
CONSEQUENCES OF THE WAR FOR THE ECONOMIC SECURITY OF UKRAINE

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Abstract *The article considers possible ways to restore the economy of Ukraine, based on the analysis of the destructive consequences of the war for the economy of Ukraine, proposals are made to strengthen economic security by its components. Systematized actions that have already been implemented by the state to support the economy of Ukraine and restore economic security. A set of measures to restore the Ukrainian economy based on economic security has been defined.*

Keywords: *economic security, war, consequences, state, international partners, ways of recovery, Ukrainian economics.*

Introduction

Russia's large-scale invasion of Ukraine has been ongoing since the morning of February 24. Russia denies that it is waging a war of aggression against Ukraine on its territory and calls it a "special operation" aimed at "demilitarization and denazification." The Kremlin has previously stated that during its so-called "operation" it will not touch civilians in Ukraine, instead it will fire at residential buildings, hospitals, kindergartens, schools and other civilian infrastructure, as there is a number of photo and video evidence and eyewitness accounts.

War at any time requires huge costs. The constant issue of financing the army and humanitarian issues in the conditions of a heavy burden on the country's budget and the banking system without reasonable decisions by the government and the help of partners can cause a real disaster.

The war takes on an incredible scale of destruction in infrastructure, industry, and the economy as a whole. As of April 11, the total losses of the Ukrainian economy due to the war range from 564 to 600 billion dollars. Some experts claim that the total economic losses of Ukraine in this war may reach the threshold of 1 trillion. dollars During the 47 days of Russian aggression in Ukraine, at least 23,000 kilometers of roads and 37,000 square meters of housing stock were damaged, destroyed or captured. 277 bridges and overpasses, 10 military airfields, 8 airports and 2 ports were affected (Yankovsky O., 2022)

Due to the war, Ukraine's GDP will decrease by 45% in 2022. This is stated in the forecast of the World Bank from April 10.

The purpose of this article is to analyze the damage caused to the Ukrainian economy and to determine ways to strengthen the economic security of the Ukrainian state. The main task, based on the analysis of the devastating consequences of the war for the economy of Ukraine, is to formulate proposals for strengthening economic security by its components.

Economic security is one of the most important components of national security, reflecting the causal relationship between the country's economic strength, its military and economic potential, and national security. This connection involves the conscious support in the state of certain proportions between the accumulation of gross domestic product and military construction. That is, economic security is a means of protecting the national interests of the state.

Along with the implementation of the policy of exiting the acute economic crisis, Ukraine must define a new, scientifically based strategy for economic security. It is about the activation of state support for the dynamic economic development of all economic entities, ensuring the guaranteed protection of national interests, and the implementation of socially oriented policies.

The essence of economic security is revealed in the system of criteria, indicators and threshold values. At the same time, first, it is necessary to classify threats. Threats to economic security are understood as factors that make it impossible or significantly complicate the process of realizing national interests, thereby creating a threat to the life support of the nation, its socio-economic and political systems. Identification of threats and their elimination should be priority elements of the state's economic policy.

Economic security can be assessed by an objective system of parameters, criteria and indicators that determine the critical values of the functioning of the economic system. The main ones are the level and quality of life of the population, the rate of inflation, the unemployment rate, macroeconomic indicators, the budget deficit and the state of ecology. The situation of economic security can be characterized as an ideal that should be approached. The main criterion of the economic security of the state is the ability of its national economy to maintain or quickly restore a critical level of social reproduction in the conditions of the termination of external supplies or crisis situations of an internal nature (Pustosviit R., 2016).

The concept of economic security should be formed considering all the diversity of factors and represent a set of internal and external conditions that contribute to the effective dynamic growth of the national economy, its ability to meet the needs of society, the state and the individual, and ensure the state's competitiveness in foreign markets. Economic security is ensured, first, by the efficiency of the economy itself, that is, the economy must protect itself on the basis of high labor productivity, product quality, competitiveness, etc. It should be provided by the entire system of state bodies, all links and structures of the economy.

