DOI https://doi.org/10.30525/978-9934-26-390-3-16

POST-WAR RECONSTRUCTION IN UKRAINE WITHIN CORPORATE FINANCE FRAMEWORK: UN SDG ASPECT

Glib Aleksin

INTRODUCTION

Under volatile modern context of global economic development, the UN Sustainable Development Goals (SDGs) emerged as a universal incentive for economic agents and a framework for their behavior. The 17 goals established in 2015 are highlighted, aimed at solving the most urgent issues, in particular, poverty, climate change, overcoming hunger, and improving the environment. The broad coverage of the SDGs underlines the context of the transition to sustainable and inclusive economic growth. At the same time, this change in the paradigm of economic development affected not only the state policy in the field of social programs, but also significantly influenced the development of corporate finance in the field of stimulating sustainable economic development. Corporate finance, which has traditionally focused on maximizing the value created for stakeholders, is increasingly applying a toolkit of goals and approaches to achieving sustainable development. This is confirmed by the growing trend of applying ESG criteria and corporate social responsibility ratings in the formation of micro-level financial decisions. The integration of SDGs into the strategy of corporate finance means adopting approaches regarding implementation of projects based on the SDGs. Besides, that poses a need for integration of the SDGs into the framework for financial management decisions in the tasks of implementing projects with a significant social component, as well as basing on the SDGs in the formation of financial communication with stakeholders (investors, shareholders, international financial institutions, others). Accordingly, the task of researching the intersection of policy and corporate finance arises the issue of embedding these global goals into the structure of management decision-making and interaction with the financial market infrastructure to attract financing and other resources on a competitive basis for projects with a significant social component. Such a project is the post-war reconstruction in Ukraine. As a result, all these factors determine the significant relevance of this direction of research. Given the sheer scope of this research issue, to further examine and broaden the scope of this study, this research elaborates on the findings and method from author's previously published research[1] [2] [3] [4], adding an aspect of employing criteria of Impact Finance and UN SDGs to solving issues of planning, financing, implementing, realizing long-term value for both micro- and macro-level stakeholders of complex risky projects, such as post-war reconstruction in Ukraine.

1. Ambiguity of post-war reconstruction in Ukraine

One of the most crucial tasks for the medium- and long-term prospects of key stakeholder groups in Ukraine of both micro- and macro-level is the post-war reconstruction, and economic recovery associated with that. Apart from being a prerequisite of infrastructure restoration to support the operations of economic agents at both the micro- and macro-level, the post-war reconstruction effectiveness, and its ability to produce sustainable results will also be used as a yardstick by exogenous stakeholders (both international donors, and industrial or financial businesses) to assess the way they perceive future of relations with Ukraine. Among other things, the interests of police needs (macro-level) and stakeholder-needs (micro-level) are outlined in such areas as:

1. Supporting return of Ukrainian citizens back to Ukraine as a long-term residence with an intention purpose of partial or full employment.

2. Stimulating Ukrainian households' investment in small business or long-term assets (construction or improvement of housing, purchase of land, etc.).

3. Rationalizing both Ukrainian and international corporate sector decisions regarding investments in capital investments and R&D in Ukraine for future economic recovery.

---

[1] Aleksin G. The role of the investment banking institute in the post-war recovery of the economy. *Economy and Society*. 2023. № 53. DOI: https://doi.org/10.32782/2524-0072/2023-53-39 (in Ukrainian)

[2] Aleksin G. Stakeholder approach to the post-war recovery of Ukraine's economy. Globalization challenges: governance of the future (26-27 April 2023). NDI PUDS KNU 2023. P. 157–158. Available at: https://www.researchgate.net/publication/373096591_Stakeholder_Approach_to_Post-war_Reconstruction_of_Ukraine (in Ukrainian)

[3] Aleksin G. Cross-functional methodology for assessing the loss for Ukraine's corporate sector due to russian armed aggression in Ukraine. Interdisciplinary research: scientific horizons and perspectives: collection of scientific papers «SCIENTIA» with Proceedings of the V International Scientific and Theoretical Conference, April 21, 2023. Vilnius, Republic of Lithuania: European Scientific Platform. P. 17–19. Available at: https://www.researchgate.net/publication/370183844_CROSS-FUNCTIONAL_METHODOLOGY_FOR_ASSESSING_THE_LOSS_FOR_UKRAINE'S_CORPORATE_SECTOR_DUE_TO_RUSSIAN_ARMED_AGGRESSION_IN_UKRAINE

[4] Aleksin G. Company Financial Strategy`s Instituonalization: Theoretical Aspects. *Scientific Bulletin of National Academy of Statistics, Accounting and Audit*. 2022. № 3-4. P. 87–93. DOI: https://doi.org/10.31767/nasoa.3-4-2022.09

4. Ensuring stability of the flow of direct foreign investments to Ukraine in terms of post-war reconstruction.

5. Supporting sustainability of economic and social prospective growth in Ukraine and its support through adequate goal setting, etc.

Meanwhile, a state of ambiguity has emerged in relation to a specific post-war reconstruction strategy in Ukraine. Conspicuous absence of the strategic framework, which consists of specific priorities and methods for achieving them, will result in low implementation effectiveness and weak post-war reconstruction outcomes since it will not be sufficiently integrated into the needs of Ukrainian society, the global economy, or the contemporary international division of labor. Looking back, as of mid-2023, several multi-directional plans that were based on the suggested strategic framework below were released every three to six months, namely:

– “Green technologies and new construction technologies” (July 2022, Lugano conference)[5];

– “Critical reconstruction... of a new foundation for people's lives” (October 2022, Berlin conference of experts on reconstruction, recovery and modernization)[6];

– “New economic model as a resource center of Europe” (April 2023, Kyiv, “Ukraine Reform Architecture” project held by Cabinet of Ministers of Ukraine, EU, EBRD)[7].

These plans – or rather public statements on communication platforms with donors – generated by Ukrainian officials differ not only in the precise priorities and criteria that should be used to determine how financing for the plan's implementation should be allocated, but also in the order of implementation, public priorities and goals, etc. That suggests that there may be some ambiguity regarding the goals and outcomes of the post-war reconstruction plan. However, the reconstruction priorities are more important than the precise amount of damage – all of them stating that stability sand self-sufficiency will be the foundation for Ukraine's economy's long-term recovery and will prevent the reintroduction of both exogenous and endogenous threats to Ukraine. Considering that the actualized losses in this context will vary in real time due to the unpredictable nature of the Russian attacks and the

---

[5] Suspilne Novyny. 4 July 2022. Available at: https://suspilne.media/256982-plan-vidbudovi-ukraini-mistit-24-tomi-so-vin-peredbacae/ (accessed December 20, 2023). (in Ukrainian)

[6] Suspilne Novyny. 25 October 2022. Available at: https://suspilne.media/302508-ukraina-negajno-potrebue-17-mlrd-dolariv-na-kriticnu-infrastrukturu-zelenskij/ (accessed December 20, 2023). (in Ukrainian)

[7] Material of the Communications Department of the Secretariat of the Cabinet of Ministers of Ukraine. 17 April 2023. Available at: https://www.kmu.gov.ua/news/premier-ministr-ofis-reform-ta-iebrr-obhovoryly-spivpratsiu-u-vidnovlenni-ta-vprovadzhenni-reform (accessed December 20, 2023). (in Ukrainian)

destruction they produce, and they will not be constant in any of the plans, even if an efficient real-time toolkit for tracking and assessing damage is established. As a result, the primary goal should not be to determine how much funds to allocate or how best to use the financing available (which in any case will not be sufficient due to sheer scope of destruction in both direct and indirect losses). Rather, there is a need to establish precise standards and a rigorous framework for evaluating the requirements for post-war reconstruction considering national priorities and the requirements of key stakeholders, the key among them being the Ukrainian nation.

