

LEGAL REGULATION OF THE RESTORATION AND USE OF INTERNATIONAL FINANCIAL ASSISTANCE UNDER MARTIAL LAW IN UKRAINE

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Abstract. This study examines the legal and institutional framework governing the attraction, distribution and control of international financial assistance in Ukraine under martial law. The paper focuses on how constitutional principles, fiscal governance, anti-corruption mechanisms and digital transparency interact to ensure the lawful and efficient use of external aid during the war. *Methodology.* The research is grounded in a synthesis of comparative-legal, systemic, and institutional-economic methodologies. The programme integrates constitutional analysis, evaluation of executive and financial legislation, and assessment of international agreements with the IMF, EU, and World Bank. This methodological approach facilitated the identification of the interdependence between economic stability, legal accountability, and institutional resilience. The *aim* of the work is threefold: firstly, to define the legal architecture of Ukraine's wartime financial governance; secondly, to assess its conformity with international standards; and thirdly, to develop proposals for strengthening the legal mechanisms of transparency, parliamentary control, and post-war reconstruction management. The results of the study demonstrate that the Ukrainian system of international financial assistance functions as a hybrid legal institution, integrating constitutional order, emergency flexibility, and multilateral conditionality. The IMF Extended Fund Facility, the EU Ukraine Facility, and the World Bank PEACE programme have been shown to stabilise the economy and promote institutional modernisation through legal reforms and anti-corruption benchmarks. The results of the study demonstrate that the Ukrainian system of international financial assistance functions as a hybrid legal institution, integrating constitutional order, emergency flexibility, and multilateral conditionality. The IMF Extended Fund Facility, the EU Ukraine Facility, and the World Bank PEACE programme have been shown to stabilise the economy and promote institutional modernisation through legal reforms and anti-corruption benchmarks. *Conclusion.* The legal regulation of international financial aid in wartime constitutes both an economic and constitutional function of the state. Ukraine's experience demonstrates that adherence to the rule of law, digital transparency, and institutional accountability can transform donor support from a survival mechanism into an instrument of modernisation and post-war development. The country's future economic security is contingent on the institutionalisation of wartime innovations within a stable legal framework that is aligned with European governance standards.

Keywords: international financial assistance, legal regulation, administrative procedure, economic security, institutional resilience, wartime governance, anti-corruption, digital transparency, good governance, Ukraine.

JEL Classification: F35, H56, D73, H83, P16, O33, O17, K40, O52

1. Introduction

The fundamental framework for the functioning of state institutions under martial law is established by the Constitution of Ukraine (The Constitution of Ukraine, 1996). Article 17 stipulates that the defence

of sovereignty and territorial integrity is to be regarded as the most significant function of the state. Article 85 of the constitution of Ukraine stipulates that the Verkhovna Rada (Parliament) possesses the authority to approve decisions on the introduction or

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termination of martial law, in addition to the oversight of budgetary resources allocation and utilisation. Article 92 enumerates the subjects which are to be exclusively regulated by laws of Ukraine. Such subjects include the state budget, taxation, and the foundations of national security. Article 116 delineates the prerogatives of the Cabinet of Ministers with regard to the assurance of defence capacity, economic stability, and the implementation of international agreements. Collectively, these provisions establish the constitutional framework for the regulation of the flow and utilisation of international financial aid during wartime.

The Law of Ukraine "On Legal Regime of Martial Law" defines the procedure for introducing martial law, granting the government the right to redistribute budgetary expenditures and simplify administrative procedures (The Law of Ukraine "On Legal Regime of Martial Law", 2015).

The Budget Code of Ukraine (2010) and the Law of Ukraine "On State Budget of Ukraine" regulate fiscal mechanisms through which international financial assistance is integrated into the national budget.

International treaties with the International Monetary Fund (The IMF, 2023), the European Union (The European Commission, 2023), and the World Bank (The World Bank, 2023) establish the legal framework for loans, grants, and guarantees directed toward Ukraine's macroeconomic stabilisation and reconstruction. Such instruments ensure legal predictability, accountability, and coordination between national and international financial systems.

