of financial support for the economy of Ukraine. This mechanism provides for the provision of financial support for the implementation of the strategic tasks of the "Ukraine Recovery Plan"; financial assistance to the private sector, with the aim of revitalizing investment attraction processes; provision of technical assistance. According to the new mechanism of financial support for the economic modernization of Ukraine, it is planned to allocate: EUR 39 billion in the form of non-refundable financial assistance; EUR 8 billion– financial support for investments; EUR 2.5 billion for measures aimed at supporting Ukraine before joining the EU; EUR 0.5 billion– technical assistance [24].

The main problems in the financial sphere that must be solved in the context of the restoration of Ukraine

In the conditions of large-scale military operations, based on the duality of the tasks set before the state authorities, the justification of the reconstruction vectors of Ukraine requires the use of a balanced approach: ensuring the appropriate level of funding for the security and defence sector and creating fundamental conditions for the support and recovery of the domestic economy.

The fall in real GDP in 2022 in Ukraine was 29.1% (Q1 – 14.9%; Q2 – 36.9%; Q3 – 30.6%; Q4 – 31.4%). Due to the uncertainty caused by large-scale military operations on the territory of Ukraine, the parameters of the state budget were revised several times in 2022. The budget deficit is set in accordance with the Law "On the State Budget of Ukraine for 2022" at UAH 1497.2 billion (28.84% of GDP) - was mostly covered by international aid and grants, which accounted for more than 50% of budget funding, 25% of funding came from the National Bank of Ukraine. According to the Law "On the State Budget of Ukraine for 2023" and the draft Law "On the State Budget of Ukraine for 2024", expenditures exceed revenues by 2.4 times and 1.9 times, respectively, the deficit is about UAH 2010.4 billion (33.00 % of expected GDP) and UAH 1593.5 billion (20.00% of expected GDP). Despite the fact that hostilities continue, a moderate decrease in inflation is expected. In 2022, the consumer price index (up to December of the previous year) was 126.6%. Whereas in 2023 the consumer price index (up to December of the previous year) amounted to: I quarter – 103.0%; II quarter – 104.6% (Table 3).

Table 3. Main macroeconomic, financial and budgetary indicators. (Source: built by the authors based [18, 19])

	GDP, UAH billion	Real GDP, % to the corresponding period of the previous year	Consumer price index, % (until December of the previous year)	Revenues of the consolidated budget, % of GDP	Transfers from the European Union, foreign governments, international organizations, donor institutions, % of GDP	Consolidated budget expenditures, % of GDP	Consolidated budget expenditures on subscription, % of GDP	Consolidated budget deficit, % of GDP
2022	5 191.0	70.9	126.6	42.32	9.27	58.64	22.02	16.28
I quarter	1 089.7	85.1	107.6	38.40	0.35	41.05	6.95	2.87
II quarter	1 026.9	63.1	117.4	38.23	3.76	54.70	15.73	16.49
III quarter	1 449.2	69.4	121.8	43.12	9.60	54.53	19.65	11.43
IV quarter	1 625.2	68.6	126.6	42.32	9.27	58.64	22.02	16.28
2023	6279.3 (expected)	-	-	-	-	-	-	-
I quarter	1 570.0 (expected)	89.5	103.0	33.50	8.52	51.56	25.70	11.50
II quarter	1 500.0 (expected)	80.5	104.6	42.42	8.79	63.11	30.69	13.47

At the same time, inflationary and devaluation pressures remain high and intensify due to: further decline in world prices; devaluation of the hryvnia against foreign currencies; continuation of the moratorium on raising prices and tariffs for communal services; complication of logistical routes.

Ukraine faces the problem of implementing political reforms, at least for joining the EU. In 2022, Ukraine received the status of a candidate for the EU, which strengthens the strengthening of European integration reforms in the country. At the same time, the harmonization of domestic legislation with the EU involves: ensuring compliance of the legislation on the administration of value-added tax with the provisions of EU Directives; fulfilment of obligations regarding the administration of excise tax, ensuring the controllability of the circulation of excise goods, increasing the quality level of control over the circulation of tobacco products; simplifying business and improving the licensing process; implementation of the provisions of the BEPS Action Plan and OECD Guidelines; creating incentives for business entities to reinvest in capital expenditures; improvement of the environmental taxation system; improvement of the model of international exchange

of tax information; ensuring compliance of the provisions of the tax legislation of Ukraine with EU terminology, in particular in the field of capital markets.