Numerous earlier relevant research papers support this claim. Galtung and Tisne [8] observe that the post-war reconstruction of other nations past experiences suggests that citizens are largely dissatisfied with the actual outcomes of these programs' execution. The active participation of residents in the entire post-war reconstruction process, according to the researchers, serves as a safeguard against such an unfavorable outcome. This includes private citizen initiative as well as the establishment of a local community control and monitoring institute. Galtung and Tisne stress the significance of local community management and monitoring as a powerful lever for attaining excellent post-war reconstruction outcomes. This concept is developed by Sadiqi, Trigunarsyah, and Coffey[9] in terms of how people' lack of participation as important stakeholders in the post-war reconstruction environment results in poor plan implementation. It is underscored that, in the instance of Afghanistan in the 2000s–2010s, local communities and households, already deprived because of military aggression, were really left out of the formulation of post-war reconstruction priorities and directions. In this regard, Guttal[10] advises relying on civil society organizations to establish a strong link between the post-war reconstruction plan and the citizens' perspective as major players. As a result, the post-war reconstruction plan's stakeholder-oriented relationship will be effectively framed by this governance toolset, allowing for supreme long-term outcomes.

Hence, there is a need for an adequate governance structure aimed at supporting post-war reconstruction plan implementation and sustainable operation at post-implementation stage. In this regard, Anand[11] focuses on the

---

[8] Galtung F., Tisne M. A New Approach to Postwar Reconstruction. *Journal of Democracy*. 2009. № 20(4). P. 93–107.

[9] Sadiqi Z., Trigunarsyah B., Coffey V. Community participation in post-disaster reconstruction. *Proceedings of the Institution of Civil Engineers*. 2016. № 169(3). P. 173–186.

[10] Guttal S. The Politics of Post-war / Post-Conflict Reconstruction. *Development*. 2005. № 48(3). P. 73–81.

[11] Anand P. B. Getting Infrastructure Priorities Right in Post-Conflict Reconstruction. *WIDER Research Paper Series*. 2005. № 42. P. 1–22.

vital role that social and institutional infrastructure development plays in reconstruction efforts following a war.

Anand emphasizes the “hard” (physical) and “soft” (social and institutional) aspects of infrastructure reconstruction in post-war environments, highlighting the difficulties and complexities involved. Important details consist of:

– *Physical and socioeconomic infrastructure's role in post-war reconstruction*: Although physical infrastructure is crucial for maintaining recovery, war frequently seriously harms socioeconomic infrastructure which is essential for long-term success of the reconstruction plan. Beyond just repairing physical structures, rebuilding also entails reestablishing social institutions and communal capabilities;

– *Policy tensions*: post-war reconstruction has difficulties, including declining trust, rising transaction costs, and degradation of governance. These issues influence the expenses and efficiency of infrastructure providing. The competing interests of long-term sustainable development and quick recovery have to be managed by policymakers;

– *Evaluation of infrastructure policies*: another critical success factor is a system for assessing infrastructure policies according to how they affect poverty alleviation, active war avoidance, and governance reconstruction. This framework aids in determining the best post-war reconstruction techniques.

– *Local community engagement*: there is a significant role of incorporating local communities and ensuring horizontal equity in participatory community response to post-war reconstruction initiatives. This entails integrating various local viewpoints into the restoration process as well as addressing socioeconomic and gender inequalities;

– *Long-term vision and accountability*: It is essential to have a well-defined long-term vision and to make sure that post-war reconstruction efforts are held accountable. This entails striking a balance between the creation of long-term institutions and policies and the pressing need for reconstruction.

Hence, Anand offers a thorough examination of the intricate nature and crucial role that infrastructure development plays in post-war reconstruction. It emphasized how crucial it is to take a balanced strategy that prioritizes local participation, equity, and accountability while addressing both the short-term recovery requirements and long-term sustainable development.

Ukrainians' confidence in a number a of institutions changed significantly in 2023 according to research by Kyiv International Institute of Sociology[12].

[12] Dynamics of trust in social institutions in 2021-2023. Kyiv International Institute of Sociology. 2023. Available at: https://www.kiis.com.ua/?lang=ukr&cat=reports&id=1335&page=1 (accessed December 20, 2023).

96% of Ukrainians expressed confidence in the Ukrainian Armed Forces in December 2022 and December 2023, indicating that this institution continued to experience high levels of trust throughout the year. Nonetheless, there was a discernible decline in public confidence in the institutions of the central government. There was a decrease in trust in these institutions between May 2022 and October 2023. Confidence in the government dropped from 74% to 39%, in the parliament from 58% to 21%, and in the president from 91% to 76%. Trust in the president had dropped to 62% by the end of 2023, to 26% in the government, and to 15% in the parliament. These numbers show that while Ukrainians continue to hold the military in high regard, their trust in the national government and legislative branches is eroding. That aspect poses a significant barrier in terms of supporting long-lasting sustainable post-war reconstruction in Ukraine, justifying need for complex non-standard approaches to ensure long-term value creation at both micro- and macro-level.

2. Multidisciplinary approach for supporting post-war reconstruction in Ukraine

The actual extent of the damage incurred and the requirements for post-war economic recovery make it imperative under current circumstances to assess losses for micro-level economic agents (i.e., the corporate sector) in Ukraine due to Russian armed aggression. Assessing the volume of losses incurred by the sector due to significant uncertainty is subject to volatility. This uncertainty is comprised of several aspects:

1. Inadequate method for determining the volume of post-war reconstruction that will be required, based on the demands of Ukraine's post-war economy, which is made extremely difficult by the absence of a suitable government-level strategic plan in this regard.

2. Need for a benchmark to determine the amount of funding required for the economic recovery of Ukrainian businesses that have suffered damage from Russian armed aggression; that is necessary for cross-referencing and sanity checks because of the extent of the destruction and its far-reaching effects, which go beyond the loss of fixed assets to include loss of contracts, reputation, logistical chain damage, etc.

3. Ambiguity in choosing a method for evaluating the damage caused by Russian armed aggression: expanding the assessment of losses by the amount of damage to Intangible Assets’ assessment methodology (e.g., the destruction of established business ties, settled logistic chains, and historically upheld business partner's reputation, etc.) under the Stakeholder Approach and Value-Creation Paradigm, or assessing the caused damage to Ukrainian corporate sector through the Cost Approach under Valuation methodology.

Hence, usage of a multidisciplinary approach could be suggested to create a method for estimating the degree of damage caused by Russian military aggression in Ukraine. The goal of this approach is to utilize methods that have been adopted by international institutions[13] [14], government agencies[15], think tanks, and consultancies[16] [17] for evaluating the damage caused by a natural disaster or epidemic. Several justifications are offered to support this strategy. First, the goals of the techniques for evaluating the damage incurred by economic agents are the same for both armed aggression and natural disasters[18] [19].

These include figuring out how much funding is needed and selecting a project financing strategy, followed by monitoring and oversight of the project's execution. Second, there are more similarities than differences in the instruments used to secure funding, carry out the project for economic recovery, and oversee and monitor the project's execution. That proposition is supported through outlining the essential features of economic agents' recovery plans derived from the aftermath of a pandemic or natural disaster:

– Heavy reliance on external financing sources for economic recovery;

– Need to raise financing at low rates and attractive conditions;

– Necessity for maintaining macro- and microeconomic stability during the recovery from the shock to the country's economy.

It is important to emphasize that all the above-mentioned reconstruction projects have this list of systematic and structural characteristics, which applies to both armed aggression and natural disasters or pandemics. Planning

---

[13] UN Crisis Prevention and Recovery Report 2008. UN. 2008. Available at: https://www.undp.org/sites/g/files/zskgke326/files/migration/tr/Post_Conflict_Economic_Recovery_Report.pdf (accessed December 20, 2023).