The Cabinet of Ministers of Ukraine issues resolutions on the attraction, registration, and targeted use of external financial aid (The Resolution of the Cabinet of Ministers of Ukraine "On Creation of a Special Fund for International Assistance within the State Budget of Ukraine", 2022).

The National Bank of Ukraine (2022) provides regulatory and supervisory mechanisms for external loans and grants, including the establishment of special accounts for humanitarian and defense needs.

The Ministry of Finance (2023) has developed a set of methodologies for accounting and reporting on the use of foreign funds. These methodologies have been designed to align with the principles of transparency and fiscal responsibility.

Collectively, these acts constitute a cohesive legal and administrative system that ensures the lawful and efficient utilisation of international assistance.

The regulation and utilisation of international financial aid are guided by universal legal principles, including the rule of law, good faith in the performance of obligations, and the targeted use of financial resources (The Vienna Convention on the Law of Treaties, 1969; The United Nations, 2003).

In the context of wartime Ukraine, adherence to these principles is essential for the legitimacy of public authorities, the maintenance of donor trust, and the reinforcement of the state's economic security.

2. Legal Framework of International Financial Assistance in Wartime

The constitutional system of Ukraine establishes a clear division of powers and responsibilities among state institutions to ensure the lawful functioning of governance during wartime.

In accordance with the Constitution of Ukraine (1996), Article 17 stipulates that the defence of state sovereignty and territorial integrity constitutes a fundamental duty of the state. Furthermore, Articles 85 and 92 confer upon the Verkhovna Rada the exclusive prerogative to establish the foundations of national security, taxation, and the budgetary system. Article 85 also endows parliament with the authority to ratify the establishment or cessation of martial law, in addition to the supervision of fiscal and budgetary administration.

Article 116 of the Constitution of Ukraine (1996) stipulates that the Cabinet of Ministers is responsible for implementing national defence policy, maintaining economic stability, and ensuring the execution of international agreements.

The constitutional framework under discussion establishes both the vertical hierarchy of powers and the legal safeguards for balancing centralised wartime decision-making with parliamentary oversight. The combination of executive flexibility and legislative accountability has been shown to be a decisive factor in maintaining economic governance and legal legitimacy in the face of full-scale aggression.

The Law of Ukraine "On Legal Regime of Martial Law" (2015) sets out the detailed legal procedure for the introduction and management of martial law, and defines the exceptional powers of the executive branch. These powers include the right to reallocate budgetary expenditures, adopt temporary restrictions on property rights, and modify administrative processes to respond to immediate security and humanitarian needs. Importantly, Article 19 of this Law still requires that any measures taken during martial law comply with the Constitution, international obligations, and fundamental human rights principles (The Law of Ukraine "On Legal Regime of Martial Law", 2015).

Internationally, Ukraine's co-operation with financial institutions such as the International Monetary Fund, the European Union, and the World Bank is based on a network of binding treaties and memoranda. These accords regulate the provision of macro-financial assistance, define conditionality requirements, and link the disbursement of funds to governance and

transparency benchmarks (The IMF, 2023; The European Commission, 2023; The World Bank, 2023).

The incorporation of such legal stipulations is indicative of the dualistic character of aid. While financial assistance is inherently economic in nature, its administration and oversight are inherently juridical in form. Consequently, international financial aid operates as a hybrid legal institution at the intersection of domestic constitutional law and international public law.

In the context of wartime, Ukraine has adopted numerous executive acts with the objective of ensuring that international financial assistance is integrated into the state's fiscal and recovery architecture.

The Cabinet of Ministers adopted Resolution No. 174 (March 2022) and subsequent acts that established the framework for the management of humanitarian flows and donor-related procedures. These were subsequently supplemented by regulations on procurement, donor coordination, and financial accountability (The Resolution of the Cabinet of Ministers of Ukraine "On Creation of a Special Fund for International Assistance within the State Budget of Ukraine", 2022).

