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**THE MODERN PUBLIC FINANCE ARCHITECTONICS  
UNDER UKRAINE–IMF COOPERATION FOR POST-WAR RECOVERY  
AND RECONSTRUCTION**

**НОВІТНЯ АРХІТЕКТОНІКА ДЕРЖАВНИХ ФІНАНСІВ  
У КОНТЕКСТІ СПІВПРАЦІ УКРАЇНИ З МВФ  
ЗАДЛЯ ПОВОЄННОГО ВІДНОВЛЕННЯ ТА РЕКОНСТРУКЦІЇ**

The relevance of studying the modern architectonics of public finance under Ukraine's cooperation with the International Monetary Fund (IMF) for post-war recovery and reconstruction is extremely high. In the context of armed conflicts, countries face enormous challenges and threats in restoring infrastructure and the economy, which requires effective financial management. In the current realities of the Russian-Ukrainian war, the IMF's role as a global financial regulator, crisis manager, and lender of last resort comes to the fore. Cooperation with the IMF provides the necessary resources and technical support to stabilize the economy and implement structural reforms. It is important to create a transparent and efficient public financial management system that meets international standards, which strengthens the trust of international partners and investors. Adapting public financial management to IMF requirements is critical to ensuring a sustainable post-war recovery and economic growth.

The importance of cooperation between Ukraine and the IMF in 2024 remains extremely high for several key reasons. First, the economic situation in our country continues to be unstable due to internal and external shocks. The military conflict in the country, the economic consequences of the COVID-19 pandemic, and global economic challenges are putting significant pressure on Ukraine's financial system. In this context, the IMF's support is essential to ensure macroeconomic stability and economic growth. Secondly, the IMF provides not only financial support but also technical assistance to facilitate the implementation of structural reforms in Ukraine. In particular, IMF programs are aimed at improving fiscal discipline, increasing transparency in the financial sector, reforming the energy market, and fighting corruption. These reforms are key to improving the country's investment attractiveness and ensuring long-term economic growth. Third, cooperation with the IMF is an important signal to international investors and creditors. Meeting the conditions of IMF programs demonstrates Ukraine's commitment to implementing the necessary reforms and increases the confidence of the international community. This, in turn, helps attract foreign investment and facilitates access to international financial markets. Finally, in light of global economic changes and the

growing role of international financial institutions, cooperation with the IMF helps Ukraine integrate into the global economy and adapt to new challenges and shocks.

According to the World Economic Outlook (WEO), presented during the Spring Meetings of the IMF and the World Bank in Washington, D.C., Ukraine's economic growth is expected to reach 3.2% this year and increase to 6.5% in 2025 [1].

The four-year Extended Fund Facility (EFF) program was approved on 31.03.2023, and implemented in two phases (military and post-war) and provides access to IMF loans in the amount of SDR 11.6 billion (equivalent to USD 15.6 billion) [2]. Tranches under the program are provided based on the results of reviews. In 2023, Ukraine received three tranches from the IMF totaling SDR 3.3 billion (USD 4.5 billion). This program is part of a total package of support for Ukraine by international partners worth USD 122 billion under the baseline scenario [2]. On March 26, 2024, Ukraine received the third tranche of USD 880 million under the EFF program [2]. This year, Ukraine could receive four tranches from the IMF totaling SDR 4 billion (USD 5.4 billion) [2].

An agreement at the staff level has been reached between the IMF staff and the Ukrainian authorities regarding the fourth review of the 4-year EFF Arrangement. Upon approval by the IMF Executive Board, Ukraine is expected to gain access to approximately USD 2.2 billion (SDR 1,669.82 million) [3]. All the quantitative performance criteria have been successfully attained, and the structural benchmarks for the review were either met within the specified timeframe or implemented with a slight delay. An agreement has been reached regarding an updated set of financial and economic policies to preserve macroeconomic stability and foster economic reforms. Discussions on the Fourth Review of the country's 4-year EFF Arrangement took place in Warsaw between the IMF team and Ukrainian officials from May 27-31, 2024 [3].

In March 2024, a latest IMF-Ukraine Letter of Intent and Memorandum for Economic and Financial Policy dated 11.03.2024 No. 6110/0/2-24 were published [4]. Currently, the EFF Memorandum is one of the key program documents for the government and the NBU, and the timely implementation of structural benchmarks will allow for continued funding after the next revisions of the Program. Given the military challenges, it is important to analyze how the tools outlined in the Memorandum are relevant to the goal of restoring and strengthening economic activity in Ukraine [5].

In accordance with the IMF's structural benchmarks, the adoption of the National Revenue Strategy until 2030 was a significant aspect [6]. The primary objective of the Strategy encompasses key areas, such as enhancing Ukraine's fiscal capability, aligning tax and customs legislation with EU standards, and establishing incentives for post-war recovery and economic expansion. Specifically, prior to the IMF's third review, Ukraine implemented the National Revenue Strategy, formulated a roadmap for public investment management, and sought measures to boost state budget revenues in 2024 [7].

The Strategy plans to carry out IT consolidation of information resources within the public finance management system, which is a crucial aspect of the reform. The planned IT consolidation is aimed at digitalization, improvement of tax and customs administration, introduction of a tax risk management system and anti-corruption measures. Currently, each service (the State Tax Service, the State Customs Service, the State Audit Service, the State Treasury Service and the State Financial Monitoring Service) has its own IT infrastructure, which complicates management and reduces public trust. The consolidation, carried out in cooperation with the Public Finance Management System (EU4PFM), involves the creation of a private cloud for centralized data management. The introduction of the EU4PFM supported private cloud will improve centralized data management, increasing transparency and trust in public institutions. A detailed analysis of existing hardware capacities for building this cloud is planned for 2024 [8].

Thus, the relevance of cooperation between Ukraine and the IMF is driven by the need for financial support, implementation of important reforms, increased international confidence, and integration into the regional and global economy. This cooperation is an important element of Ukraine's strategy to stabilize and develop in the new economic reality. The long-term growth of competitiveness of economic agents will be facilitated by fiscal consolidation, restoration of financial sector stability, fighting corruption, improving the business environment, achieving low and stable inflation, recovery of both the banking system and the financial system as a whole, strengthening the external fiscal position, increasing revenues by broadening the tax base, increasing transparency, accelerating privatization, and other factors.

To summarize, the strategic and main directions of Ukraine's development require improving the process of formulating and implementing the country's foreign policy, adequate analysis of diplomatic and economic relations with other countries, and identification of priority vectors of cooperation with reliable long-term partners of Ukraine, such as states and IFIs, including the IMF. Such interaction is characterized by medium- and long-term periods, and its ultimate result is the establishment of partnerships to build the modern public finance architectonics under Ukraine's cooperation with the IMF for post-war recovery and reconstruction.

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