[14] OECD Workshop on Institution-Building for Post-Conflict Recovery. OECD. 2021. Available at: https://www.oecd.org/mena/governance/Agenda-institution-building-workshop.pdf (accessed December 20, 2023).

[15] UK Government Knowledge, Evidence and Learning for Development K4D Programme. Post-Conflict Reconstruction Good Practices. K4D. 2018. Available at: https://assets.publishing.service.gov.uk/media/5c6bdb23ed915d4a343cb9dd/494_Good_Practice_in_Post-Conflict_Reconstruction.pdf (accessed December 20, 2023).

[16] Onder H. Wanted: Economic principles for post-conflict recovery. Brookings Institution. 2021. Available at: https://www.brookings.edu/blog/future-development/2021/02/16/wanted-economic-principles-for-post-conflict-recovery/ (accessed December 20, 2023).

[17] Post-War Reconstruction: Case Studies. KPMG Ukraine. 2021. Available at: https://kpmg.com/ua/en/home/insights/2022/12/post-war-reconstruction-of-economy-case-studies.html (accessed December 20, 2023).

[18] Lisicki B. Impairment of Assets and Market Reaction during COVID-19 Pandemic on the Example of WSE. *Risks*. 2021. № 9(183). P. 1–21. DOI: https://doi.org/10.3390/risks9100183

[19] Paudel D., Rankin K.N., Billon P.L. Lucrative Disaster: Financialization, Accumulation and Postearthquake Reconstruction in Nepal. *Economic Geography*. 2020. № 96(2). P. 137–160. DOI: https://doi.org/10.1080/00130095.2020.1722635

and executing a reconstruction program in response to armed aggression must, however, also consider fundamental state reforms in Ukraine (i.e., judicial reform, administrative reform, etc.) that guarantee the long-term viability of the outcomes attained[20]. Therefore, a crucial element for long-term success in the financing and execution of post-war reconstruction programs is the Rule of Law component.

Given the complexity of the post-war economic recovery activities, it is crucial to highlight several fundamental ideas to provide a framework for evaluating the damage incurred. This method is predicated on several analytical blocks, the application of which is within the Managerial Economics and Controlling paradigm. It is imperative to stress that the efficacy of these blocks will depend on its usage in combination, yet not in its individual application. These blocks will encompass Top-Down and Bottom-Up approach, laborated further.

Top-Down approach: under this paradigm policy analysts have to trace a line of action from specific company-level losses to national priorities in the economic recovery following armed aggression. This method makes it simpler to assess the losses and required funding. Moreover, the implementation of a Top-Down approach facilitates a more coherent and systematic approach to the economic recovery initiative. Using the Top-Down approach – to transfer from the macro-level to the micro-level – has the added benefit of providing greater justification for structural reforms, which are essential for a successful economic recovery and long-lasting outcomes. Using positive externalities and macro-level results for stakeholder groups, the Top-Down strategy correlates to the macro-level block of funding program for the economic recovery project.

Bottom-Up approach: this instrument allows policy analysts to evaluate individual losses for each organization, beginning at the micro-level and working their way up to the macro-level to total the damage incurred. The Bottom-Up approach provides greater justification for the funding allocation in the form of concrete data at the individual company level, which is more detailed in the best meaning of the word. Regarding company-level results and stakeholder value, this is the micro-level block of the finance program for the economic recovery project. The stakeholder method functions as a coherent mind map and integrates both macro- and micro-level considerations. Using a stakeholder approach is crucial to recognizing value losses that occur through value chains that extend far beyond asset damage, such as loss of contracts, discontinuation of logistic chains, and reputational damage to businesses. It is

---

[20] Del Castillo G., Bunche R.J. Economic Reconstruction and Reforms in Post-Conflict Countries. *Oxford University Press eBooks.* 2016. P. 51–71. DOI: https://doi.org/10.1093/acprof:oso/9780198757276.003.0004

necessary to describe both general and specific blocks when developing and implementing a finance program for an economic recovery project. The best practices for organizing and carrying out finance schemes for natural disasters and pandemics are incorporated into the General block. The Specific block, on the other hand, focuses on the structural reforms element that is necessary for long-lasting outcomes. Considering the unique circumstances surrounding the business sector's economic recovery in Ukraine because of Russian military aggression, a cross-disciplinary approach is probably the most practical choice for a funding program.

That is essential to include variables representing various in a regression model devoted to post-war rebuilding to examine their influence on the reconstruction process[21]. The following variables are recommended for each kind of capital, i.e., 1. Financial capital, 2. Human capital, 3. Physical capital, 4. Social capital, 5. Intellectual capital. List of variables for each of these types of capital is outlined in Table 1.

Table 1

Variables for a regression model on factors impacting post-war reconstruction in Ukraine

Variable	*Comments*
Financial capital (FINCAP)	
X1: Government spending on post-war reconstruction	– total amount of funding allotted by government for post-war reconstruction
X2: Foreign loans and aid from government sector	– total amount of loans and financial assistance obtained from international organizations or governments abroad for post-war reconstruction
X3: Investment and aid from the private sector	– funds allocated to post-war reconstruction initiatives by the private sector
X4: Access to financing	– constraints for economic agents to obtain loans and financial services
Human capital (HUMCAP)	
X5: Education level	– average number of years of education or the proportion of the population having a secondary or higher education
X6: Healthcare access	– number of healthcare facilities per capita

[21] Goodwin N. Five Kinds of Capital: Useful Concepts for Sustainable Development. *Global Development and Environment Institute Working Paper Series*. 2003. № 03-07. P. 1–11. Available at: https://core.ac.uk/download/pdf/7051857.pdf

X7: Quality of employment	– stability of employment determined as a an employee turnover
Physical Capital (PHYSCAP)	
X8: Infrastructure development	– quantity of rebuilt infrastructure expressed in kilometers of erected housing units, highways, etc.
X9: Utility restoration	– extent to which vital utilities, such as telecommunications, water supply, and electricity, have been restored
X10: Imports of capital goods	– amount or value of machinery and equipment brought in for post-war reconstruction project
X11: Damage assessment	– actual physical harm to important assets and infrastructure
Social capital (SOCCAP)	
X12: Community engagement in post-war reconstruction	– degree of local community involvement in post-war reconstruction initiatives
X13: Social cohesion and trust	– level cohesion and trust among communities (through qualitative and quantitative social research)
X14: NGO involvement in post-war reconstruction	– number of community-based and non-governmental organizations (CBOs) and NGOs that are actively involved in the reconstruction process
X15: Social network density	– quantifications of social networks' strength and density (via surveys or social media analysis)
Intellectual capital (INTCAP)	
X16: R&D for post-war reconstruction	– quantity of inventions or patents filed pertaining to post-war reconstruction techniques or technologies
X17: Expertise import	– quantity of specialists or consultants used in the design and execution of post-war reconstruction
X18: Programs for knowledge transfer	– number and type of initiatives in place to help local teams acquire knowledge from global specialists

Source: developed based on author's analysis

Considering the characteristics of these variables as well as the anticipated correlations between them and the outcome variable – which can be the overall success or efficacy of the reconstruction process – develops a regression model for post-war reconstruction utilizing the given variables.

This result could be measured in several ways, including increases in living standards and economic growth. Owing to these variables' intricacy and multidimensionality, a Multiple Linear Regression model could be useful for the starting stage of regression analysis. The model could be conceptually presented in the following manner:

PWR = f(FINCAP, HUMCAP, PHYSCAP, SOCCAP, INTCAP)

Independent Variables (X1 – X18): As said, these include financing inputs (public spending, foreign loans, private sector investment), socioeconomic variables (educational attainment, access to healthcare, social cohesiveness), and logistical and operational elements (development of infrastructure, import of knowledge, R&D).

Success of post-war reconstruction (PWR) is the dependent variable (Y). This needs to be defined quantitatively, perhaps in the form of a composite index that takes stability metrics, increases in life quality, economic growth, etc. into account.

