

Oksana Muzyka-Stefanchuk
Taras Shevchenko National University of Kyiv
Ukraine
oa.stefanchuk@gmail.com
ORCID ID: <https://orcid.org/0000-0001-7986-7149>

Lesya Muzyka
National University “Kyiv-Mohyla Academy”
Ukraine
lesya.muzyka@gmail.com
ORCID ID: <https://orcid.org/0000-0001-8357-703X>

PRIVATE AND PUBLIC FINANCES DURING THE RUSSIAN-UKRAINIAN WAR: COSTS, LOSSES, AND REIMBURSEMENTS

Abstract

The article is devoted to financial, material, and legislative problems in Ukraine caused by the Russian-Ukrainian war. The issues of budget expenditures, financial losses, material losses and their compensation are considered.

It is emphasized that the war is an extremely costly event for any country, which has an extremely negative impact primarily on public finances. When talking about Ukraine, we can single out budget expenditures and budget, resource, and material losses. And most importantly, it is about lost human lives that have no financial measurement.

Every day, Ukrainian budgets receive less planned revenues than due because of reduced tax revenues, in particular, VAT revenues (for example, in March, VAT revenues amounted to approximately 60% of the target financial performance), personal income tax, single social security tax, customs duty (currently only the western border is open; the northern, southern, and eastern borders are closed or blocked, in connection with which the export-import operations and their payments decreased), and state duty revenues, etc. This is because the purchasing power of citizens has decreased, and the purchasing needs themselves have changed significantly.

It is emphasized, that the infrastructural, material, and property losses of Ukraine during the war are enormous (in the worst sense). Losses are calculated and estimated daily. Of course, the figures are still approximate. Also, as long as the war is going on, losses will increase, and after its end, there will be a question of compensation. Compensation payments will be made at the expense of the budget funds, and most of all at the expense of the funds received from the seized or confiscated property of the Russian Federation and its citizens. There is great doubt that the leadership of the country that started this senseless war, as well as the citizens who support and approve it, will voluntarily agree to make payments or enforce the decisions of any international courts and organizations. Therefore, we must already actively form a real financial basis and basis for compensation for damages. Here, Ukrainian politicians and government officials work closely with their foreign counterparts. After all, it is necessary to determine which property and belonging to which individuals can be transferred to the needs of Ukraine, and in what way.

The fact of creating the Trust Fund for the Reconstruction of Ukraine After the War should be noted positively. Its creation was supported in March 2022 in Brussels at the summits of NATO, the Group of Seven and the EU,

which discussed Russia's war against Ukraine. The World Bank, Sweden, the Netherlands, Austria and other countries have joined the initiative to create such a fund. From May 2022, the Trust Fund is going to start its work.

Economic recovery will largely depend on business recovery. However, the work of many powerful companies — large taxpayers — during martial law has been suspended indefinitely or suspended temporarily and resumed after the transfer of their technical capacities to other regions. Some businesses have lost their property complexes during air strikes and other hostilities (they are destroyed). And for them to become involved in economic recovery, they must be rebuilt first (where possible).

The problems of financial and budgetary expenses for the war are considered separately. According to rough estimates, the daily budget costs of fighting cost Ukraine about USD 66 million. If we add additional funding from private funds of individuals and legal entities, the total costs increase significantly. Given the need for increasing funds, government officials are in constant talks with foreign partners, with business representatives about the possibility of obtaining additional financial assistance, new grants and loans, and more.

It is noted that in difficult conditions of the war, the state needs additional funding. For this purpose, such financial instruments as borrowing — internal and external — are actively used.

Ukraine is actively cooperating with the World Bank. In this context borrowings, loans and financial assistance as special financial resources are analysed.

Features of public procurement in the war period are considered. Yes, there occurred problems with suppliers (because some of them remained in the occupied territories, some lost their production capacities, some lost workers, etc.), logistical problems (delay or inability to deliver goods, services), growing demand for previously less popular goods. In order to optimize procurement during the war and meet the urgent needs of the state and restore Ukrainian business, the Prozorro State Enterprise, Professional Procurement State Institution and electronic platforms (E-Tender, Zakupki.prom.ua, SmartTender, Public Procurement. Online and Tender-Online) have developed the Prozorro+ Platform.