There is an urgent need to improve the mechanism of tax administration and services to ensure transparency and reduce administrative costs, strengthen fiscal discipline and increase the institutional capacity of state institutions to control the completeness and payment of taxes at a qualitatively new level. At the same time, significant internal limitations and challenges in this context are the need to reconcile the interests of taxpayers, both in terms of personal income taxation and corporate taxation, ensuring the provision of justified tax benefits, reducing the level of the tax burden and ensuring the appropriate level of liberalization of the tax system and business entities, in order to ensure a significant level of involvement of state institutions in the development of financial instruments to cover the needs of the private sector of the economy with external financial resources. At the same time, the proposed changes must ensure the conditions for the performance of their functions by state institutions, and by taxpayers of their tax obligations.

It should be noted that an important requirement for the proper level of financial tools for the economic restoration of the economy of Ukraine is the application of a comprehensive approach to the assessment of the country's tax system, taking into account the best global practices. Uncertainty regarding the volume of state budget financing, the lack of a possibility of qualitative forecasting of tax revenues, make it impossible to discuss the application of tax incentives in the medium and long term.

State programs "Affordable loans 5-7-9%" and "Affordable financial leasing 5-7-9%"

State programs "Affordable loans 5-7-9%" and "Affordable financial leasing 5-7-9%" play an important role in revitalizing business activity and ensuring the country's economic security. The purpose of these programs is to "provide state support to business entities with the aim of increasing their production volumes and introducing innovations [26]. At the same time, market lending will resume only with economic recovery. The destruction of infrastructure and the slowdown in economic growth increase financial risks, particularly credit risks. In recent years, significant work has been carried out on the development and implementation of new capital and liquidity standards. At the same time, the deterioration of the quality of assets in the conditions of war leads to increased risks of liquidity and insolvency. Accordingly, an important task is to raise the quality level of financial policy and implement the financial sector development strategy, which is based on the assessment of relevant risks.

In 2022, economic entities received loans almost exclusively within the framework of the "5-7-9% Available Loans" program. As of October 2023, under this program, 73.9 thousand credit agreements in the amount of UAH 241.9 billion were concluded, of which 67.8% were concluded with banks of the state sector of the economy (the share of financial resources obtained by concluding contracts with banks of the state sector of the economy is 43.73%) (Table 4). At the same time, under the conditions of martial law, 38.900 credit agreements were concluded under this program, of which 75.70% were with banks of the state sector of the economy (the share of financial resources involved by concluding contracts with banks of the state sector of the economy is 51.93%): 38.28% of credit agreements are related to the financing of anti-war goals, 22.92% - agriculture; 5.98% – anti-crisis loans; 5.78% – investment goals; 2.50% – refinancing of previously received loans.

Table 4. Loan contracts under the State program have been concluded as "Available loans 5-7-9%" (as of October 16, 2023). (Source: built by the authors based [18])

	Concluded credit agreements, pcs	UAH million	Agricultural producers		Investment		Anti-crisis		Refinancing		Anti-war		Circulation	
			UAH million	%	UAH million	%	UAH million	%	UAH million	%	UAH million	%	UAH million	%
Privatbank	34174	47314	10918	23.08	5571	11.77	6977	14.75	374	0.79	14980	31.66	8494	17.95
Savings Bank	10891	30050	4235	14.09	4104	13.66	6372	21.20	1178	3.92	10107	33.63	4054	13.49
PUMB	4090	28940	4540	15.69	958	3.31	7083	24.47	4325	14.94	6695	23.13	5339	18.45
Raifazn Bank	5420	25257	902	3.57	422	1.67	12395	49.08	5059	20.03	6479	25.65	-	0.00
ProCredit Bank	3404	17277	2778	16.08	742	4.29	4655	26.94	3257	18.85	2487	14.39	3358	19.44
UkrGasbank	3883	17144	4554	26.56	2721	15.87	2799	16.33	937	5.47	3678	21.45	2455	14.32
Credit Agricole Bank	1727	12209	1265	10.36	218	1.79	3574	29.27	4074	33.37	1627	13.33	1451	11.88
Ukrsimbank	1151	11286	2307	20.44	741	6.57	3197	28.33	642	5.69	3075	27.25	1324	11.73
Credobank	2148	10403	408	3.92	1063	10.22	3675	35.33	1421	13.66	1436	13.80	2400	23.07
OTP Bank	1067	7506	517	6.89	110	1.47	3873	51.60	566	7.54	875	11.66	1565	20.85

At the same time, the foundation for ensuring the effectiveness of State programs should be their qualitative evaluation. It is necessary to improve the legal and methodological basis for their implementation, taking into account the strategic directions of the socio-economic development of the country.