The model would need to be verified in practice using historical data from reconstruction scenarios following the Russian armed aggression in Ukraine. In order to properly pick the variables and evaluate the model variables, cross-check has to be performed in domains of social, political, and post-war reconstruction sciences, owning to the multidisciplinary essence of the issue in question.

3. Corporate Finance as a link for micro- and macro-level in terms of supporting post-war reconstruction in Ukraine

At both the macro- and the micro-level, the socioeconomic ccontext has seen a tremendous transition over the course of the last few decades, becoming increasingly intertwined with the megatrends that are currently occurring, including need for planning, financing, implementing post-war reconstruction in Ukraine. Corporate finance acts as the structural backbone that supports post-war reconstruction at micro- and macro-level, making it an essential component in the pursuit of both technological and economic success by examining how it functions. Considering this issue, it is necessary to focus on a wide range of aspects of corporate finance, including funding sources, governance framework, and the ways in which these components interact with one another to provide an environment that is conducive to post-war reconstruction.

Finance function's involvement with value-added activities at micro-level is quite apparent. More specifically, corporate finance institute is viewed as gatekeeper of resources, innovation goal-setter, new opportunities identifier, playing a crucial role in the management of the company's resources[22]. Tracking both the potential hazards and the potential rewards of value-added projects, corporate finance is tasked with the responsibility of ensuring that resources are deployed in a prudent manner. A comprehensive awareness of the company and its strategic goals is necessary for this institute. That enables corporations to make well-informed judgments regarding the allocation of resources to achieve the greatest possible impact.

Corporate finance institute also enables a link between micro- and macro-level in supporting economic growth through innovative funding instruments, e.g. Green Bonds and Impact Finance instruments. The green bond market has shown a healthy comeback from the issues that it had in the past, as seen by the tremendous growth and activity that it has enjoyed in 2023. It is anticipated that the global market for sustainable bonds, which includes green, social, sustainable, and sustainability-linked bonds, would approach USD 900 billion by the year 2023[23] [24]. This increase in activity was not anticipated since global interest rates are at an all-time high. It stands in a contrast to the stagnation that has been observed in traditional bond markets. By Q3 2023, the Climate Bonds Initiative had announced that the total amount of green, social, sustainability, and sustainability linked (GSS+) debt had reached approximately USD 4.2 trillion[25]. It is anticipated that the issuance of green, social, sustainability, and sustainability-linked bonds (GSSSB) will see a major resurgence after experiencing a decline in 2022 because of tight monetary policy and macroeconomic concerns. There is a possibility that the total amount of issuances might reach between USD 900 billion and USD 1 trillion, which would bring them closer to the record high of USD 1.06 trillion that was achieved in 2021. Optimistic outlook is supported by favorable policies, an environment with more stable interest rates, and the deferred issuances from the previous year. There were 935 green bonds issued during the first half of 2023, which resulted in a large amount of

[22] In conversation: The CFO's critical role in innovation. McKinsey & Co. 2022. Available at: https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/in-conversation-the-cfos-critical-role-in-innovation# (accessed December 20, 2023).

[23] Emerging Market Green Bonds. IFC. 2023. Available at: https://www.ifc.org/en/insights-reports/2023/emerging-market-green-bonds-report#:~:text=Green%20bond%20issuance%20growth%20for,according%20to%20the%20report's%20forecasts (accessed 20.12.2023).

[24] Global Sustainable Bonds 2023 Issuance To Exceed $900 Billion. S&P Global. 2023. Available at: https://www.spglobal.com/esg/insights/featured/special-editorial/global-sustainable-bonds-2023-issuance-to-exceed-900-billion#:~:text=,of%20total%20issuance%2C%20in%202023 (accessed December 20, 2023).

[25] State of the Market Q3 2023. Climate Bonds Initiative. Available at: https://www.climatebonds.net/resources/reports/state-market-q3-2023#:~:text=Posted%20Nov%2023%2C%202023%20by,bonds%20bearing%20the%20transition%20label (accessed December 20, 2023).

USD 351 billion being raised. Therefore, green bonds and other relevant instruments represent quite a sizable market that could be used in terms of supporting process of post-war reconstruction in Ukraine as a complex project.

Link between micro-level (corporate finance goals) and macro-level (sustainable economic growth) could be established through SDGs. The proposed approach is presented in Table 2.

Table 2

Micro- and macro-level link in terms of post-war reconstruction in Ukraine

Micro-level (Corporate finance goals)	Aspects of SDGs	Macro-level (Policy for post-war reconstruction)
Capital raising	Funding economic growth	Financing technical development and R&D) require capital obtained through equity, debt, or other sources
Risk management	Diversification for economic growth	Projects within post-war reconstruction activities can continue to operate if they practice effective risk management – despite the significant risk and unpredictability
Corporate governance	Ethical and sustainable economic growth	Ensuring that post-war reconstruction is pursued ethically and sustainably, in line with wider social and environmental goals, may be achieved through strong governance
Financial reporting and communication	Transparency in stimulating economic growth	Adequate financial reporting may draw more capital into project of post-war reconstruction and preserve investor/donor confidence
International financing strategy	Supporting economic growth through international network	Post-war reconstruction project may access international markets and innovation networks by navigating global finance, which increases its reach

Source: developed based on author's analysis

In terms of supporting and guiding post-war reconstruction process aimed at value creation for stakeholders at both micro- and macro-level the effect of a lack of strategic focus, also known as short-termism. Key economic agents are lacking in strategic focus because of the current unstable business environment. In response to increased uncertainty, market volatility, resource constraints, and a lack of understanding of the future, short-term solutions have been proposed. Simultaneously, there is an increasing need for more aligned and forward-thinking corporate management from strategic stakeholders (such as institutional and strategic investors, shareholder activists, local communities, etc.). As a result, there is a growing interest in appropriate market management instruments and long-lasting, independent structures, or institutions.

The current economic crisis in Ukraine is institutional in origin, having its roots in the formal establishment of market economy characteristics and institutions that are intrinsically inefficient. For example, the corporatization procedure performed by Ukrainian corporations was formal by its essence[26]. The dominance of domestic sources of finance in the Ukrainian corporate sector supports this point of view. This was brought about by two factors: first, the desire to maintain control over the business; and second, a consequence of businesses' lack of transparency, which severely restricted their ability to obtain funding from other sources. To the detriment of other sources of borrowed capital (such as bond issuance, etc.), that is further reinforced by the extensive use of bank loans (often inside the corporate structures of financial industrial groups). Avoiding contemporary funding methods like debt securitization is another evidence supporting this line of thought[27]. In turn, a sizable shadow economy in Ukraine reveals peculiarities of the process of transitioning to a market economy.

That suggests that the transitional economy that Ukraine has developed over the past three decades was not entirely “market” by its nature, containing extra layers of basic capital accumulation layered over remnants of a centrally planned economy. Additionally, the initial public offerings (IPOs) and secondary market offerings (SPOs) of Ukrainian companies were frequently highly specific by its design, effectively closed to participation from professional investors and the public[28] and held solely to satisfy the demands of a single controlling stakeholder. Additionally, there is a persistent non-payment of dividends and a de facto restriction on the rights of minority investors in the Ukrainian corporate sector. As a result, the stakeholders in charge of Ukrainian businesses have goals that differ from those suggested by

---

[26] Cebenoyan S., Cebenoyan K., Papaioannou G. Corporate financial structure under inflation and financial repression: A comparative study of North American and emerging markets firms. *Global Finance Journal*. 1995. № 6. P. 25–45.