Between 2023 and 2024, the government issued several resolutions aimed at streamlining public procurement and simplifying documentation for defence and recovery projects. These measures introduced a system of "emergency procurement", which allows for direct contracting under martial law while ensuring transparency through the mandatory publication of information on the ProZorro electronic platform. This hybrid system enables the rapid implementation of reconstruction projects without undermining public control.

In addition, the institutionalisation of donor coordination mechanisms has been achieved through the establishment of a Reconstruction Coordination Platform under the Cabinet of Ministers. This platform is designed to ensure that international contributions are legally registered, monitored, and reported to both Ukrainian authorities and donor states. The alignment of domestic financial flows with EU and IMF reporting standards serves to reinforce Ukraine's compliance with international obligations.

From a legal standpoint, these resolutions function as delegated legislation under Article 117 of the Constitution, which authorises the government to issue acts that are binding on ministries and local authorities. The accelerated implementation of these measures is indicative of the adaptability of Ukraine's administrative apparatus, and its capacity to guarantee the continuity of governance, even in circumstances of extreme warfare (The Budget Code of Ukraine, 2010).

The Ministry of Finance of Ukraine is the primary coordinating body for the management of external financial resources. The institution is responsible

for the preparation of the preliminary state budget, the integration of international assistance into fiscal planning, and the development of legal methodologies for accounting and reporting on the utilisation of donor funds (The Ministry of Finance of Ukraine, 2023). The Ministry is also responsible for aligning Ukrainian budgetary practices with the EU's fiscal transparency standards and IMF governance criteria.

The National Bank of Ukraine (NBU) performs a dual function, namely monetary and regulatory. It is responsible for the maintenance of special accounts to meet humanitarian and defence needs, the oversight of foreign currency inflows, and the monitoring of financial stability (The National Bank of Ukraine, 2022). The NBU's regulatory framework ensures that all transactions involving foreign aid comply with anti-money laundering standards and international sanctions regimes. It is evident that the NBU's commitment to ensuring transparency in currency operations has a dual impact: firstly, it fosters donor trust, and secondly, it contributes to the stabilisation of the domestic banking system.

The Cabinet of Ministers serves as the central executive authority, coordinating all other institutions. The legal framework governing the organisation encompasses the authorisation of external borrowing, the delineation of expenditure priorities, and the adoption of regulatory acts that define inter-ministerial coordination. The Cabinet's leadership in fiscal governance has facilitated the efficient utilisation of international resources for defence, social payments and critical infrastructure restoration. It is imperative to note that Cabinet acts are subject to judicial review, thereby reinforcing the principle of legality and forestalling any potential misuse of extraordinary powers (The Constitution of Ukraine, 1996; The Law of Ukraine "On Legal Regime of Martial Law", 2015).

The tripartite structure, comprising the Cabinet of Ministers, the Ministry of Finance, and the National Bank, constitutes a coherent institutional chain that ensures the lawful attraction of international aid, its effective distribution, and its transparent monitoring. The amalgamation of their activities demonstrates the integration of public law mechanisms and macroeconomic management under martial law.

The unique nature of wartime governance necessitates a delicate equilibrium between legal certainty and the capacity for expeditious decision-making. The Budget Code of Ukraine (2010) authorises the government to make emergency reallocations of expenditures and introduce temporary budgetary derogations when national security is threatened. Furthermore, Cabinet resolutions have been demonstrated to facilitate streamlined approval procedures, reduced reporting deadlines, and direct procurement mechanisms.

While such flexibility is indispensable, it must remain anchored in the rule of law. Both domestic

legislation and international conventions impose obligations to ensure transparency, accountability, and proportionality (The Vienna Convention on the Law of Treaties, 1969; The United Nations, 2003). Consequently, even emergency decisions must be meticulously documented, justified, and subsequently audited.

Ukraine's approach is emblematic of an adaptive legality, defined as a legal system capable of responding to crisis conditions without compromising its normative integrity. The maintenance of public reporting, digital transparency (via "Dii" and "Dream" platforms), and parliamentary control mechanisms demonstrate that Ukraine's wartime governance operates within a legitimate constitutional and international framework.