Keywords: war, financial losses, material losses, property losses, compensation, borrowings, loans, financial assistance, public procurement

Introduction

We would like to dedicate the article to honour the memory of professor Eugeniusz Ruskowski who usually addressed the issues of local finances and local self-government. The professor paid the biggest attention to these issues in his research. His scientific achievements will still be relevant in decades to come.

However, since 2014, and especially since 24 February 2022, our scientific interests have undergone significant changes. Unfortunately. In this article, the present problems have forced us to discuss private and public finances in the context of the Russian-Ukrainian war.

Financial Losses of Ukraine

Every day Ukrainian budgets receive less planned revenues than due because of reduced tax revenues, in particular, VAT revenues (for example, in March 2022 VAT revenues amounted to approximately 60% of the target financial performance), personal income tax, single social security tax, customs duty (currently only the western border is open; the northern, southern, and eastern borders are closed or blocked, in connection with which the export-import operations and their payments decreased), and state duty revenues, etc. This is because the purchasing power of citizens has decreased, and the purchasing needs themselves have changed significantly. The Ministry of Finance planned to collect in 2022 UAH 405 billion in VAT revenues, UAH 76 billion in excise duty (alcohol, cigarettes, and energy products), and UAH 37.5 billion in customs duties. In general, only indirect taxes on imported goods were to amount to almost UAH 520 billion — 40% of all budget revenues. However, currently, the customs manage to collect only a fifth of the planned revenues. Instead of the expected UAH 39 billion in March, the budget received UAH 7 billion [<https://www.epravda.com.ua/publications/2022/04/5/685230/>]. Although, according to the State Treasury Service of Ukraine, in March 2022 the general fund of the state budget received UAH 103.4 billion, namely the monthly plan was fulfilled by almost 93% [<https://www.ukrinform.ua/rubric-ato/3451214-za-kozen-den-vijni-budzet-vtracae-blizko-2-milardiv-minfin.html>]. And this result, in general, is not just satisfactory, but even quite good. In April, the situation was not so positive, and yet the state budget was executed as planned as possible, even by half. So how did this become possible? The answer is hidden in the fact that some entities transferred their

taxes in advance. To compensate for budget losses, the government appealed to state-owned enterprises and the National Bank of Ukraine with a request to transfer the revenues of 2021 to the state budget ahead of schedule (according to the plan, this was to happen in April-June 2022). On the second day of the war, UAH 19 billion were received from the National Bank of Ukraine, UAH 28 billion were received from PrivatBank in early March, and UAH 2.3 billion were received from Naftogaz at the end of March. In general, in March, state-owned enterprises transferred UAH 32.5 billion in dividends. Without them, the budget revenues in March would be 37% lower than planned [<https://www.epravda.com.ua/publications/2022/04/5/685230/>]. The downside of such actions is the additional risks for the implementation of the state budget in the future periods (more precisely, it is a question of obvious underfulfillment of the state budget).

Material and Property Losses, and their Compensation

Infrastructural, material, and property losses of Ukraine during the war are enormous (in the worst sense). According to the Kyiv School of Economics and the Ministry of Economy of Ukraine, as of May 19, 2022 (namely after almost three months of the war), the total amount of direct documented infrastructure damage (based on public sources) has reached almost USD 100 billion. In just two months of the war, the total losses of Ukraine's economy due to the war, including both direct losses (including infrastructure) and indirect losses (GDP decline, investment cessation, labour outflows, additional defence and social support costs, etc.), range from USD 564 billion to USD 600 billion.

Losses are calculated and estimated daily. Thus, during the three months of Russia's war against Ukraine, at least 12 civilian airports, 295 bridges and bridge crossings, 591 kindergartens, 574 medical facilities, 108 religious and 179 cultural facilities, 169 warehouses and 20 shopping centres were damaged, destroyed or seized [<https://kse.ua/ua/russia-will-pay/>]. As of the beginning of May 2022, about 400 hospitals were damaged, and another 40 were destroyed. Such destruction is especially difficult to understand because we know how many financial resources were spent in the process of implementing the presidential program Large Construction, when hospitals, clinics, primary care facilities and more were built and furnished with state-of-the-art equipment.