Peace, as something more than the mere absence of war, does not appear out of nowhere. It must be acquired through skillful management of the consequences of war. But knowing what consequences to expect is important for success. The damage of war is usually expressed through the estimation of losses, erased economic potential and damage to the country's most important infrastructure. By these standards, the Kyiv School of Economics currently estimates such losses in Ukraine at 80.4 billion dollars, while they increase by 8 to 12 billion dollars every week. If the current Russian military concentration in eastern and southern Ukraine leads to an entrenched and protracted war, that figure will soon exceed the \$135 billion in current costs of the US-led Marshall Plan, which helped rebuild Europe after World War II, and the \$145 billion in reconstruction costs spent in Afghanistan (Yankovsky O., 2022).

Factors beyond the number of victims, economic shocks and infrastructure losses only increase the losses that have been obtained through traditional calculations. These include long-term development impacts in the form of forced displacement, the debilitating psychological effects of violence against ex-combatants and civilians, the punitive legacy of explosive remnants of war, and the loss of delayed education, health and livelihoods.

Economic consequences

Due to limitations in the collection of statistical data during the war, accurate data on economic activity are practically absent, but forecasts give Ukraine a drop in GDP in 2022 from -10% (IMF) to -35-40% (preliminary forecast of the Ukrainian government) provided that the occupied Russia will not expand its territories, and the active phase of the war will not last longer than a few months. Most think tanks, banks and rating agencies project their forecasts in this range.

Business activity stopped in the first weeks of the war, and is recovering very slowly. More than half of the member companies of the European Business Association in Ukraine stopped or suspended their activities during the war (57%). The situation is similar among small businesses. According to the survey of the Kyiv School of Economics (KSE) and the search company Gradus Research, about 39% of companies have stopped their activities and another 20% are practically inactive. A cautious recovery has been observed since mid-March when companies resumed operations in the relatively safe western and central regions. This wave intensified at the beginning of April after the liberation of Kyiv, Chernihiv and Sumy regions from Russian forces. (Tarasovsky Yu., 2022)

Export opportunities have been greatly reduced due to the blockade of Ukrainian ports by the Russian fleet, hostilities in the eastern and southern regions, and a large-scale logistical collapse. The Ministry of Economy reported in a press release about March exports in the amount of \$2.7 billion (50% of the February volume) and imports in the amount of \$1.8 billion (30% of the February volume). Iron ore accounted for a quarter of exports, while exports of metals almost stopped. The export of agricultural products decreased by four times compared to February (State Statistics Service, 2022).

Maritime logistics (62% of the total dollar value of goods exported in 2021) was effectively closed by Russia's blockade of seaports. Railway (12%) and road (23%) transportation were seriously hampered. Due to the mass evacuation of Ukrainians, traffic jams were formed on the western border and queues reached 5-6 days, numerous internal checkpoints delayed the movement of goods, and Ukrainian railways were overloaded with evacuation trains, leaving only a small space for commercial transportation. (Obukh V., 2022).

Imports decreased not only due to logistical problems and reduced demand, but also due to the ban on non-critical import operations introduced by the National Bank of Ukraine to avoid currency volatility. The import of only "critical goods" from a special list, as well as state operations, was allowed. Although the list of "critical goods" is gradually expanding, in the medium term consumer and investment demand will remain very depressed, preventing imports from recovering. (Ukraine returned to a negative foreign trade balance in April, 2022)

In the absence of a new large-scale escalation, the situation with export logistics should improve in April. As the initial response has passed and the wave of evacuations has subsided, road and rail transport should become more accessible for the export of commercial goods. However, the cost and duration of logistics will be significantly higher compared to last year.

Inflation data published by the State Statistics Service show a 4.5% increase in consumer prices in March compared to February. In annual terms, price growth is likely to be in the region of 15-20%. Currently, price increases are contained by administrative measures such as regulated prices for fuel, gas, heating and electricity, as well as a fixed exchange rate. With the gradual easing of restrictions, an increase in inflation is very possible. It will be caused by fuel and energy prices, an increase in production costs, a shortage of some goods,

including food products previously produced in the southern regions of Ukraine, as well as a significant easing of monetary policy, which is difficult to avoid under the current conditions. However, a significant decline in consumer demand caused by mass migration, falling incomes and a sharp change in consumer habits will put significant pressure on prices. (State Statistics Service, 2022).