Such a framework not only supports immediate fiscal resilience but also establishes the foundations for post-war recovery and EU accession, where adherence to rule-of-law standards will remain a prerequisite for sustained international assistance (The European Commission, 2023).

3. Economic and Institutional Mechanisms of Using International Aid in Ukraine

The system of international financial assistance to Ukraine during wartime comprises a complex, multi-level mechanism that combines various instruments, including loans, grants, guarantees, humanitarian support and military financing. The degree of conditionality, oversight, and accountability is determined by the specific legal and institutional arrangements governing each of these forms.

Loans provided by international financial institutions, such as the International Monetary Fund (IMF) and the World Bank, are granted under medium-term macroeconomic programmes designed to ensure fiscal stability and currency balance (The IMF, 2023; The World Bank, 2023). These instruments are characterised by strict governance benchmarks, including anti-corruption measures, judicial reforms and budgetary discipline.

Grants, primarily administered by the European Union, the United States, and partner states, constitute the second pillar of assistance. The EU's Ukraine Facility, established in 2023, is a multi-annual budgetary support initiative with conditions tied to Ukraine's progress in the areas of rule of law and public finance management reforms (The European Commission, 2023). In contrast to loans, grants do not incur debt obligations; rather, their allocation is contingent upon adherence to stipulated performance indicators and transparency norms.

Credit risk instruments and guarantees, such as those provided by the European Bank for Reconstruction

and Development (EBRD) and the European Investment Bank (EIB), play a complementary role in encouraging private investment in reconstruction projects. It is important to note that humanitarian and military aid, although not always classified as financial assistance, can have a direct impact on economic stability by sustaining essential services and national defence capacities. Collectively, these diverse streams form an integrated economic and legal ecosystem aimed at sustaining the functioning of the Ukrainian state during an existential crisis.

Approved for Ukraine in 2023, the IMF's Extended Fund Facility (EFF) provides a financial cushion of approximately \$15.6 billion to maintain macroeconomic stability (The IMF, 2023). The programme's legal framework incorporates governance and anti-corruption commitments to ensure that wartime fiscal flexibility does not undermine institutional accountability.

The EU's Ukraine Facility complements IMF support by offering up to 50 billion EUR in grants and loans between 2024 and 2027. These are structured around key reform indicators relating to governance, the rule of law, and fiscal transparency (The European Commission, 2023). This mechanism transforms economic aid into a tool for institutional modernisation, with each financial disbursement legally tied to demonstrable progress in domestic reforms.

The World Bank's Multi-Donor Trust Fund and the PEACE in Ukraine initiative provide funding to support salaries in education, healthcare and social services. These programmes operate under strict fiduciary control, integrating both Ukrainian and international auditing practices and adhering to World Bank safeguard standards (The World Bank, 2023).

From an economic perspective, such assistance functions as a stabiliser of aggregate demand, thereby preventing systemic collapse. From a legal standpoint, it engenders a network of international obligations that promote transparency, accountability, and reform-oriented governance. The interdependence between economic security and legal integrity is evident: without the rule of law and institutional predictability, external financing would not be sustainable (Rohatiuk et al., 2024).

In the context of martial law, the Ukrainian government centralised financial management with the objective of ensuring transparency and minimising the duplication of donor efforts. The National Bank of Ukraine (NBU) has established special multi-currency accounts to address humanitarian and defence requirements, enabling individuals, governments and corporations to transfer funds directly to verified state accounts (The National Bank of Ukraine, 2022).

The State Treasury Service performs a pivotal function in this regard by meticulously documenting the inflow and expenditure of international assistance

within the State Budget of Ukraine, as stipulated by designated budget programmes. This system ensures that all funds, even those originating from diverse donors, are legally accounted for and auditable (The Budget Code of Ukraine, 2010).

Such centralisation serves several purposes: firstly, it guarantees that all inflows are legally integrated into Ukraine's fiscal system; secondly, it enables real-time monitoring through digital platforms; thirdly, it strengthens fiscal discipline, ensuring that no parallel financial circuits undermine public accountability.

Nevertheless, centralisation does not preclude collaboration with local governments. In fact, it creates a unified financial infrastructure that can support decentralised implementation.