Of course, the figures are still approximate. Also, as long as the war is going on, losses will increase, and after its end, there will be a question of compensation. Compensation payments will be made at the expense of the budget funds, and most of all at the expense of the funds received from the seized or confiscated property of the Russian Federation and its citizens. There is great doubt that the leadership of the country that started this senseless war, as well as the citizens who support and approve it, will voluntarily agree to make payments or enforce the decisions of any international courts and organizations. Therefore, we must already actively form a real financial basis and basis for compensation for damages. Here, Ukrainian politicians and government officials work closely with their foreign counterparts. After all, it is necessary to determine which property and belonging to which individuals can be transferred to the needs of Ukraine, and in what way.

The fact of creating the Trust Fund for the Reconstruction of Ukraine After the War should be noted positively. Its creation was supported in March 2022 in Brussels at the summits of NATO, the Group of Seven and the EU, which discussed Russia's war against Ukraine. The World Bank, Sweden, the Netherlands, Austria and other countries have joined the initiative to create such a fund. From May 2022, the Trust Fund is going to start its work.

Economic recovery will largely depend on business recovery. However, the work of many powerful companies — large taxpayers — during martial law has been suspended indefinitely or suspended temporarily and resumed after the transfer of their technical capacities to other regions. Some businesses have lost their property complexes during air strikes and other hostilities (they are destroyed). And for them to become involved in economic recovery, they must be rebuilt first (where possible).

At one time, the Ukrainian government also considered the possibility of recovering the part of the property lost in Crimea by alienating property and funds, in particular, of Russian banks and companies in Ukraine. In early June 2014, the Ministry of Justice proposed to the Prosecutor General's Office of Ukraine to consider the seizure and alienation of Russian state property in favour of Ukraine as compensation for losses from Russia's annexation of Crimea. Among the assets that Ukraine could seize on its territory are, in particular, such enterprises as Enerhostandart, Donetskstal, Zaporizhstal, the Mykolaiv Alumina Plant, the Southern Mining and Processing Plant,

Kyivstar and MTS-Ukraine mobile operators, as well as Sberbank of Russia, Alfa-Bank, and Prominvestbank. In total, almost every tenth of the 200 largest companies in Ukraine has a share of Russian capital [<http://www.radiosvoboda.org/content/article/27051870.html>]. In Ukraine, the share of Russian banks in the banking system at the end of 2014 was about 12% [<http://delo.ua/finance/dolja-bankov-rossii-v-bankovskoj-sisteme-ukrainy-vyroslo-do-12-294854/>].

And while Ukraine was thinking, Russia was acting. On April 2, 2014, Vladimir Putin signed the Law on Protection of Interests of Individuals Who Have Deposits in Banks and Separate Structural Subdivisions of Banks Registered and (or) Operating in the Republic of Crimea and in the City of Sevastopol [<http://pravo.gov.ru/proxy/ips/?docbody=&nd=102348704&rdk=&backlink=1>]. In particular, this act provides for the possibility of compensation of deposits of Crimean residents, which they made in Ukrainian banks, through the sale of state property of Ukraine, which is located in Crimea.

Currently, this issue has been resolved positively at the level of the Law of Ukraine on Basic Principles of Compulsory Seizure of Objects of Property of the Russian Federation and Its Residents in the territory of Ukraine, as of March 3, 2022 [<https://zakon.rada.gov.ua/laws/show/2116-20#Text>].

This law was adopted to protect the sovereignty and territorial integrity of Ukraine, its national interests, national security, ensuring its economic independence, rights, wills and legitimate interests of the citizens of Ukraine, society and the state, given the full-scale aggressive war waged by Russia against Ukraine and the Ukrainian people, violating the international law, committing crimes against humanity, based on the Constitution of Ukraine, the Declaration of State Sovereignty of Ukraine and universally recognized international norms and rules, including the sovereign right of Ukraine to protection, taking into account the Decree of the President of Ukraine on the Imposition of Martial Law in Ukraine of February 24, 2022, approved by the Law of Ukraine on Approval of the Decree of the President of Ukraine on the Imposition of Martial Law in Ukraine of February 24, 2022, taking into account the need for immediate and effective response to existing threats to Ukraine's national interests, having regard to the Provisions of the Fourth Hague Convention on the Laws and Customs of War on Land and its Annex: Regulations on the Laws and Customs of War on Land of 18 October 1907.