Investments are frozen. New investments can only be related to relocation of production capacities of companies (more than 1,000 companies have applied for participation in the relevant state program), construction of housing for internally displaced persons, and state investments in the restoration of certain infrastructure facilities. Extremely high risks will deter significant private investment in new production capacity or modernization. The experience of the Donetsk and Luhansk regions of Ukraine, where Russian aggression began in 2014, shows that even under the conditions of a frozen conflict, without strong incentives and additional security guarantees, investments are unlikely to recover even in the horizon of several years.

The banking sector lost a significant portion of its assets in war-affected regions, as well as, according to preliminary estimates of several banks, 50-70% of the cash flow from loans (interest and repayment). Liquidity problems were successfully resolved by providing the NBU with blank refinancing loans. Before the end of the war, the norms of prudential regulation (requirements for capital, liquidity, credit risk) were abolished (Yankovsky O., 2022).

The devaluation of the currency was insignificant thanks to the lightning reaction of the National Bank of Ukraine. The official exchange rate immediately after the invasion was fixed at UAH 29.25/dollar. USA, and the immediate ban on transactions in foreign currencies eased the pressure on the hryvnia. The exchange rate of the black cash market at the beginning of April was 31-33 UAH/USD, within 10% of the official.

Damage to physical assets is difficult to assess while the war is ongoing. Hotspots are sometimes impossible to monitor, let alone investigate. For example, although it is known that a large proportion of buildings in Chernihiv, Sumy and Kharkiv were damaged, information about individual enterprises is extremely limited. Some asset owners prefer not to report that their assets are impaired (because their stocks/bonds are held overseas and they don't want to scare investors) or not impaired (they fear being the next target). Some objects are strategically important and access to information about their condition is limited. Some owners, on the contrary, exaggerate their losses in order to demand more compensation.

As of April 8, 2022, total physical damages were estimated at \$80 billion, as calculated by a consortium of the KSHE Institute (an analytical unit of the Kyiv School of Economics), the Center for Economic Strategy, the Anti-Corruption Headquarters, the Institute for Analytics and Advocacy, Transparency International Ukraine, and Prozorro.Sale. Most of this amount is for transport infrastructure such as roads, railways, bridges, ports and airports (\$39 billion) and housing (\$29 billion). About a hundred industrial enterprises were reported damaged or destroyed. (Modern threats to industrial safety in the Ukrainian industry, 2022).

In general, we distinguish two groups of damaged assets. The first group is collateral damage. The second group is strategic enterprises that were destroyed on purpose. This group mainly includes fuel supply enterprises (oil refineries and storage facilities) and military/defense production. The biggest assets on the list, metal producers, probably fall into both categories at the same time. We make this classification because we can expect further disruption based on either geographic or industrial allocation of assets (Table 1.)

Table 1. TOP-20 damaged industrial facilities and characteristics of their assets
Source: Gordiychuk D., 2022

An object	Location	Industry	Assets, \$ mln *
Ilyich Iron and Steel Works	Mariupol (Donetsk region)	Metallurgy	1,893
Azovstal Iron and Steel Works	Mariupol (Donetsk region)	Metallurgy	1 444
Ukrainian Energy Machines Antonov	Kharkiv Kyiv	Heavy industry Aircraft construction	417 385
Kremenchug Oil Refinery †	Kremenchuk (Poltava region)	Oil refinery	374
Avdiivka Coke Plant	Avdiivka (Donetsk region)	Coke	343
Odessa Oil Refinery	Odessa	Oil Refinery	171
Coca Cola Beverages Refinery †	Velikaya Dymarka (Kiev region)	Drinks	150
ZaryaMashproekt †	Nikolaev	Heavy industry	137
Linik	Lysychansk (Luhansk region)	Oil refinery	116
Монделіс Україна †	Trostanets (Sumy region)	Food industry	104
Plant im. Malysheva	Kharkiv	Defense industry	101
Vetropack Gostomel Glass Factory †	Gostomel (Kiev region)	Glass	92
Rubezhnysky Cardboard Factory	Rubezhnoye (Luhansk region)	Paper	82
Sumykhimprom	Amounts	Chemical industry	73
Zhytomyr Armored Plant	Zhytomyr	Defense Industry	72
Kharkiv Tractor Plant	Kharkiv	Vehicles	41
Popasnyansky Automobile Repair Plant	Popasna (Luhansk region)	Vehicles	40
Obio †	Zhytomyr	Insulation	28
Confectionery factory "Kharkivchanka" Kharkiv	Kharkov	Food industry	22