DISCUSSION

The study concluded that the economic recovery of countries largely depends on the coordination of efforts of state institutions of a certain country and international partners, while the driving force of economic recovery is ensuring the effectiveness of the use of relevant financial resources. This leads to different approaches to financial support for the economic modernization of countries, taking into account both economic and socio-political conditions. The ambiguity of cause-and-effect relationships between the tools of economic recovery in different countries is traced. Questions regarding the mechanisms of building a new model of Ukraine's economy, raising the quality level of the system of financial support for economic modernization, taking into account EU directives, remain debatable.

The substantiation of the expediency of the implementation of foreign experience regarding the economic recovery of countries after armed conflicts and wars should ensure the formation of an economic and theoretical basis for substantiating the priorities of the strategy of preserving fiscal and financial stability, developing the system of financial support for economic modernization of the economy of Ukraine. At the same time, the assessment of the main problems in the financial sphere of Ukraine determines the expediency of substantiating the imperatives of the strategy for the development of the system of financial support for the economic modernization of Ukraine.

CONCLUSIONS

The substantiation of the criteria for the use of financial instruments and the application of integrated approaches to the system of financial support for the modernization of the economy of Ukraine will contribute to ensuring macro-financial stability. Important strategic tasks in the context are preservation of this fiscal and financial stability; neutralization of the influence of negative factors on the financial system; prevention of hidden capital outflow; justified attraction and effective use of credit resources; prevention of legalization of illegally obtained income.

The level of quality of financial instruments for the recovery of the Ukrainian economy depends on the factors of both the internal and external financial policy of the country, the perfection of the legislative support for the functioning of the financial system, as well as international obligations. The internal factors of violation of financial security include: insufficient quality level of legislative regulation of the financial system; uneven distribution of the tax burden, which leads to an increase in the level of shadowing of the economy; insufficient level of gold and currency reserves; significant level of dollarization of the economy; insufficient level of capitalization of the financial system; a low level of budgetary discipline and a significant increase in the state budget deficit. External factors include a growing balance of payments deficit; limited access to international financial markets; a significant level of dependence on external creditors; strengthening of the negative impact of global financial crises on the financial system of the state and its components.

Justification of the provision of financial support for the reconstruction of Ukraine, improvement of the quality of the financial risk management mechanism and minimization of their consequences, promotion of macro-financial stability. At the same time, it is advisable to strengthen the coordination of financial policy measures, in particular, fiscal and monetary policy should be implemented in coordination with economic policy, which will contribute to the created conditions for the sustainable growth of the socially inclusive economy. These questions will be revealed in further research.

ADDITIONAL INFORMATION

AUTHOR CONTRIBUTIONS

Conceptualization: *Igor Chugunov, Valentyna Makohon*

Data curation: *Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul*

Formal Analysis: *Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul*

Methodology: *Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul*

Software: *Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul*

Resources: *Igor Chugunov, Valentyna Makohon, Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul*

Supervision: *Igor Chugunov, Valentyna Makohon*

Validation: Igor Chugunov, Valentyna Makohon

Investigation: Igor Chugunov, Valentyna Makohon, Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul

Visualization: Mykhailo Titarchuk

Project administration: Igor Chugunov, Valentyna Makohon

Funding acquisition: Igor Chugunov, Valentyna Makohon, Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul

Writing – review & editing: Igor Chugunov, Valentyna Makohon

Writing – original draft: Igor Chugunov, Valentyna Makohon, Mykhailo Titarchuk, Vladyslav Nychyk, Volodymyr Hrehul

ACKNOWLEDGMENT

We express our gratitude to the rector of DTEU Mazaraki Anatoly Antonovych for the opportunity to use the modern material and technical base, the library, which is an information-educational, cultural-educational structural unit of the University with universal document funds, which contributes to the creation of conditions for effective scientific work and thanks to which research became possible.

FUNDING

The Authors received no funding for this research.

CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

REFERENCES

- Barro, R. J. (1991). Economic growth in a cross section of countries. *Quarterly Journal of Economics*, 106(2), 407-443. <https://doi.org/10.2307/2937943>
- Beraich, M., Amzile, K., Laamire, J., Zirari, O., & Amine Fadali, M. (2022). Volatility spillover effects of the US, European and Chinese financial markets in the context of the Russia–Ukraine conflict. *Int. J. Financial Stud.* 2022, 10(4), 95. <https://doi.org/10.3390/ijfs10040095>
- Boungou, W., & Yatié, A. (2022). The impact of the Ukraine–Russia war on world stock market returns. *Economics Letters*. 215, 110516. <https://doi.org/10.1016/j.econlet.2022.110516>
- Chen, S., Bouteska, A., Sharif, T., & Abedin, M.Z. (2023). The Russia–Ukraine war and energy market volatility: A novel application of the volatility ratio in the context of natural gas. *Resources Policy*, 85, Part A, 103792. <https://doi.org/10.1016/j.resourpol.2023.103792>
- Choudhry, T. (2010). World War II events and the Dow Jones industrial index. *Journal of Banking & Finance*. 34, I 5, 1022-1031. <https://doi.org/10.1016/j.jbankfin.2009.11.004>
- Chugunov, I., Makohon, V., & Markuts, Y. (2019). Budgetary policy of the emerging countries in conditions of institutional transformations. *Problems and Perspectives in Management*, 17(4), 252-261. <https://www.scopus.com/record/display.uri?eid=2-s2.0-85077345096&origin=resultslist>
- Collier P., & Hoeffler, A. Aid (2004). Policy, and Growth in Post-Conflict Societies. *European Economic Review*, 48, 1125-1145. <https://doi.org/10.1016/j.eurocorev.2003.11.005>
- Draft Law of Ukraine "On the State Budget of Ukraine for 2024" No. 10000 (2023). <https://itd.rada.gov.ua/billInfo/Bills/Card/42796>
- Duka, A. P., & Starchenko, G. V. (2022). World experience of post-war economic recovery: lessons for Ukraine. *Problems of modern transformations*. Series: economics and management. <https://doi.org/10.54929/2786-5738-2022-6-03-06>
- Irtysheva, I., Kramarenko, I., & Sirenko, I. (2022). The economy of war and postwar economic development: world and ukrainian realities. *Baltic Journal of Economic Studies*, 8(2), 78-82. <https://doi.org/10.30525/2256-0742/2022-8-2-78-82>
- Ivanov, S.V. (2019). Economic recovery and development of countries after armed conflicts and wars: unmissable opportunities for Ukraine. *Ukraine economy*, 1(686), 75-89. <https://er.dduvs.in.ua/xmlui/handle/123456789/6678>
- Izzeldin, M., Muradoğlu, Y.G., Pappas, V., Petropoulou, A., & Sivaprasad, S. (2023). The impact of the Russian-Ukrainian war on global financial markets. *International Review of Financial Analysis*, 87, 102598. <https://doi.org/10.1016/j.irfa.2023.102598>
- Law of Ukraine "On the State Budget of Ukraine for 2022" No. 1928-IX (2021). <https://zakon.rada.gov.ua/laws/show/1928-20#Text>
- Law of Ukraine "On the State Budget of Ukraine for 2023" No. 2710-IX (2022). <https://zakon.rada.gov.ua/laws/show/2710-20#Text>
- Lei, L., Aziz, G., Sarwar, S., Waheed, R., & Tiwari, A.K. (2023). Spillover and portfolio analysis for oil and stock market: A new insight across financial crisis, COVID-19 and