It defines the legal basis for the forcible seizure, for reasons of public necessity (including cases where military necessity urgently requires so), of property rights of the Russian Federation as a state that started a full-scale war against Ukraine and its residents.

Since 2014, the Law of Ukraine on Sanctions [<https://zakon.rada.gov.ua/laws/show/1644-18#Text>] is also in force, which was adopted to protect the national interests, national security, sovereignty and territorial integrity of Ukraine, and to counter terrorist activity.

Also important are the provisions of the Law of Ukraine on Amendments to Certain Legislative Acts of Ukraine to Increase the Effectiveness of Sanctions Related to the Assets of Individuals of May 12, 2022 [<https://zakon.rada.gov.ua/laws/show/2257-20#Text>], which entered into force on May 24, 2022. This law, in particular, amends the Law of Ukraine on Sanctions and provides that: the sanction provided for in paragraph 1-1 of the first part of Article 4 of this Law is exceptional and may be applied only to individuals and legal entities whose actions created a significant threat to the national security, sovereignty or territorial integrity of Ukraine (including through armed aggression or terrorist activities) or significantly contributed (including through funding) to such acts by other persons, including residents within the meaning of the Law of Ukraine on Basic Principles of Compulsory Seizure of Objects of Property of the Russian Federation and Its Residents in the territory of Ukraine. This sanction may be applied only during the period of martial law and provided that the relevant natural or legal person, in the manner prescribed by this Law, has already been sanctioned in the form of blocking assets. The seizure of assets, the imposition of a moratorium or any other encumbrances on them (prohibition to dispose of or use them), as well as the possession of such assets as collateral does not prevent the collection of these assets to state revenue as a sanction under paragraph 1-1 of the first part of Article 4 of this Law.

A natural person who has reported on the assets referred to in paragraphs 1, 1-1 of the first part of Article 4 of this Law shall be released from civil liability for property and/or moral damage caused as a result of notification, except in case of knowingly false notification.

It is also worth noting the important role of the judiciary in the formation of relevant case law on the protection of the rights and interests of our citizens, in particular, property rights. In the decision of the Supreme Court of April 14, 2022 [<https://supreme.court.gov.ua/userfiles/>]

media/new_folder_for_uploads/supreme/zakonodas-tvo/Rish_sud_imun.pdf], attention is drawn to the fact that Part 1 of Art. 79 of the Law of Ukraine on Private International Law establishes judicial immunity, according to which filing a lawsuit against a foreign state, involving a foreign state in the case as a defendant or a third party, seizing property belonging to a foreign state and located in Ukraine, using other means of securing the claim and recovering such property may be allowed only with the consent of the competent authorities of the state unless otherwise provided by an international treaty of Ukraine or the law of Ukraine.

As provided for in Part 4 of Art. 79 of the Law of Ukraine on Private International Law, in cases where, in violation of international law of Ukraine, its property or representatives in a foreign state are not provided with the same judicial immunity, which according to parts one and two of this article is provided to foreign states, their property and representatives in Ukraine, The Cabinet of Ministers of Ukraine may take appropriate measures against this state and its property, which are permitted by international law, unless diplomatic measures are not sufficient to address the consequences of this violation of international law.

Thus, the Law of Ukraine on Private International Law establishes judicial immunity against a foreign state in the absence of the consent of the competent authorities of the respective state to involve it in the case in the national court of another state. At the same time, international legal norms on the jurisdictional immunity of a state are unified in two conventions: the European Convention on the Immunity of States, adopted by the Council of Europe on 16 May 1972, and the UN Convention on Jurisdictional Immunities of States and Property, adopted by General Assembly Resolution 59/38 of 2 December 2004. These conventions embody the concept of limited immunity of the state, determine the form in which a state's waiver of immunity is possible ('explicit waiver of immunity' on the basis of an international treaty or contract or 'allowed waiver of immunity' when a foreign state enters into litigation and files a counterclaim in the court of a foreign state), as well as establish a list of categories of cases in which the state does not enjoy immunity in the court of another member state. Both the 1972 European Convention on the Immunity of States (Article 11) and the 2004 UN Convention on Jurisdictional Immunities of States and Their Property (Article 12) provide that a Contracting State may not invoke immunity from

jurisdiction at the proceedings in the court of another Contracting State, which is normally competent to hear cases relating to monetary compensation in the event of death or personal injury or damage to property or loss of property as a result of acts or omissions of the state if such acts or omissions took place in whole or in part in the territory of the state of the court.