The Ukrainian model of aid distribution combines centralised coordination with decentralised implementation. While macro-financial flows are administered by central authorities, local self-government bodies – particularly in de-occupied or frontline territories – play a crucial role in deploying international funds for reconstruction and the provision of public services.

Several municipalities, including those in the Kyiv, Kharkiv and Chernihiv regions, have set up local reconstruction offices which receive direct donor support or sub-grants via national programmes (Melnykovska, 2025). This ensures that assistance meets local needs while maintaining national oversight.

The Law of Ukraine "On Local Self-Government" and the decentralisation reform that began before the war established the institutional basis for local resilience. During wartime, this structure has evolved into a "hybrid governance model", in which central and local institutions cooperate within a unified legal and fiscal framework.

This synergy is based on the principle of subsidiarity, ensuring that decisions are made as close to citizens as possible while remaining consistent with national strategies (The Council of Europe, 2023).

It is evident that Ukraine's aid management system functions as a multilevel governance model, characterised by a centralised structure to ensure fiscal accountability, complemented by a flexible framework to facilitate localised recovery initiatives.

Digital transformation has become a cornerstone of Ukraine's wartime economic governance. Platforms such as ProZorro, Dream, and Diia function as both legal and technological instruments, thereby ensuring transparency, open data, and citizen oversight.

The ProZorro e-procurement system, which was initiated prior to the war, underwent a series of adaptations to meet the demands of wartime conditions. These adaptations enabled the system to facilitate emergency procurement while ensuring the integrity of audit trails. It is evident that all contracts financed by international donors are published in open

access, allowing for public scrutiny and independent verification (Transparency International, 2023).

Launched in 2023 as part of the national reconstruction initiative, the Dream platform integrates donor projects, funding sources, and implementation stages. Operating under open data standards, it provides a single entry point for all reconstruction activities, facilitating coordination between the government, local communities, and international partners (The Ministry of Finance of Ukraine, 2023).

The Diia platform increases transparency for citizens by providing access to administrative services, digital documents and social support tracking (The Ministry of Digital Transformation of Ukraine, 2022). Its ability to maintain public trust in extreme conditions shows that digital governance is not just a technical innovation, but also legally guarantees accountability and institutional resilience.

Together, these digital ecosystems embody the principle of open government, aligning Ukraine with OECD and EU standards on public finance transparency (OECD, 2021). Successful implementation would reinforce donor confidence and establish Ukraine as a regional leader in digital governance in times of crisis.

4. Anti-Corruption and Oversight Mechanisms in Ukraine

Ukraine's anti-corruption infrastructure plays a pivotal role in ensuring transparency and accountability in the management of international financial assistance.

The institutional triangle of the National Anti-Corruption Bureau of Ukraine (NABU), the Specialised Anti-Corruption Prosecutor's Office (SAPO), and the High Anti-Corruption Court (HACC) constitutes the backbone of the country's integrity system.

The NABU is responsible for investigating high-level corruption offences, including those connected with the misuse of international aid. It is the responsibility of SAPO to provide procedural supervision and to ensure that criminal proceedings comply with due-process guarantees. In contrast, HACC adjudicates cases within a specialised judicial framework (Transparency International, 2023).

This tripartite mechanism, established between 2015 and 2019, has become a model of institutional specialisation in Eastern Europe. In times of war, these bodies were able to maintain their operational capacity by investigating a number of prominent cases related to procurement and humanitarian logistics (The National Anti-Corruption Bureau of Ukraine, 2023).

The sustained operation of anti-corruption institutions during periods of martial law in Ukraine serves to illustrate the nation's dedication to the principles of the rule of law, even in times of crisis. From a legal standpoint, these institutions embody

the constitutional principle of accountability and fulfil the state's obligations under the United Nations Convention against Corruption (2003).

Transparency in public finance remains a constitutional and statutory requirement. The Budget Code of Ukraine (2010) stipulates the requirement for the open publication of reports on the execution of the state budget, including transactions involving external assistance. In accordance with Articles 28 and 80 of the Code, all budgetary operations financed by international partners are subject to state audit and parliamentary oversight.