† Complete destruction or damage beyond repair

* Gross fixed capital, capital investments in progress and inventories as of the beginning of 2021

Metallurgy lost at least 30% of its assets. Azovstal and MMK Ilyich, the second and third largest metallurgical plants in Ukraine, respectively, and the Avdiiv Coke Plant, which complements them in the production chain, were at least badly damaged. Others, such as Ukraine's largest metallurgical plant ArcelorMittal Kryvyi Rih and Zaporizhstal, the fourth largest, were shut down to minimize losses in the event of shelling. Both plants are already gradually resuming production. Iron ore mining enterprises operate at 30-40% capacity, both for local processing (Kametstal, formerly DMK) and for export (2-3 million tons were reportedly exported by rail in March) (Gordeychuk D., 2022)

Fuel and energy. Damages in this sector were limited to the destruction of the Kremenchug Oil Refinery, some renewable energy facilities, electricity transmission and gas distribution networks. The oil refinery was the only working one in Ukraine and was an important source of cheap gasoline. Russia also deliberately attacked fuel storage facilities throughout Ukraine. As a result, fuel is now 100% imported (and from other countries, since Russia and Belarus used to be the biggest sources). Despite the horrific images of the attack on the Zaporizhzhya nuclear power plant, power generation is largely undamaged, except for a few thermal plants in the northeast. In the early days of the war, Ukraine disconnected from the Russian/Belarusian power system and connected to ENTSO-E, the single European electricity market (First victory on the energy front, 2022)

Agriculture. It is difficult to overestimate the importance of Ukraine for world food security. Ukraine is an important exporter of grain crops, i.e. wheat, corn, and barley. Ukraine is also the largest exporter of sunflower oil in the world. Some countries depend on Ukraine more than others: wheat imports from Ukraine are crucial for some countries in the Middle East, such as Egypt; the share of Ukraine in the total Chinese import of wheat flour is 44%, corn – 55%, sunflower oil – 59% (Yankovsky O., 2022).

Ukrainian agricultural exports, which are heavily dependent on sea transport, are almost at a standstill due to the Russian blockade of Ukrainian ports on the Black and Azov seas. Now that the railways are the only viable option, the volume of possible exports is only 0.6 million tons per month (from pre-war 5-6 million tons), although investment in transport infrastructure could allow this volume to increase.

Ukrainian agriculture is a direct victim of Russian aggression, as hostilities often take place in Ukrainian fields and on Ukrainian farms. There is a widespread problem of soil contamination by unexploded ordnance, improvised explosive devices and spilled fuel. But the biggest problem is definitely landmines. According to the latest estimates, about 13% of the territory of Ukraine has been mined by the Russians. Russian troops use remote demining systems "Zemledelie", which are designed for the rapid installation of mines in large areas and pose a great danger to farmers and their equipment (Kurpita T., 2022).

This is a global food security issue, as the regions affected by the Russian invasion play an important role in the country's agriculture. In 2021, the share of these regions in the production of wheat in Ukraine was 38%, corn – 34%, barley – 43%, sunflower seeds – 49%. There is a risk of a protracted war in the Kharkiv, Luhansk, Donetsk, Zaporizhzhya and Kherson regions – their share of wheat production is 23%, corn – 3%, barley – 21%, sunflower seeds – 20%. (Kholodnova A. 2022).

Russian marauders steal Ukrainian agricultural equipment and send it to Russia. In temporarily occupied territories, Russians often shoot farm animals before retreating. This will greatly complicate the post-war recovery for farmers in the affected regions.

Government support

Measures to restore the economy and increase the level of economic security must begin right now. Moreover, some first steps have already been taken.