[27] Smyrna O. Upravlinnia strukturoiu kapitalu vitchyznianykh pidpryiemstv pislia provedennia IPO [Management of the capital structure of domestic enterprises after the IPO]. *Rynok tsinnykh paperiv Ukrainy*. 2013. № 9-10. P. 63–67. (in Ukrainian)

[28] Olesiński B., Opala P., Rozkrut M., Torój A. Short-termism in business: causes, mechanisms and consequences. EY Poland Research Series. 2014. Available at: https://assets.ey.com/content/dam/ey-sites/ey-com/en_pl/topics/eat/pdf/03/ey-short-termism_raport.pdf (accessed December 20, 2023).

corporate finance theories and best practices (such value-based management). That may be explained by an overemphasis on short-term goals at the expense of long-term priorities, which is made worse by the lack of institutional structures that could facilitate a balanced approach to business management.

Noteworthy, short-termism is endemic not only to Ukraine (being a transitioning economy), yet also to developing and developed countries, including the most socially and technologically advanced economies. Rapid technological advancement, shorter stock market transaction times, lower financial transaction costs, increased market volatility, heightened media attention, and the rise in shareholder activism are some of the elements that have led to the spread of short-termism in developed nations[29]. Specifically, according to a survey conducted by the US National Bureau of Economic Research, 78% of CFOs are willing to forgo future value creation to meet short-term financial targets[30]. Therefore, this considerable ambiguity on the medium- and long-term horizons contributes to short-termism in the context of the Ukrainian economy by pressuring stakeholders to pursue short-term gains.

Key outcomes of short-termism include the principal-agent conflict and the strengthening of information asymmetry. It should be highlighted that in Ukrainian practice, the interests of stakeholders in the management decision-making process are not well studied. Consequently, a lack of study exists on the reasonable and irrational responses of stakeholders to the acts of the corporation. Each stakeholder perceives the company's actions and generates a judgment on its prospects in their own unique way. Therefore, even in cases when a company's management decisions are sound and managerial activities are intended to create value but are misrepresented and communicated, stakeholders may misinterpret the effects of such actions and respond insufficiently. This results in long-term strategic investors creating an unappealing investment policy, suppliers and customers having no intention of doing business with such a company, highly skilled professionals being reluctant to work for such a company, and the public authorities providing no support (public procurement contracts, subsidies, etc.).

The research of stakeholder motives and opinions, along with further consideration of these factors in the preparation, execution, and dissemination of management choices inside the organization, holds the key to resolving this

---

[29] Graham J., Harvey C., Rajgopal S. The Economic Implications of Corporate Financial Reporting. *NBER Working Papers*. 2004. № 10550. P. 1–72.

[30] Darr R., Koller T. How to build an alliance against corporate short-termism. Available at: https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-to-build-an-alliance-against-corporate-short-termism (accessed December 20, 2023).

issue. The study[31] specifically draws attention to the aspects of the business's operations that long-term investors consider crucial when making decisions, namely:

– hazards to one's reputation as a result of dubious supply chain management techniques (15%of respondents);

– a significant drop in customer satisfaction (14%);

– insufficient reaction to modifications in the external environment of the organization (13%);

– a mediocre program for corporate leadership (10%);

– notable modifications to the capital structure or assets of the business (9%);

– a significant decline in employee satisfaction;

– cuts to the R&D program and the amount of money used for the 8% share buyback.

As a result, these parts of the business's operations are frequently beyond the top management's primary areas of emphasis. These managers, in turn, are focused on other aspects of the business's operations because of information asymmetry and the principal-agent conflict.

While there is a good instrument set for encouraging management of companies to meet short-term objectives, there is a severe lack of instruments for controlling and inspiring management of companies to create long-term value. The McKinsey & Co. study[32] specifically confirms this: 46% of respondents feel pressure to focus on short-term financial results coming from the board of directors, which in turn tries to satisfy institutional investors' demands to achieve short-term results in this way; 44% of respondents are building a strategy with a horizon of less than three years. In turn, 79% of respondents feel pressure to demonstrate high financial results in the horizon of less than two years; 63% of respondents note the growing pressure to achieve short-term results. These results suggest that stakeholders need to refocus on long-term goals, which might be accomplished by creating suitable institutions, particularly in the areas of strategy and finance at both corporate and public level.

Managing complex issues based on corporate finance paradigm, i.e. evolving the framework of strategic management with an emphasis on knowledge, business processes, organizational structure, stakeholder communication, and sufficient checks and balances, is one possible way to combat the effects of short-termism. One way to go about that procedure

---

[31] Bailey J., Godsall J. Short-termism: Insights from business leaders. McKinsey & Co. and CPP Investment Board Research. Available at: http://www.shareholderforum.com/access/Library/20131226_McKinsey.pdf (accessed December 20, 2023).

[32] McKinsey & Co. Global Investor Opinion Survey: Key Findings. 2000. Available at: https://www.oecd.org/daf/ca/corporategovernanceprinciples/1922101.pdf (accessed December 20, 2023).

would be to create a separate body of experts. Principles of responsible management and internal entrepreneurship form the foundation of such an organization. The set of actions is a direct match to the board of directors' emphasis on shifting to the position of an expert body at the corporate level. This happens because of a shift from formal post-analysis and control over the execution of strategic plans to proactive participation in corporate strategic planning.

4. Corporate Finance infrastructure in supporting post-war reconstruction in Ukraine

Corporate finance infrastructure’s role in the economic growth of both developing and developed countries is growing in significance; primarily, represented by investment banking as an institution integrating both hard and soft components of a framework stimulating economic development. Investment banking will play a particularly important role in Ukraine, which is currently attempting to recover from the damage inflicted by Russian armed aggression. As a result, it is critical to consider both the benefits of investment banking and the difficulties that these organizations encounter in a volatile socioeconomic climate. Furthermore, in this context, the subject of what motivates investment banking's impact on economic growth has to be considered. This institute employs various forms of financial instruments (loans, guarantees, etc.) for public-private partnerships to play a significant role in the development of real sector companies and the financing of infrastructure projects. Investment banking is crucial to the structure of both the domestic and international economies; namely, this institute facilitates the securities market development, increases the effectiveness of investment activities, and normalizes interactions between economic actors within the parameters of financial and investment-economic mechanisms. The European Investment Bank (EIB), one of the biggest financiers of investment projects worldwide, is an example of such an organization. Furthermore, through funding training programs, research project platforms, and student loan systems, the EIB indirectly contributes significantly to economic development. In addition, the EIB supports urban development, climate change adaptation, and renewable energy projects as part of its environmental preservation efforts.

For emerging nations, an investment banking institution may be beneficial in promoting economic prosperity. Investment banking institute offers technical help and normalizes the framework because of its involvement in best management practices, in addition to immediately available sources of finance within the framework of public-private partnerships and green financing mechanisms. Cooperation with investment banks benefits the local economy as a result. Furthermore, as this framework offers the expertise and management resources required for the successful completion of investment projects, economic agents frequently obtain favorable externalities within the context of collaboration with investment banks.

Investment banking facilitates overcoming of long-term financing constraints for intricate projects, where obtaining suitable resources in terms of both volume and cost might be challenging. Investment banks are creating pertinent solutions as a result to address the transient character of the funding sources that are now available. Noteworthy, governmental development agencies and investment banks are the main providers of these tools. Key examples in this domain are the German KfW (Kreditanstalt für Wiederaufbau) and the Brazilian BNDES (Banco nacional do desenvolvimento), which are both devoted to assisting intricate investment initiatives intended to promote economic growth[33]. These investment banks have been in the forefront of promoting innovation and socially conscious initiatives in developing nations in recent years by funding initiatives that aim to yield long-term financial gains. As a result, instances of these state financial institutions in the investment banking sector not only contribute significantly to the economic growth of emerging nations but also show how this type of institution may be applied to the establishment of just and stable socioeconomic structures.

Despite significant infrastructure destruction, the collapse of the national economy, and the ensuing expectations for funding from foreign donors or frozen Russian assets to rebuild the destroyed system, the question of success of Ukraine's post-war economic development is still pressing because of unresolved systemic issues with the inadequacy of the state administration system and the fragility of the rule of law system. As a result, long-term success in post-war reconstruction should not be anticipated if the previously accumulated issues of poor judicial quality, lax protection of investors' rights, unpredictable governmental policies, etc. are not resolved. The institutions that will provide the proper framework for the interaction of economic agents will be crucial in finding a solution to this issue.