Moreover, the provision of macro-financial assistance by the European Union, in conjunction with the IMF Extended Fund Facility, is subject to the imposition of mandatory transparency and audit conditions. These include the requirement for quarterly public disclosure of spending data and the creation of audit trails accessible to international partners (The IMF, 2023; The European Commission, 2023).

In order to fulfil these obligations, the Accounting Chamber of Ukraine and the State Audit Service perform external and internal audits, respectively, while NABU and SAPO act upon potential criminal violations detected through these mechanisms.

The disclosure of financial information through electronic platforms such as ProZorro and Dream has become a statutory element of financial control, enabling real-time monitoring by civil society organisations. The "digital accountability chain" is a concept that has been developed to transform abstract legal norms into enforceable oversight mechanisms that operate continuously, regardless of wartime constraints (The Ministry of Finance of Ukraine, 2023).

Ukraine's anti-corruption policy closely aligns with the OECD Anti-Bribery Convention, the EU *acquis communautaire* and the IMF's governance benchmarks.

The OECD framework establishes criminal liability for bribery of foreign officials and promotes corporate-compliance programs (OECD, 2021).

According to the European Commission (2023), EU conditionality links financial support and accession prospects to tangible progress in judicial reform, asset-recovery mechanisms, and whistle-blower protection.

The IMF's 2023 programme includes governance performance indicators that measure the transparency of budgetary execution and public procurement (The IMF, 2023).

This multilateral alignment ensures that Ukraine's domestic institutions are embedded within a transnational integrity regime. Adherence to these standards mitigates legal risks and reinforces investor and donor confidence, effectively turning anti-corruption enforcement into a macroeconomic stabiliser (Mungiu-Pippidi, 2015).

There are several cases that demonstrate how Ukraine's oversight system works in practice.

In 2023, NABU and SAPO began legal proceedings regarding the alleged misappropriation of humanitarian supplies purchased under international contracts. The swift investigation and subsequent legal action by the HACCC resulted in the recovery of assets and set a precedent for accountability during wartime (The National Anti-Corruption Bureau of Ukraine, 2023).

Another example involves the ProZorro Market electronic procurement module, where irregularities were detected in subcontracting schemes. Administrative sanctions were imposed under the Code of Administrative Offences, demonstrating the relationship between criminal and administrative accountability frameworks.

At an international level, donor institutions have adopted the principle of conditional disbursement, suspending financing temporarily until corrective measures have been implemented. These sanctions are intended to be preventive rather than punitive, and aim to preserve donor trust and fiscal discipline (The World Bank, 2023).

Transparency serves as both a legal obligation and a strategic asset.

In the context of wartime conditions, characterised by the strain on state capacity, credibility emerges as a form of economic capital. Donor governments and institutions stipulate the continuation of their support on the basis of demonstrable anti-corruption progress. A decline in transparency indicators has the potential to precipitate funding suspensions, thereby endangering macroeconomic stability (Freedom House, 2023).

Conversely, consistent compliance with audit and disclosure standards has been demonstrated to enhance Ukraine's rating in international governance indices, facilitate access to concessional financing, and strengthen its reputation as a trustworthy partner. Transparency, therefore, directly contributes to economic security, transforming integrity from a normative ideal into a functional prerequisite for survival and recovery.

The institutional interconnection between anti-corruption enforcement and economic stability shows that, in the 21st century, good governance is not just an important issue, but an imperative for national security.

5. Legal Challenges and Prospects for Post-War Reconstruction in Ukraine

As Ukraine transitions from wartime resilience to long-term recovery, there are several systemic risks to the legal and institutional architecture governing international financial assistance.

Firstly, the existence of overlapping donor frameworks poses challenges in terms of coordination and efficiency. This is because multiple actors, ranging from the European Union and the IMF to bilateral donors, often operate under different procedural and reporting standards (The World Bank, 2023; The European Commission, 2023). The lack of a unified legal mechanism for donor harmonisation increases administrative costs and delays the implementation of projects.