Ukraine is not a party to any of these Conventions. However, these Conventions reflect the trend of international law to recognize that there are certain limits within which a foreign state has the right to claim immunity in civil proceedings. In its judgment of March 14, 2013, in the case of *Oleynikov v. Russia*, the European Court of Human Rights stated that the provisions of the 2004 UN Convention on the Jurisdictional Immunities of States and Their Property apply "in accordance with customary international law, even if the state has not ratified it", and the Court has to take this fact into account in deciding whether the right of access to a court within the meaning of paragraph 1 of Article 6 of the Convention (paragraph 68, paragraph 31) has been respected. In its judgment of March 23, 2010, in the case of *Cudak v. Lithuania*, the European Court of Human Rights also acknowledged the existence of customary rules of state immunity, and the predominance of the theory of limited state immunity in international practice, but emphasized that the restriction must pursue a legitimate aim and be proportionate to that aim.

Therefore, the Supreme Court has rightly concluded that the state has no right to invoke immunity in cases involving damage to health or life if such damage is wholly or partly inflicted in the territory of the court and if the person who caused the damage was currently in the territory of the court.

This decision, together with the above provisions of the law, is an important mechanism for recovering from the Russian Federation in national courts the damage caused to the citizens of Ukraine by illegal actions of the Russian Federation.

Financial Expenses

According to rough estimates, the daily budget costs of fighting cost Ukraine about USD 66 million. If we add additional funding from private funds of individuals and legal entities, the total costs increase significantly. Given the need for increasing funds, government officials are in constant talks with foreign partners, and with business

representatives about the possibility of obtaining additional financial assistance, new grants and loans, and more.

Due to the forced movement of citizens across the territory of Ukraine, many Ukrainians have changed their place of residence. Some were sent on business trips. Since January 1, 2022, for civil servants and other persons who are sent on business trips across Ukraine by the state enterprises, establishments, and organizations, the maximum sum of expenses for rent of housing made no more than UAH 900 a day (Appendix No. 1 to the Resolution No. 98 of the Cabinet of Ministers of Ukraine as of February 2, 2011). It is obvious that during the war, employers send their workers to other cities to ensure the continuity of the work process, save jobs, and most importantly save lives. When moving temporarily to another city for a new job (or working remotely on a business trip), such people need housing not only for themselves but also for their family members; some are left with almost no extra things. In view of these and other circumstances, the Cabinet of Ministers of Ukraine decided that for the period of martial law civil servants and other employees of state enterprises will be reimbursed for actual expenses in excess of the maximum amount, with the permission of the head in accordance with supporting documents. The amount of reimbursement may not exceed UAH 1,800 excluding VAT (see: Resolution of March 21, 2022 No. 345). Here are the additional costs at the expense of, in particular, budget funds.

It is noteworthy that the state takes measures to support domestic businesses in such a difficult time. Earlier “Affordable Loans 5-7-9%” Credit Program of the Fund for Entrepreneurship Development proved to be quite good, which, on the initiative of the President of Ukraine V. Zelenskyi in March 2022, was changed by the Cabinet of Ministers of Ukraine, and it can now be used by agricultural producers to ensure primarily sowing, purchase agricultural machinery, purchase seeds, fertilizers, fuel and lubricant materials. The program is extended to medium-sized enterprises with an annual income of up to EUR 50 million (previously EUR 20 million) and to large enterprises with an annual income of more than EUR 50 million, regardless of the number of employees. A loan at 0% per annum can be obtained in the amount of up to UAH 60 million (previously UAH 50 million) for a period of 6 months. The amount of the loan guarantee is 80% of the loan amount of a micro, small and medium business entity (except for large business entities). That is, the state

does not leave farmers without its help, realizing that without a properly organized sowing company, Ukraine will lose on the decline in export operations, taxes and so on. Therefore, a kind of investment in agribusiness today is an objective necessity.

Also noteworthy is the Law of Ukraine on Amendments to Certain Legislative Acts of Ukraine on Creating Conditions for Ensuring Food Security in Martial Law of March 24, 2022. This is a comprehensive law concerning, in particular, land and lease relations. At the same time, they have an impact on financial relations, in particular, in terms of rent and land fees.