Tax policy measures were introduced with the publicly announced goal of reducing the fiscal burden on business and the administrative burden on both business and state tax and customs authorities. However, the de facto transition of most enterprises to a simplified taxation system together with a significant reduction in other taxes will significantly reduce budget revenues. (Derevjanko A. 2022)

On March 17, 2022, the first package of amendments to the Tax and Customs Codes and 13 other related laws entered into force.

The key change was the extension of the possibility of switching to the Simplified Tax System (STS) to medium-sized and most large enterprises:

- increased the annual income limit for group 3 from 7.5 million to 10 billion hryvnias. Later, in the second package (see below), the limits were removed completely, and now any company can switch to STS;
- the single tax rate was reduced from 5% to 2%;
- removed restrictions on types of economic activity (except excise goods and gambling business).

Therefore, enterprises on the general taxation system got the opportunity to pay a tax of 2% of turnover instead of VAT (20%) and income tax (18%).

The Verkhovna Rada voted on the second package of amendments to the laws for the period of martial law on March 24, 2022. On April 5, 2022, the law was signed by the President of Ukraine. Deputies canceled customs duties on all goods, except for those imported from Russia, Belarus and temporarily occupied territories, and also introduced VAT-free imports for enterprises in the STS. The requirement to obtain all import permits: sanitary, environmental, etc., was also canceled. These changes confirm earlier assumptions about possible problems with the functioning of tax systems (The rear works – Ukraine is at war, 2022).

All subjects who are on the simplified taxation scheme were exempted from paying VAT and the income limit for the 3rd group of STS was removed. Such changes create incentives for most business entities (except those receiving VAT export refunds and those with a high share of VAT in costs) to switch to a simplified taxation system. As of April 1, 2022, 150,000 enterprises, including 30,000 legal entities, out of 1.2 million registered in Ukraine as of the beginning of 2022, submitted applications for the transition to STS. It should be noted that in this total number, a large share is made up of natural persons-entrepreneurs who have previously applied STS. (Tarasovsky Yu., 2022)

In addition to land tax, residential property tax liability requirements for properties in combat zones have been suspended. Another significant innovation is that local authorities have gained the right to introduce local taxes and to increase or decrease existing local taxes. We consider this a positive change, allowing local authorities to take into account the needs of local budgets, economic conditions and business activity, which are rapidly changing with changes in the military environment and the mass movement of citizens and businesses.

On 17.03.2022 the government announced a business relocation program, pledging to provide free relocation, necessary production facilities and help with the relocation of employees.

The five western regions also offer regional relocation programs. As of March 28, 2022, the Ministry of Economy received 1,164 applications for relocation, 108 enterprises were relocated, 50 are in the process, and 377 new business locations were found. Some of the relocated enterprises were quite large (140 wagons were needed to move one of them). In addition to official obligations, the ministry helped enterprises in connecting to engineering networks and even in finding customers.

The government also approved a few programs aimed at financial support of businesses through bank loans.

1. The expanded "5-7-9%" program – all previously established businesses, most of beneficiaries are Ukrainians, can receive up to UAH 60 million at an interest rate of 0%, which will be increased to 5% after the war. Investment loans and refinancing loans are issued for a term of up to 5 years and working capital financing is available for a term of up to 3 years.

2. Partial state guarantees for Ukrainian banks for SME loan portfolios (up to 80% of the total value).

3. Compensation of interest rates on loans (up to UAH 50 million) for small and medium-sized agricultural businesses (annual turnover up to EUR 20 million) for the sowing campaign.

4. The export credit agency is authorized to provide credit to Ukrainian exporters, which allows to reduce the cost of financing. The ministries have also created or initiated several platforms: to help food retailers find regional suppliers, to coordinate producers and retailers

with military-civilian administrations and international organizations, urgent financial assistance for planting, and others. (The rear works – Ukraine is at war, 2022)

The reaction of the National Bank was a quick reaction to the increased risks of currency and capital outflow. The NBU did its job brilliantly, and even at the height of the war, the Ukrainian banking system continues to work.