The key techniques utilized in the creation of innovative financial institutions that concentrate on so-called mission-oriented impact financing may be applied in this industry. Specifically, these include traits like:

– anti-cyclicity;
– focus on long-term value creation for stakeholders;
– conducting activities in a structured manner.

[33] Penna, C., Mazzucato, M. (2015). The Rise of Mission-Oriented State Investment Banks: The Cases of Germany’s KfW and Brazil’s BNDES. *SPRU Working Paper Series*. 2015. № 2015-26. P. 1–33. Available at: www.sussex.ac.uk/spru/swps2015-26

These qualities of an investment banking organization will dictate its capacity to promote long-term growth and development, support development initiatives, and offer stability during economic downturns. Specifically, these qualities are critical given the intricate and protracted nature of Ukraine's post-war reconstruction. Furthermore, it will be feasible to incorporate Impact finance category in this conceptual framework. Impact finance generally targets industries that have been directly impacted by Russian military aggression, such as social infrastructure, public housing, and renewable energy, because these industries are riskier and require longer payback periods than traditional private funding sources. Corporate finance infrastructure may also assist in launching new financial products to address issues like financialization and short-termism and help improve the financial system. As a result, the investment banking institute can provide a comprehensive solution to the challenging challenge of post-war reconstruction both at the macro- and micro-levels. In combination with the support of important structural reforms (primarily in domain of public administration and judiciary sector), the reconstruction assistance will cover both the physical infrastructure reconstruction and the restoration of the economic relations system, allowing the Ukrainian economy to grow over the long run.

Therefore, choosing specific investment banks to collaborate on the post-war reconstruction of Ukraine is crucial in this situation. This decision should be made not only based on financing conditions and price requirements, but also on the nation of origin of the investments. Under this approach, funding from a developed country will allow for two aspects: first, control over how the funding is used in a transparent manner; second, it will make it possible to create a suitable environment around these projects, which will indirectly support the growth of business initiatives against the backdrop of successful reforms. Meanwhile, quality of the outcomes attained in Ukraine's post-war reconstruction may be called into doubt by funding from state or quasi-state financial institutions given by nations with dubious legal systems (e.g., China, Arab world countries, etc.). that in turn will hold in question sustainability of post-war reconstruction in Ukraine which is centered not only on mere restoration of physical infrastructure, yet rejuvenating socioeconomic infrastructure supported by culture of adequate long-term policy framework.

Therefore, corporate finance infrastructure – with investment banking institute at its core – is an essential component of the global financial system, particularly useful for the economic recovery after significant turmoil and damage. The organization uses loans, guarantees, and tools for public-private partnerships to play a big part in funding infrastructure projects and creating real sector businesses. Within the context investment banking supports securities market procedures that enhance the effectiveness of investment operations and normalize interactions between economic agents. By offering technical assistance and enhancing governance frameworks, investment banking can play a major role in promoting economic progress in developing nations.

Since it is difficult to find resources that are both sufficient in terms of volume and price, the institute enables the financing of complicated projects over the long term. The short-term nature of available funding sources can be addressed with the help of investment banking, which is mostly offered by government development and investment banks. Support for important structural reforms in domains of justice, adequate operation of important state institutions, and policy predictability in conjunction with aid in the restoration of the physical infrastructure and the system of economic relations will guarantee the long-term growth of the Ukrainian economy.

5. UN SDG in financing post-war reconstruction in Ukraine

The issue of post-war reconstruction of Ukraine is multifaceted and requires the use of non-standard approaches. In addition, the issue of modernization in the sectors of the Ukrainian economy was complicated (due to a chronic lack of funding and a weak regime for the protection of investors' rights) even without the impact of the destruction[34] caused by Russian armed aggression. Benchmark for solving this issue may be obtained from financial efforts aimed at achieving the SDGs in various developing countries, which are characterized by complex exogenous or endogenous circumstances. In favor of this approach, it is important to recognize that, firstly, the processes of post-war reconstruction in Ukraine and achieving the SDGs in individual countries are complex tasks that require coordination of measures at both the micro- and macro-levels. Second, these efforts require significant and diverse financial resources, encompassing different forms of capital – in addition to physical assets – such as intellectual and social capital. Third, both tasks are complex projects influenced by many factors and are carried out under conditions of considerable uncertainty. Thirdly, the characteristics of sources of financing and providers (private investors, donors, international organizations) determine not only the quantitative parameters of financing (volume, period of provision, terms of return, financing costs), but also the qualitative parameters of financing received for the purposes of implementing complex projects with a social component, namely know-how in successful project implementation and implementation taking into account the needs of stakeholders, guaranteeing a long-term positive effect in the socioeconomic

[34] Aleksin G. The Financial Strategy Instrument in the context of Enterprise Modernization. *Naukovij Visnik Nacionalnoi Akademii Statistiki, Obliku ta Auditu*. 2019. № 3. P. 20–29. DOI: https://doi.org/10.31767/nasoa.3.2019.02

domain, supporting the implementation of other strategic goals at the micro- and macro-level, embedding the project in regional or global context (Belt and Road Initiative, China, 2013, CHIPS and Science Act, USA, 2022, and others). Thus, achieving this goal requires the creation of an effective policy framework that:

– organizes activities at various levels to achieve the strategic goal of sustainable and effective economic recovery in Ukraine;

– offers a comprehensive view of funding sources, funding requirements and precise instructions for their use;

– draws attention to the development trajectory of the national economy within the framework of the recovery strategy and the regional and global contexts of economic development;

– models the trajectory of the country's economic development in terms of blocks of fiscal and monetary policy, as well as groups of economic agents (households, corporations, the state, and others);

– supports effective communication with various stakeholders, including the public, business, local government, donors, and international financial institutions.

The above experience has already been implemented in a global context, in the field of monitoring progress towards the SDGs in various developing countries. In a study conducted by IMF analysts[35], specific cases were identified when countries faced problems in achieving the SDGs due to unfavorable external and internal factors. However, these countries were able to overcome these difficulties by implementing an approach that encompassed sectoral and financial measures at both the micro- and macro-levels. For example, Rwanda has shown a slightly higher level of progress towards achieving the SDGs by effectively incorporating them into its national development strategy, known as NST1. At the same time, the COVID-19 epidemic worsened the financial situation in the country and further increased disparities in development, which led to a growing gap in financing the implementation of the SDGs to 21.3% of GDP per year. The solution to address the SDG funding gap in Rwanda was to use a combined approach. First, medium-term fiscal measures were developed to increase state budget revenues. Secondly, an active strategy of attracting private investments was adopted for the successful implementation of the Central Development Plan. In addition, IMF analysts have emphasized the need to solve the problem of

[35] Akanbi O., Bartolini D., Cerovic S. A Post-Pandemic Assessment of the Sustainable Development Goals: Background Notes: Country Case Studies, Macroeconomic Framework, Tax Capacity Estimates. *IMF Staff Discussion Note*. 2021. №SDN/2021/003BN. P. 1–64. Available at: https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2021/04/27/A-Post-Pandemic-Assessment-of-the-Sustainable-Development-Goals-460076

systemic economic inequality within the framework of the national economic development model and align it with the new post-pandemic dynamics of the global economic mechanism.

Accordingly, the SDGs criterion should be implemented in the toolkit of corporate finance as part of the preparation of decisions to support the implementation of complex projects, in particular, post-war reconstruction. By analogy with other relevant criteria (ESG, Impact Financing, etc.), the CSR criterion may be applied in several ways, namely:

1. Making investment decisions based on SDGs.
2. Measurement of project effectiveness.
3. Preparation of corporate reporting.
4. Modeling of risk distribution within the framework of private-public partnership.
5. Communications with stakeholders.