Borrowings, Loans and Financial Assistance

In difficult conditions of the war, the state needs additional funding. For this purpose, such financial instruments as borrowing — internal and external — are actively used.

Currently, the state borrows funds in several ways. First, through the issuance of domestic and foreign government bonds. During the war, the government decided to introduce military bonds. Since the beginning of Russia’s full-scale attack on Ukraine, the Ministry of Finance of Ukraine has held 23 auctions for the sale of military bonds, attracting almost UAH 50 billion, USD 93.8 million and EUR 176.5 million to the state budget. According to the NATIONAL BANK OF UKRAINE, about 1,000 legal entities and individuals on April 27, 2022, received UAH 3.3 billion from the redemption of the first issue of military bonds. Some of these funds have been reinvested in new military bonds to further support Ukraine. Taking into account the April redemption of military bonds, the volume of investments of Ukrainian citizens and businesses in the relevant securities as of May 2, 2022, amounted to about UAH 3.5 billion, USD 38.3 million and EUR 25.4 million, and of non-residents more than UAH 66 million [<https://bank.gov.ua/ua/news/all/kilkist-vlasnikiv-ovdp-ukrayini-nadali-zrostaye-vkladniki-otrimali-viplati-vid-pogashennya-pershogo-vipusku-viyskovih-obligatsiy--depozitariy-National-Bank-of-Ukraine>]. If internal and external revenues are not enough, then the last resort is that Ukraine will move to direct financing of the state budget by the National Bank. However, inflation risks are obvious here.

Note that the NATIONAL BANK OF UKRAINE has already purchased military bonds worth UAH 20 billion,

in fact, printing this money. This right was granted by the state to the NATIONAL BANK OF UKRAINE during martial law. The regulator promises to print hryvnias in exceptional cases and provided that it does not significantly affect inflation. Secondly, borrowing from international financial organizations and the EU. In the first three months of 2022, the state received soft loans in the amount equivalent to UAH 96.7 billion. In particular, UAH 41.3 billion (USD 1.4 billion) from the International Monetary Fund, and UAH 19.5 billion (EUR 600 million) from the EU. In May 2022, the EU should transfer the second part of macro-financial assistance — EUR 600 million. Third, Ukraine is negotiating with other countries to attract grant funding. Governments provide these funds on a repayable or non-repayable basis to support the budget, the economy, and so on in times of war. We do not provide the final amounts of such assistance, as at the time of publication of this monograph, financial assistance continues to arrive. Also in open sources, there are different amounts in different equivalents. Let us just say that we are talking about tens of millions of dollars/euros from some countries, and billions from others. A distinction should also be made between direct financial assistance, military assistance (machinery, weapons, ammunition, etc.), and humanitarian aid (medicines, equipment, food, clothing, etc.), which are also in monetary terms.

Ukraine is actively cooperating with the World Bank. In particular, in April, an Agreement was signed to provide Ukraine with a grant of EUR 88.5 million from the Trust Fund established by the International Bank for Reconstruction and Development and the International Development Association. At the end of April, Ukraine received full grant funding in a certain amount from the World Bank's Multi-Donor Trust Fund under the Second Loan Policy for Economic Recovery. It is envisaged to direct grant funds to the general fund of the State Budget of Ukraine to ensure priority to social and humanitarian expenditures, health care expenditures, and support for internally displaced persons [https://mof.gov.ua/uk/news/ukraina_otrimala_grant_na_885 mln_ievro_z_tsilovogo_fondu_svitovogo_banku-3425].

Subsequently, the Grant Agreement was also amended under the Second Loan Policy for Economic Recovery. According to the changes, Ukraine will receive additional grant funds (within one grant) in the amount of EUR 495 million from Norway, Austria, and the United States. This Trust Fund was established by the International

Bank for Reconstruction and Development and the International Development Association, to which contributions have already been made from Denmark, Iceland, Latvia, Lithuania, the United Kingdom, Norway, Austria, and the United States [https://www.mof.gov.ua/uk/news/ukraina_otrimaie_dodatkovu_495 mln_ievro_grantovikh_koshtiv_z_tsilovogo_fondu_svitovogo_banku-3426].