Secondly, the lack of legal harmonisation between Ukrainian legislation and EU financial governance standards creates potential conflicts. The Budget Code of Ukraine and Cabinet resolutions frequently grant temporary wartime exemptions that conflict with EU requirements in peacetime (The Budget Code of Ukraine, 2010). Without a clear transition framework, Ukraine risks facing legal uncertainty when it comes to post-war reconstruction projects that are funded by the EU or international institutions.

Thirdly, although the centralisation of decision-making within the Cabinet of Ministers and central ministries is necessary under martial law, it may become counterproductive in the recovery phase. Overcentralisation can stifle local initiative, weaken accountability and hinder the participation of private and community stakeholders in reconstruction (Melnykowska, 2025).

Therefore, Ukraine's legal system after the war must gradually evolve from emergency governance towards a system based on rules that balances central coordination with decentralised implementation.

One of the most pressing legal challenges is the lack of a comprehensive legislative framework governing post-war reconstruction funds and public-private partnerships (PPPs).

Currently, reconstruction efforts are governed by a number of different Cabinet of Ministers' acts and individual donor agreements. This results in duplication, legal ambiguity and restricted public oversight.

It is imperative that a coherent legislative framework be established to delineate the legal status, structural framework, and accountability mechanisms of a National Reconstruction Fund of Ukraine. Such an act would serve to codify the principles of transparency, subsidiarity, and proportionality in the utilisation of international aid. Furthermore, it is imperative to establish a unified register of reconstruction projects, accessible to both domestic and international stakeholders.

Public-private partnerships represent a further underutilised instrument for financing post-war recovery. Despite the existence of the Law of Ukraine "On Public-Private Partnership" (2019), its practical implementation remains limited due to bureaucratic complexity and insufficient guarantees for investors (OECD, 2021). The post-war situation requires this

legal framework to be modernised to ensure risk-sharing mechanisms, investment protection and simplified administrative procedures.

1. Adoption of a Law on International Assistance and Reconstruction.

Ukraine should adopt a comprehensive Law on International Assistance and Reconstruction, codifying existing wartime regulations and harmonising them with international legal standards.

This law should define:

- The legal status of international aid;
- the rights and obligations of donors and recipients;
- procedures for accounting, procurement, and auditing;
- mechanisms for preventing corruption and misuse.

Codification would eliminate inconsistencies between Cabinet resolutions, budgetary laws, and donor agreements, thus ensuring predictability and legal certainty (Rohatiuk et al., 2024).

2. Strengthening parliamentary oversight.

Parliamentary control remains a cornerstone of democratic legitimacy in the management of public funds.

The Verkhovna Rada of Ukraine should establish special audit committees to be responsible for reviewing international assistance flows, conducting performance evaluations and publishing regular public reports.

The Accounting Chamber of Ukraine could be granted the power to audit not only state-funded programmes, but also those financed by donors.

Furthermore, creating an open-access digital register of aid disbursements, integrated with platforms such as Dream and ProZorro, would encourage public engagement and guarantee adherence to EU transparency regulations (The Ministry of Finance of Ukraine, 2023).

3. Integration of blockchain-based financial tracking.

Modern technologies can reinforce legal accountability mechanisms.

According to the OECD (2021), the introduction of blockchain-based financial tracking systems would allow for the immutable recording of all transactions related to international aid, thereby preventing data manipulation and enhancing real-time monitoring.

The Ministry of Digital Transformation has already discussed several pilot initiatives that aim to combine blockchain solutions with existing e-procurement and donor management tools (The Ministry of Digital Transformation of Ukraine, 2022).

Embedding such technology in national legislation would position Ukraine as a pioneer in transparent post-war recovery governance.

4. Continuing EU alignment and judicial reform.

Finally, sustained alignment with the EU *acquis communautaire* is essential for securing long-term investment and donor confidence.

The European Commission (2023) emphasises that financial assistance will continue to be dependent on demonstrable progress in terms of judicial independence, anti-corruption enforcement and public administration reform.

According to Fukuyama (2014), legal certainty for investors depends directly on the credibility of Ukraine's judiciary and the enforcement of property rights.