- Russian-Ukraine war(Article). *Resources Policy*, 85, 103645. <https://doi.org/10.1016/j.resourpol.2023.103645>
16. Mallett, R., & Pain, A. (2018). Post-war recovery and the role of markets: Policy insights from six years of research. *Global Policy*, 9(2), 264-275. <https://doi.org/10.1111/1758-5899.12560>
17. Official website of the International Monetary Fund. (n.d.). <https://www.imf.org/ru/Home>
18. Official website of the Ministry of Finance of Ukraine. (n.d.). <https://www.mof.gov.ua/uk>
19. Official website of the National Bank of Ukraine. (n.d.). <https://bank.gov.ua/>
20. Official website of the World Bank. (n.d.). <https://www.worldbank.org/uk/news/press-release/2023/03/23/updated-ukraine-recovery-and-restoration-needs-assessment>
21. Okhrimenko, O., & Popov, R. (2022). Post-war restoration of Ukraine: potential and strategy of transformations. *Economy and society*, V.45. <https://doi.org/10.32782/2524-0072/2022-45-7>
22. Pidorycheva, I. (2022). Postwar recovery of Europe: experience and lessons for Ukraine. *Journal of European Economy*, 2(81), 190–207. <https://doi.org/10.35774/jee2022.02.170>
23. Restoration for development: foreign experience and Ukrainian perspectives (2023). International collective monograph / [editorial board, head – D.E.Sc. VV Nebrat]; National Academy of Sciences of Ukraine, State University of Economics and predicted National Academy of Sciences of Ukraine". 571 p.
24. Regulation of the European Parliament and of the Council on establishing the Ukraine Facility. (2023). https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-06/COM_2023_338_1_EN_ACT_part1_v6.pdf
25. Resolution of the Cabinet of Ministers of Ukraine "On approval of the Procedure for the initial assessment of the state of implementation of the acts of the European Union (EU acquis)" No. 189 (2023). <https://zakon.rada.gov.ua/laws/show/189-2023-%D0%BF#Text>
26. Resolution of the Cabinet of Ministers of Ukraine "On the provision of financial state support" No. 28 (2020). <https://zakon.rada.gov.ua/laws/show/28-2020-%D0%BF#Text>
27. Samohodskyy, I. (2022). Analysis of international experience and best practices regarding transparent and accountable restoration. USAID, 31 p.
28. Ukraine rapid damage and needs assessment. (2023). World Bank, the Government of Ukraine, the European Union, the United Nations. <https://ukraine.un.org/sites/default/files/2023-06/P1801740d1177f03c0ab180057556615497.pdf>
29. Umar, M., Riaz, Y., & Yousaf, I. (2022). Impact of Russian-Ukraine war on clean energy, conventional energy, and metal markets: Evidence from event study approach. *Resources Policy*, 79, 102966. <https://doi.org/10.1016/j.resourpol.2022.102966>
30. Williams, Andrew J. (2005). 'Restoration' before the Marshall Plan. *Review of International Studies*, 31(3), 546. <http://www.jstor.org/stable/40072088>

Чугунов І., Макогон В., Титарчук М., Ничик В., Грегуль В.

ФІНАНСОВЕ ЗАБЕЗПЕЧЕННЯ ВІДБУДОВИ ЕКОНОМІКИ УКРАЇНИ

Збереження фінансової та фінансової стабільності країн, підтримка економічного відновлення з метою створення умов для сталого зростання соціально інклюзивної економіки є стратегічним завданням державних інституцій в умовах воєнного стану. Незважаючи на непередбачуваність, із якою стикається Україна в умовах війни, важливо розробити конструктивний фінансовий інструмент для відновлення економіки країни вже зараз. В основу дослідження покладено гіпотезу про те, що визначення концептуальних засад фінансового забезпечення відновлення економіки України, підвищення рівня якості механізму управління фінансовими ризиками, мінімізація їх наслідків сприятимуть забезпеченню макрофінансової стабільності. Використані загальнонаукові та спеціальні методи, а саме: діалектичний, комплексного аналізу, наукового узагальнення, вибіркового, наукового абстрагування, економіко-статистичний. Розкрито положення щодо міжнародних фінансових інструментів для - відновлення економіки України. Проведено дослідження основних проблем у фінансовій сфері, які необхідно вирішити в контексті відновлення України. Розкрито особливості реалізації державних програм «Доступні кредити 5-7-9%» та «Доступний фінансовий лізинг 5-7-9%», які відіграють важливу роль у підтримці підприємницької діяльності та забезпеченні економічної безпеки країни як необхідної передумови для забезпечення фінансової стабільності та відновлення країни. Обґрунтовано, що формування цілісних підходів до фінансового забезпечення відновлення України, визначення заходів та критеріїв реалізації фінансової політики держави сприятиме вирішенню системних проблем, які постають перед державою на сьогодні. Важливими завданнями є: забезпечення фінансової та фінансової стабільності; нейтралізація впливу негативних факторів на фінансову систему; запобігання прихованому впливу капіталу; ефективно залучення та використання державних позик; запобігання легалізації доходів, одержаних незаконним шляхом; забезпечення раціонального розподілу та ефективного використання державних фінансових ресурсів.

Ключові слова: фінанси, фінансові ресурси, політика, економіка, відновлення, витрати, дефіцит

JEL Класифікація: E62, F36, G00, H56