Ukraine is repelling the enemy, and the international community is helping us to resist. Since the beginning of the war, a special account has been opened in the National Bank of Ukraine to support the Armed Forces of Ukraine. As of the beginning of May 2022, more than UAH 15.7 billion in equivalent was transferred to this account. In particular, more than UAH 4.9 billion in equivalent came from abroad in foreign currency (US dollars, euros, pounds, Canadian dollars, Chinese renminbi, Japanese yen, Swiss francs, Polish zlotys, and Australian dollars) [<https://www.epravda.com.ua/news/2022/05/3/686558/>]. The funds came from residents of Ukraine and non-residents from all over the world, and the National Bank of Ukraine transferred them to the needs of the Ministry of Defence, the National Police, the National Guard, and the State Border Guard Service of Ukraine. There is also a special account for humanitarian aid to the citizens of Ukraine.

In May 2022, at the initiative of the President of Ukraine V. Zelenskyi, the global U24 initiative was launched, which aims to unite people from around the world who have the desire and ability to contribute and help our country. Receipt and use of such funds should be the subject of a separate study — it is all a matter of the future.

And how much money citizens have transferred to different entities (territorial defence, victims, acquaintances, relatives, colleagues, etc.) it is hardly possible to count. In particular, this showed the unity of our nation.

Public Procurement

The war also affected public procurement. Yes, there occurred problems with suppliers (because some of them remained in the occupied territories, some lost their production capacities, some lost workers, etc.), logistical problems (delay or inability to deliver goods, services), growing demand for previously less popular goods. In order to optimize procurement during the war, meet the urgent needs of the state and restore Ukrainian business, the Prozorro State Enterprise, Professional Procurement

State Institution and electronic platforms (E-Tender, Zakupki.prom.ua, SmartTender, Public Procurement. Online and Tender-Online) have developed the Prozorro+ Platform.

The government also responded fairly quickly to procurement problems. We are talking about the adoption of the Resolution No. 169 of the Cabinet of Ministers of Ukraine of February 28, 2022 on Some Issues of Defence and Public Procurement of Goods, Works and Services Under Martial Law. During two months of the functioning of the Resolution, it was amended six times, and it happened several days in a row (in particular, March 2, 4, 5, 2022). This indicates a really high activity of the Government that, as we can see, responds instantly to the needs of defence and other procurement in martial law. Normally, appropriate changes should be made to the Laws of Ukraine on Public Procurement and on Defence Procurement, which would require much more time and compliance with legislative procedures.

Public procurement is a serious matter. But even in the difficult conditions of the war, the Ukrainian people try not to lose their sense of humour. On February 26, 2022 (the second day of the war), the Blyzniuky Village Council of the Kharkiv region posted an announcement on Prozorro about the purchase of occupier tanks, the subject of the purchase: 'Used tanks can be without towers, burned from Katsap military units', expected value: UAH 100 million [<https://prozorro.gov.ua/tender/UA-2022-02-26-000262-a>]. Unfortunately, the auction did not take place, but the discussions and questions about the procurement procedure were quite interesting.

Conclusion (Atypical Conclusion for the Scientific Research)

Scientific research usually does not allow the presentation of humorous and non-scientific material. However, during the war in Ukraine, many things that are familiar to us have changed, in particular: writing proper names in lower case (russia, russian federation); understanding a word as a censorship word, which means the direction of movement, but not part of the body (English version of the word will not convey the essence, so we do not cite it, but only state the fact [https://en.wikipedia.org/wiki/Russian_warship,_go_fuck_yourself]). So, we also decided to finish our part in a format unusual for scientific work. Our conclusion is as follows: despite the incredible difficulties our country has faced, the Ukrainian people

are unbreakable. There will be losses, mistakes and betrayals on the financial front. But the overall victory will still be, and the state budget will survive.

Today, Ukraine is defending not only its own territory, but also the borders of modern civilized European countries from the russian invasion, from russian murderers, looters, rapists, sadists, and thieves. On our own behalf and on behalf of all Ukrainian people, we express our sincere gratitude for all the support provided to Ukraine by Poland, the Polish people, and other countries in Europe and the world. Glory to Ukraine! Glory to the Heroes!