Therefore, judicial reform must go hand in hand with reconstruction policy in order to ensure the enforceability of contracts and the protection of donor-financed assets.

In this sense, the reconstruction process becomes a constitutional transformation as well as an economic project, redefining Ukraine's governance model to prioritise transparency, decentralisation and integration into the European legal order.

The post-war reconstruction process offers Ukraine a historic opportunity to redefine the relationship between law, economics and governance.

The challenge lies in establishing wartime innovations, such as digital transparency, civic participation and international coordination, within a lasting legal framework.

If Ukraine succeeds in enacting a comprehensive reconstruction law that enhances parliamentary and public oversight and embeds technological accountability mechanisms, it can transform donor assistance into a foundation for sustainable development and democratic modernisation.

Ultimately, it is the rule of law and legal predictability that will determine both the speed of reconstruction and Ukraine's future role within the European political and economic landscape.

6. Conclusions

The Ukrainian experience of managing international financial assistance during martial law demonstrates that the effectiveness of aid depends not only on economic capacity but primarily on the quality of legal and institutional governance. The war has transformed Ukraine's financial system into a testing ground for adaptive legality, where constitutional principles, international obligations, and emergency flexibility coexist within a single framework of economic resilience.

Firstly, the study confirms that constitutional and statutory regulation remains the foundation of legitimacy, even in extraordinary circumstances. The constitutional architecture for allocating powers between the parliament and the executive is established by Articles 17, 85, 92, and 116 of the Constitution of Ukraine (1996), thereby guaranteeing the rule of law in financial governance. The Law of Ukraine "On Legal Regime of Martial Law" (2015) provides a procedural

framework for temporary derogations while maintaining compliance with Ukraine's international obligations. This flexibility, grounded in legality, has been a key source of stability for economic management in wartime.

Secondly, the research reveals that economic mechanisms of assistance, including the IMF's Extended Fund Facility, the EU's Ukraine Facility, and the World Bank's trust funds, operate not only as financial instruments but also as drivers of institutional modernisation. The conditionality clauses of these agreements have been shown to incorporate governance, audit, and transparency requirements into the legal framework of Ukraine's fiscal system. Consequently, external aid has been instrumental in accelerating the implementation of internal reforms, thereby contributing to the consolidation of democratic accountability.

Thirdly, anti-corruption and oversight institutions have emerged as guarantors of donor confidence. The coordinated efforts of NABU, SAPO and HACC demonstrate that Ukraine can uphold judicial independence and integrity standards even under martial law. Integrating domestic institutions with global anti-bribery frameworks, such as the OECD, EU *acquis* and IMF benchmarks, transforms transparency from a moral norm into an instrument of economic security.

Fourthly, the digital transformation of governance, as exemplified by ProZorro, Dream and Diia, has redefined public accountability. These platforms bridge the gap between law and technology, ensuring the real-time traceability of funds, enabling citizen oversight and providing open access to data. Digital tools therefore act as a form of "soft law", putting the principles of open government into practice and building public trust.

As Ukraine looks towards the post-war period, it faces a new stage of legal and institutional reconstruction. Adopting a Law on International Assistance and Reconstruction would codify fragmented regulations, harmonise donor frameworks and enshrine transparency guarantees. Further institutionalisation of trust could be achieved by strengthening parliamentary audit committees, expanding the powers of the Accounting Chamber, and introducing blockchain-based tracking systems. At the same time, continued alignment with the EU and judicial reform will be essential in order to provide legal certainty for investors and sustain donor engagement.

Ultimately, Ukraine's success will depend on its ability to transform wartime resilience into long-term institutional capacity. The intersection of law, economics and governance will define the country's trajectory towards European integration. When regulated by clear legal norms and administered through transparent

institutions, international financial assistance becomes a mechanism of modernisation, not just an instrument of survival.

Embedding accountability, rule of law and digital transparency into a recovery framework has the

potential to establish a new global standard for post-conflict reconstruction governance. This model would see integrity and economic growth reinforce one another, with legality itself becoming a source of national security.

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