Accordingly, these priority directions should be reflected in the components of the policy framework for the application of SDGs in corporate finance decisions. Key components are highlighted in Table 3.

Table 3

Key components of the policy framework for the application of SDGs in corporate finance solutions in the tasks of post-war reconstruction in Ukraine

Components	Comments
Objectives and scope of the policy	– Objectives and areas of application in the context of post-war reconstruction at the macro- and micro-level
Integration into the corporate strategy	– Embedding the CSR into the corporate strategy; – Consideration of CSR and project risks (as part of post-war reconstruction) in the company's risk management plan; – Integration of the CSR into the corporate budgeting system in the context of the post-war reconstruction project in which the company is involved
Funding practices	– Mechanisms of investment credit considering SDGs; Specific financial instruments used to finance post-war reconstruction
Involvement of stakeholders	– Procedure, channels and tools of interaction with various groups of stakeholders (private investors, donors and international organizations, local community, others)
Compliance and reporting	– Procedures for monitoring and controlling compliance with standards;

Source: developed based on author’s analysis

Within the framework of this study, the framework of SDGs is applied not based on its social orientation, but because of its structuring to attract funding for goals that are not attractive enough for traditional investors, namely the goals of large-scale post-war reconstruction in Ukraine. Considering this, it has to be stressed that developing countries mainly receive financing not from internal revenue sources. Almost 40% of the financing of developing countries (USD 916.4 million in 2022) comes from the FDI source[36]. In terms of SDG-related projects, in 2021–2022, private investments in the direction of providing access to water and improved sanitary conditions increased by +20%, which indicates the potential of attracting private capital for purposes that were previously considered unattractive for investment and that fell exclusively on central and local authorities or international donors. In addition, the involvement of foreign investors helps to reduce the cost of loan financing for the project by -8%. Despite the general background of economic uncertainty (high inflation and interest rate growth, instability in the regions of the world), the volume of the sustainable financing market (sustainable bonds, sustainable funds) increased by more than 10% to 5.8 trillion USD in 2022. Thus, the issue of permanent bonds increased 5 times over the last five years and amounted to 3.3 trillion US dollars by 2022. UNCTAD notes that institutional investors, pension funds and national development funds actively invest in sustainable development projects, however, due to the low investment rating (and often its actual absence) for sustainable development projects in developing countries, this group of investors is prevented from implementing such investment opportunities.

Accordingly, in this context, the task of increasing the attractiveness of the country for attracting this type of financing arises due to improving not only the technical and economic characteristics and conditions of the project's payback, but also strengthening the protection of investors' rights, the transparency of public administration, and the predictability of changes in the legal and regulatory framework. As a result, the establishment of the rule of law regime is critically important for the systematic financing of specific projects, which are post-war reconstruction projects in Ukraine. In addition, the priority of Ukrainian society should be to attract high-quality financing from reliable investors, which will make it possible to achieve high results of post-war reconstruction on a long-term horizon. The key in this task is to attract funding from institutions from countries with an appropriate system of goals regarding the level of social development, freedom of doing business, the state of the rule of law, which will share the interests of Ukrainian society in building an effective democracy with a strong national corporate sector in combination with the class of small entrepreneurs and owners of corporate rights.

---

[36] UNCTAD World Investment Report 2023. Available at: https://unctad.org/publication/world-investment-report-2023 (accessed December 20, 2023).

CONCLUSIONS

Thus, the post-war reconstruction in Ukraine should adopt a comprehensive approach that combines stability and efficiency. Such an approach should provide for a holistic model of the national economy, as well as a rational positioning of Ukraine in the world economic system, considering the modern international division of labor. In addition, it is extremely important to create a favorable environment that will facilitate the attraction and retention of private investment, with a special emphasis on supporting domestic companies. Therefore, it is necessary to create a comprehensive and effective policy framework. This framework has to consider the current context, establish strategic objectives, assess operational capabilities and ensure adequate funding for the post-war reconstruction programme.

It is crucial to communicate effectively with all parties involved, including the general public, corporations, local government, funders, and foreign financial institutions. The study emphasizes how crucial it is to solve systemic economic inequality within this framework and match the national economic development model with post-pandemic global economic dynamics.

The study's findings indicate that, in addition to rebuilding the country's physical infrastructure, Ukraine's post-war reconstruction also has to revitalize its socioeconomic infrastructure, all of which need to be backed by a culture that values sound long-term policymaking. To ensure the long-term success of post-war reconstruction, this means luring in top-notch funding from dependable investors.

Limitations of this study are concentrated on a lack of support by regression analysis for testing the conceptualized model for influence factors in the form of capital types, and survey data for supporting propositions on governance framework for long-term policy success.

SUMMARY

The research explores the post-war reconstruction of Ukraine within the Corporate Finance Framework, focusing on the alignment with the United Nations Sustainable Development Goals (SDGs). It emphasizes the need for a holistic economic recovery plan that integrates corporate finance principles within international economic cooperation and development. The study aims to guide Ukraine's reconstruction process by rebuilding physical infrastructure and revitalizing its economy, ensuring long-term sustainability and resilience. It proposes a comprehensive approach that balances stability and efficiency, focusing on creating a conducive environment for private investment, particularly supporting domestic enterprises. The research also analyzes policy frameworks for guiding the reconstruction process, focusing on strategic objectives, operational capabilities, and funding mechanisms.

Effective communication and collaboration with stakeholders are also highlighted. The research offers insights into the complex dynamics of post-war reconstruction in Ukraine and proposes a roadmap for sustainable economic recovery and growth in the post-war era.

References

1. Aleksin G. The role of the investment banking institute in the post-war recovery of the economy. *Economy and Society*. 2023. № 53. P. 1–6. DOI: https://doi.org/10.32782/2524-0072/2023-53-39 (in Ukrainian)

2. Aleksin G. Stakeholder approach to the post-war recovery of Ukraine's economy. *Globalization challenges: governance of the future* (26-27 April 2023). NDI PUDS KNU 2023. P. 157–158. Available at: https://www.researchgate.net/publication/373096591_Stakeholder_Approach_to_Post-war_Reconstruction_of_Ukraine (in Ukrainian)

3. Aleksin G. Cross-functional methodology for assessing the loss for Ukraine’s corporate sector due to russian armed aggression in Ukraine. *Interdisciplinary research: scientific horizons and perspectives*: collection of scientific papers «SCIENTIA» with Proceedings of the V International Scientific and Theoretical Conference, April 21, 2023. Vilnius, Republic of Lithuania: European Scientific Platform. P. 17–19. Available at: https://www.researchgate.net/publication/370183844_CROSS-FUNCTIONAL_METHODOLOGY_FOR_ASSESSING_THE_LOSS_FOR_UKRAINE'S_CORPORATE_SECTOR_DUE_TO_RUSSIAN_ARMED_AGGRESSION_IN_UKRAINE

4. Aleksin G. Company Financial Strategy`s Instituonalization: Theoretical Aspects. *Scientific Bulletin of National Academy of Statistics, Accounting and Audit – Naukovyy visnyk Natsionalnoi akademiyi statystyky, obliku ta audytu*. 2022. № 3-4. P. 87–93. DOI: https://doi.org/10.31767/nasoa.3-4-2022.09

5. Suspilne Novyny. 4 July 2022. Available at: https://suspilne.media/256982-plan-vidbudovi-ukraini-mistit-24-tomi-so-vin-peredbacae/ (accessed December 20, 2023). (in Ukrainian)

6. Suspilne Novyny. 25 October 2022. Available at: https://suspilne.media/302508-ukraina-negajno-potrebue-17-mlrd-dolariv-na-kriticnu-infrastrukturu-zelenskij/ (accessed December 20, 2023). (in Ukrainian)

7. Material of the Communications Department of the Secretariat of the Cabinet of Ministers of Ukraine. 17 April 2023. Available at: https://www.kmu.gov.ua/news/premier-ministr-ofis-reform-ta-iebrr-obhovoryly-spivpratsiu-u-vidnovlenni-ta-vprovadzhenni-reform (accessed December 20, 2023). (in Ukrainian)

8. Galtung F., Tisne M. A New Approach to Postwar Reconstruction. *Journal of Democracy*. 2009. № 20(4). P. 93–107.

9. Sadiqi Z., Trigunarsyah B., Coffey V. Community participation in post-disaster reconstruction. *Proceedings of the Institution of Civil Engineers*. 2016. № 169(3). P. 173–186.