Bibliography

- Materials [online], [https://prozorro.gov.ua/tender/UA-2022-02-26-000262-a.russia will pay / damaged.in.ua](https://prozorro.gov.ua/tender/UA-2022-02-26-000262-a.russia_will_pay_damaged.in.ua): a project to collect, evaluate and analyse information about Ukraine's material losses from the war with russia [online], <https://kse.ua/ua/russia-will-pay/>.
- The National Bank of Ukraine transferred 15.6 billion to the army: 125 million remained in the account [online], <https://www.epravda.com.ua/news/2022/05/3/686558/>.
- The number of owners of domestic government bonds in Ukraine continues to grow, depositors received payments from the redemption of the first issue of military bonds [online], [https://bank.gov.ua/ua/news/all/kilkist-vlasnikiv-ovdp-ukrayini-nadali-zrostaye-vkladniki-otrimali-viplati-vid-pogashennya-pershogo-vipusku-viyskovih-obligatsiy--depozitariy-National Bank of Ukraine](https://bank.gov.ua/ua/news/all/kilkist-vlasnikiv-ovdp-ukrayini-nadali-zrostaye-vkladniki-otrimali-viplati-vid-pogashennya-pershogo-vipusku-viyskovih-obligatsiy--depozitariy-National_Bank_of_Ukraine).
- The share of russian banks in the banking system of Ukraine increased to 12% [online], <http://delo.ua/finance/dolja-bankov-rossii-v-bankovskoj-sisteme-ukrainy-vyroslado-12-294854/>.
- Ukraine received a grant of EUR 88.5 million from the World Bank's Trust Fund [online], https://mof.gov.ua/uk/news/ukraina_otrimala_grant_na_885 mln_ievro_z_tsilovogo_fondu_svitovogo_banku-3425.
- Ukraine will receive an additional EUR 495 million in grant funds from the World Bank's Trust Fund [online], https://www.mof.gov.ua/uk/news/ukraina_otrimaie_dodatkov_495 mln_ievro_grantovikh_koshtiv_z_tsilovogo_fondu_svitovogo_banku-3426.
- Ukrinform materials [online], <https://www.ukrinform.ua/rubric-ato/3451214-za-kozen-den-vijni-budzet-vtra-cae-blizko-2-milardiv-minfin.html>.
- What about public finances and whether Ukraine will have enough money. Clarification [online], <https://www.epravda.com.ua/publications/2022/04/5/685230/>.

Wikipedia [online], https://en.wikipedia.org/wiki/Russian_warship,_go_fuck_yourself.

Will Ukraine be able to nationalize russian property? [online], <http://www.radiosvoboda.org/content/article/27051870.html>.

Legal acts

On protecting the interests of individuals who have deposits in banks and separate structural divisions of banks registered and (or) operating in the territory of the Republic of Crimea and in the territory of the federal city of Sevastopol: Federal Law as of April 2, 2014 [online], <http://pravo.gov.ru/proxy/ips/?docbody=&nd=102348704&rdk=&backlink=1>.

On the Basic Principles of Compulsory Seizure of Objects of Property of the Russian Federation and Its Residents in the territory of Ukraine: Law of Ukraine of March 3, 2022 [online], <https://zakon.rada.gov.ua/laws/show/2116-20#Text>.

On Sanctions: Law of Ukraine of August 14, 2014 [online], <https://zakon.rada.gov.ua/laws/show/1644-18#Text>.

On Amendments to Certain Legislative Acts of Ukraine to Increase the Effectiveness of Sanctions Related to the Assets of Individuals: Law of Ukraine of May 12, 2022 [online], <https://zakon.rada.gov.ua/laws/show/2257-20#Text>.

Judgment of the Supreme Court of April 14, 2022, case No. 308/9708/19, proceedings No. 61-18782CB21 [online], https://supreme.court.gov.ua/userfiles/media/new_folder_for_uploads/supreme/zakonodastvo/Rish_sud_imun.pdf.

Authors biographies

Oksana Muzyka-Stefanchuk - Chief of the Finance Law Department, Educational and Scientific Institute of Law, Taras Shevchenko National University of Kyiv, leading researcher at the Scientific-Research Institute of Intellectual Property of the National Academy of Legal Sciences of Ukraine, Kyiv, Ukraine, Doctor of Law (dr hab.), Professor.

Lesya Muzyka - Professor of the Department of Private Law, National University "Kyiv-Mohyla Academy", Kyiv, Ukraine, Doctor of Law (dr hab.), Associate Professor.