On February 24, 2022, the NBU decided¹⁵ to revoke the license of russian state-owned banks – two banks (subsidiaries of russian Sberbank and Vnesheconombank) were closed. Other banks owned by russian individuals (Alfa Bank, Forward Bank, PIN Bank) are awaiting a decision on their fate. Possible scenarios range from a temporary change of bank management to the nationalization of banks.

The NBU also froze all transactions with the state debt, except for the transactions of the Ministry of Finance and the NBU and some other transactions. All cross-border payments, including imports and dividends, were prohibited, except for government and those with special permission.

The NBU's foreign exchange reserves even slightly increased in March – from \$27.6 billion to \$28.1 billion. Cash withdrawal for amounts over UAH 100,000. and any cash withdrawals in foreign currency were immediately restricted. The latter was eased first on March 1, when daily withdrawals of the equivalent of UAH 30,000 (about \$1,000) were allowed, and then on March 21, when the limit was increased to UAH 100,000, as the panic subsided and the influx of foreign aid supported the hryvnia. Also recently, the Verkhovna Rada voted for a full guarantee of all deposits of individuals in Ukraine, including those exceeding the limit of UAH 200,000, in order to increase the liquidity of the banking system. To support the liquidity of Ukrainian banks, the NBU opened unlimited blank refinancing loans. (The rear works – Ukraine is at war, 2022)

From February 24 to April 7, such loans were issued for UAH 137 billion. Non-cash banking operations were not restricted, and the NBU, together with Ukrainian banks, managed to prevent panic and preserve the operation of the electronic payment system. When banks' foreign operations and transactions with related parties were strictly limited, prudential and reporting standards were dramatically relaxed.

In order for the system to work, the NBU removed sanctions for violations of capital requirements, liquidity and credit risk standards, currency position restrictions and reporting. At the same time, these violations must be explained, and resilience and recovery plans must be provided to the NBU within 14 working days. All measures of macroprudential regulation, including the assessment of bank stability and reserve management, were postponed until the end of the war. After the war, the problems of the banking sector will become one of the key obstacles to the recovery of the economy, as well as a challenge to the legalization of losses. Individuals and companies that have lost their assets and banks that have lost their collateral should be able to sue the aggressor instead of resolving the issue domestically, and this should be done in a government-controlled and supported manner.

Ways to strengthen economic security and restore the economy of Ukraine

A comprehensive description of the consequences of the war must now begin. These raw data can be updated over time, but understanding and anticipating the full impact of war (beyond calculating infrastructure damage) is a prerequisite for achieving peace. A good starting point would be to resume the joint efforts of the United Nations, the European Union, and the World Bank, which produced a comprehensive Assessment of Ukraine's Recovery and Peacebuilding in 2015. It will be time-consuming, difficult and necessary.

The recently created Fund for the Restoration of Ukraine, which is headed by the Prime Minister of Ukraine, Denys Shmyhal, needs technical knowledge to achieve its goals. Although no resources have yet been committed to the creation of this fund, it will help bring in the expertise and analysis needed to identify necessary reforms (in line with Ukraine's application to join the European Union), develop recovery plans, and coordinate domestic requests for assistance. This will help keep the Ukrainian government in a leading position with the identification of priorities for recovery and reconstruction. In parallel with the World Bank, the existing mechanism of the multi-donor trust fund in the country should be divided into two parts. One window should continue to receive and manage foreign funds that support Ukraine's linear budget commitments to continue government payments and services. Another window should be managed by an independent secretariat, which will include Ukrainian and international partners, who will manage the significant foreign aid needed to rebuild Ukraine. If properly designed, this second window can function in a similar way to the successful Economic Cooperation Administration (ECA) that managed the Marshall Plan, providing critical support to the Ukrainian government's priorities without the delays associated with working through the Ukrainian Treasury. (Reconstruction of Ukraine after the war, 2022)

Coordinating efforts is one of the biggest challenges in the post-war environment, as evidenced by the ill-conceived aid provided in post-conflict Sierra Leone, Liberia, the Democratic Republic of the Congo, Iraq and Afghanistan. Germany recently proposed the creation of a multi-stakeholder integrated response center that would be based in Poland and work with Ukrainian authorities to assist in post-war planning, provide ongoing technical assessments, prioritize response options and monitor recovery operations in hundreds of implementing organizations. It is an ambitious scheme conceived against the backdrop of hard lessons learned from previous post-war actions. This can work if bilateral donors can overcome their own barriers to participation.