10. Guttal S. The Politics of Post-war / Post-Conflict Reconstruction. *Development*. 2005. № 48(3). P. 73–81.

11. Anand P. B. Getting Infrastructure Priorities Right in Post-Conflict Reconstruction. *WIDER Research Paper Series*. 2005. № 42. P. 1–22.

12. Dynamics of trust in social institutions in 2021-2023. Kyiv International Institute of Sociology. 2023. Available at: https://www.kiis.com.ua/?lang=ukr&cat=reports&id=1335&page=1 (accessed December 20, 2023).

13. UN Crisis Prevention and Recovery Report 2008. UN. 2008. Available at: https://www.undp.org/sites/g/files/zskgke326/files/migration/tr/Post_Conflict_Economic_Recovery_Report.pdf (accessed December 20, 2023).

14. OECD Workshop on Institution-Building for Post-Conflict Recovery. OECD. 2021. Available at: https://www.oecd.org/mena/governance/Agenda-institution-building-workshop.pdf (accessed December 20, 2023).

15. UK Government Knowledge, Evidence and Learning for Development K4D Programme. Post-Conflict Reconstruction Good Practices. K4D. 2018. Available at: https://assets.publishing.service.gov.uk/media/5c6bdb23ed915d4a343cb9dd/494_Good_Practice_in_Post-Conflict_Reconstruction.pdf (accessed December 20, 2023).

16. Onder H. Wanted: Economic principles for post-conflict recovery. Brookings Institution. 2021. Available at: https://www.brookings.edu/blog/future-development/2021/02/16/wanted-economic-principles-for-post-conflict-recovery/ (accessed December 20, 2023).

17. Post-War Reconstruction: Case Studies. KPMG Ukraine. 2021. Available at: https://kpmg.com/ua/en/home/insights/2022/12/post-war-reconstruction-of-economy-case-studies.html (accessed December 20, 2023).

18. Lisicki B. Impairment of Assets and Market Reaction during COVID-19 Pandemic on the Example of WSE. *Risks*. 2021. № 9(183). P. 1–21. DOI: https://doi.org/10.3390/risks9100183

19. Paudel D., Rankin K. N., Billon P. L. Lucrative Disaster: Financialization, Accumulation and Postearthquake Reconstruction in Nepal. *Economic Geography*. 2020. № 96(2). P. 137–160. DOI: https://doi.org/10.1080/00130095.2020.1722635

20. Del Castillo G., Bunche R. J. Economic Reconstruction and Reforms in Post-Conflict Countries. *Oxford University Press eBooks*. 2016. P. 51–71. DOI: https://doi.org/10.1093/acprof:oso/9780198757276.003.0004

21. Goodwin N. Five Kinds of Capital: Useful Concepts for Sustainable Development. *Global Development and Environment Institute Working Paper Series*. 2003. № 03-07. P. 1–11. Available at: https://core.ac.uk/download/pdf/7051857.pdf

22. In conversation: The CFO’s critical role in innovation. McKinsey & Co. 2022. Available at: https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/in-conversation-the-cfos-critical-role-in-innovation# (accessed December 20, 2023).

23. Emerging Market Green Bonds. IFC. 2023. Available at: https://www.ifc.org/en/insights-reports/2023/emerging-market-green-bonds-report#:~:text=Green%20bond%20issuance%20growth%20for,according%20to%20the%20report’s%20forecasts (accessed December 20, 2023).

24. Global Sustainable Bonds 2023 Issuance to Exceed $900 Billion. S&P Global. 2023. Available at: https://www.spglobal.com/esg/insights/featured/special-editorial/global-sustainable-bonds-2023-issuance-to-exceed-900-billion#:~:text=,of%20total%20issuance%2C%20in%202023 (accessed December 20, 2023).

25. State of the Market Q3 2023. Climate Bonds Initiative. Available at: https://www.climatebonds.net/resources/reports/state-market-q3-2023#:~:text=Posted%20Nov%2023%2C%202023%20by,bonds%20bearing%20the%20transition%20label (accessed December 20, 2023).

26. Cebenoyan S., Cebenoyan K., Papaioannou G. Corporate financial structure under inflation and financial repression: A comparative study of North American and emerging markets firms. *Global Finance Journal*. 1995. № 6. P. 25–45.

27. Smyrna O. Upravlinnia strukturoiu kapitalu vitchyznianykh pidpryiemstv pislia provedennia IPO [Management of the capital structure of domestic enterprises after the IPO]. *Rynok tsinnykh paperiv Ukrainy*. 2013. № 9-10. P. 63–67. (in Ukrainian)

28. Olesiński B., Opala P., Rozkrut M., Torój A. Short-termism in business: causes, mechanisms and consequences. *EY Poland Research Series*. 2014. Available at: https://assets.ey.com/content/dam/ey-sites/ey-com/en_pl/topics/eat/pdf/03/ey-short-termism_raport.pdf (accessed December 20, 2023).

29. Graham J., Harvey C., Rajgopal S. The Economic Implications of Corporate Financial Reporting. *NBER Working Papers*. 2004. № 10550. P. 1–72.

30. Darr R., Koller T. How to build an alliance against corporate short-termism. Available at: https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-to-build-an-alliance-against-corporate-short-termism (accessed December 20, 2023).

31. Bailey J., Godsall J. Short-termism: Insights from business leaders. McKinsey & Co. and CPP Investment Board Research. Available at: http://www.shareholderforum.com/access/Library/20131226_McKinsey.pdf (accessed December 20, 2023).

32. McKinsey & Co. Global Investor Opinion Survey: Key Findings. 2000. Available at: https://www.oecd.org/daf/ca/corporategovernance-principles/1922101.pdf (accessed December 20, 2023).

33. Penna C., Mazzucato M. The Rise of Mission-Oriented State Investment Banks: The Cases of Germany's KfW and Brazil's BNDES. *SPRU Working Paper Series*. 2015. № 2015-26. P. 1–33. Available at: www.sussex.ac.uk/spru/swps2015-26

34. Aleksin G. The Financial Strategy Instrument in the context of Enterprise Modernization. *Naukovij Visnik Nacionalnoi Akademii Statistiki, Obliku ta Auditu*. 2019. № 3. P. 20–29. DOI: https://doi.org/10.31767/nasoa.3.2019.02

35. Akanbi O., Bartolini D., Cerovic S. A Post-Pandemic Assessment of the Sustainable Development Goals: Background Notes: Country Case Studies, Macroeconomic Framework, Tax Capacity Estimates. *IMF Staff Discussion Note*. 2021. № SDN/2021/003BN. P. 1–64. Available at: https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2021/04/27/A-Post-Pandemic-Assessment-of-the-Sustainable-Development-Goals-460076

36. UNCTAD World Investment Report 2023. Available at: https://unctad.org/publication/world-investment-report-2023 (accessed December 20, 2023).

Information about the author:
Glib Aleksin
PhD (Economics),
Associate Professor of Corporate Finance and Controlling Department
Kyiv National Economic University named after Vadym Hetman
54/1, Beresteysky Av., Kyiv, 03680, Ukraine
ORCID: https://orcid.org/0000-0003-2586-5986