Transparent and efficient contractual mechanisms for their use can now be developed, if conditions permit. The Center for Economic Policy Research recommends open contracts (with publicly available documentation), framework agreements (using pre-qualified and vetted suppliers), fixed-price contracts (with clear timelines, specifications, and deliverables), and whistleblower protections as measures to reassure donors and citizens through problems of corruption. Formulating these tools and safeguards is time-consuming and best done long before the pressure to respond to such challenges narrows the careful consideration of effective postwar procurement options. (Zanyda A., 2022)

Finally, one should not underestimate the power of self-organization and the important role played by public figures and professional media in the recovery of Ukraine. In addition to the responsibilities of those implementing recovery and reconstruction, clear and consistent information about the Ukrainian government's vision for recovery, rehabilitation priorities, timelines, compensation mechanisms, and access to services is extremely important for traumatized populations, many of whom make the most important decisions while living in the rubble of war. Community groups play a similar role in sharing information with local and national authorities about conditions, challenges and response options. The importance of these actors is often overlooked by governments and donors who are fixated on large-scale reconstruction. However, identifying new, effective community groups and supporting existing networks in advance of any resolution of hostilities helps ensure that their stabilizing influence is fully available when recovery begins.

As Russian forces continue to advance into eastern and southern Ukraine, the need to prepare for an end to the war may seem premature. But such scenarios rarely happen completely and immediately, the remnants of war can tear societies apart long after the

hostilities have ended. Making peace out of war is as much a result of resisting aggression as it is of the heroic effort required to prepare for and endure its consequences. One of the most famous poets of Ukrainian literature, Lesya Ukrainka, wrote: "He who has not lived in the midst of a storm does not know the price of strength." Knowing the fury of the storm, we understand how much power is needed.

Also, international financial support of our state helps us resolutely resist the enemy. On March 20, the Prime Minister announced that Ukraine will receive money not only from the EBRD, but also \$3 billion from the World Bank. On April 8, the European Commission granted Ukraine a grant in the amount of 120 million euros as part of the general package of emergency financial assistance to Ukraine, the Ministry of Finance reports. (Zinovieva S., 2022)

Any war ends and now you need to think about the future. The international community and Ukrainian government officials are already thinking about a plan to restore Ukraine and sources of funding. In an interview with the BBC, Prime Minister Denys Shmyhal said that after the end of the war with Russia, Ukraine is counting on three sources for the country's recovery:

- confiscation of assets of the aggressor country on the territory of all civilized countries,
- support of financial organizations and international partners,
- charitable contributions of international corporations and citizens.

A three-stage recovery plan for Ukraine called U-24 is also being developed. The plan includes 3 renewal stages. The 1st stage is already underway, the restoration of destroyed objects is temporary, efficient and fast. The 2nd stage of rapid recovery after the end of hostilities. It includes the restoration of water and electricity supplies in the devastated areas. The third stage is a complete renewal of cities, infrastructure and the country as a whole (Reconstruction of Ukraine after the war, 2022).

Conclusions

So, many trials fell on Ukrainians and independent Ukraine, but our nation, united and sovereign, was born in such a terrible and deadly way. Today, we can only observe the new destruction of industrial and infrastructure facilities, residential buildings, we can only guess at the amount of damage caused by terrorists, and we cannot predict what other destruction the crazy enemy is ready to cause us. But most importantly, we see how this enemy causes irreparable losses – kills people.

A war against an external aggressor is always a struggle for the country's political and economic independence. The main task of Ukraine now is to intensify economic processes. In particular, focus on supporting production, transferring it to relatively safe regions. In launching and supporting the economy today, the government and international partners of Ukraine play a very important role, because the challenges for the economy are enormous. An extremely important task is to attract the maximum number of able-bodied population to work. As the experience of countries that have survived military conflicts shows, the most successful is work based on the principle of public-private partnership, which allows business to be involved in targeted projects of economic stabilization and infrastructure restoration.

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