GLOBAL INSTITUTIONS IN SUPPORTING REGIONAL DEVELOPMENT AND RESILIENCE

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Abstract: *Problems of post-war recovery and reconstruction of regions and territories affected by war are so complex and profound that they cannot be resolved by the country's efforts alone. Therefore, global institutions will play a key role in supporting development, recovery, and crisis resolution in regions of countries affected by conflicts or disasters. Ukraine serves as a vivid example: following Russia's full-scale invasion in February 2022, the country has suffered significant human losses and economic damage. The purpose of this article is to examine the experience of international institutions that are capable of providing comprehensive support for socio-economic development and regional recovery. The research is based on publicly available sources, such as websites of international organizations, their analytical reports, and briefing notes. The study is focused on the case of Ukraine, which has suffered catastrophic destruction as a result of military aggression. It has been determined that global institutions play an indispensable role in strengthening the capacity of states and regions to absorb, respond to, and recover from large-scale shocks such as armed conflicts, economic disruptions, and environmental disasters. Their contribution goes beyond financial assistance, encompassing strategic policy guidance, institutional reform, technical support, and long-term development planning. In the context of Ukraine, the coordinated involvement of major international actors, including the World Bank, the International Monetary Fund (IMF), the United Nations Development Programme (UNDP), the European Investment Bank (EIB), and a number of multilateral donors demonstrates a comprehensive and integrated approach to regional development and post-conflict resilience.*

Key words: *regional development, resilience, socio-economic development, global institutions, crisis and problem situations, state support.*

JEL: H51; R23

1. Introduction.

Problems of post-war recovery and reconstruction of regions and territories affected by war are so complex and profound that they cannot be resolved by the country's efforts alone. Therefore, global institutions will play a key role in supporting development, recovery, and crisis resolution in regions of countries affected by conflicts or disasters. Ukraine serves as a vivid example: following Russia's full-scale invasion in February 2022, the country has suffered significant human losses and economic damage. This can be illustrated by statistical data: according to the World Bank, the poverty rate increased by 1.8 million people, reaching 9 million since the beginning of 2022. Over the next decade,

the country will need at least 524 billion USD for repair and reconstruction (The World Bank In Ukraine, 2025). The recovery process will require substantial financial resources and expert support, highlighting the importance of involving international institutions. It is also important to recognize that each case of post-war recovery of affected territories is unique - this statement is supported by general scientific consensus. We agree with the opinion of (Shapoval et al., 2024) that financial aid supports, rather than substitutes for, economic recovery. Nevertheless, its importance to the country cannot be overstated. In our opinion, the following factors are critical for successful recovery:
- the amount, type, and focus of external assistance;
- the ability of national institutions in the affected country to manage both external and remaining internal resources effectively;
- transparency in reporting received aid and addressing corruption risks;
- flexibility in planning and implementing assistance measures, as the post-war socio-economic environment can change rapidly;
- the composition and diversity of international institutions involved in reconstruction, as each possesses different areas of expertise and unique experience that can be valuable during recovery;
- reaching a certain consensus on priorities, tools, and reconstruction mechanisms between the national government and international institutions.

2. Basic content.

The list of global institutions already involved in assistance and support processes, as well as those with the potential to participate, is quite extensive. As of 2025, the following global institutions have provided various forms of assistance to Ukraine: the World Bank, the International Monetary Fund, the North Atlantic Treaty Organization (NATO), the European Bank for Reconstruction and Development (EBRD), the United Nations Development Programme (UNDP), the Organisation for Economic Co-operation and Development (OECD), other UN funds and agencies, multilateral initiatives, and international coalitions. We will examine the characteristics of these organizations and the specific features of their involvement in supporting Ukraine.
The World Bank primarily focuses on financing infrastructure and economic recovery projects. According to the latest estimates from World Bank experts within the Rapid Damage and Needs Assessment (RDNA4) project (World Bank Group, 2025), extensive infrastructure damage and significant power supply disruptions have slowed economic growth to 3.2% in 2024 and 2% in 2025. Over the past year, the number of damaged or destroyed assets has increased by 70%, including electricity generation, transmission, distribution infrastructure, and heating systems. Additionally, 13% of the total housing stock has been destroyed or damaged, negatively affecting over 2.5 million households (World Bank Group, 2025).
According to World Bank estimates, the reconstruction and recovery needs for the territories of Ukraine amount to (World Bank Group, 2025):
housing sector – nearly $84 billion;
transport sector – nearly $78 billion;
energy and extractive industries – nearly $68 billion;
trade and industry – over $64 billion;
agriculture – over $55 billion;
debris removal and waste management – nearly $13 billion.
In addition, World Bank experts emphasize that the participation of the private sector is essential for the successful recovery and reconstruction of Ukraine's economy, particularly in its heavily affected regions.
According to preliminary assessments by the International Finance Corporation (IFC), the private sector could potentially cover one-third of the total recovery needs, providing a significant supplement to government investments and international aid (World Bank Group, 2025).

The role of the World Bank in supporting and rebuilding Ukraine lies in its structured project portfolio, based on established oversight practices and extensive reconstruction experience in sectors such as agriculture, energy, infrastructure, transport, and the social sector, as well as in supporting development-oriented reforms. Projects are primarily implemented in cooperation with the IMF and the EU (for reforms), and with the EBRD and EIB (for investments) (Table 1).

Table 1. World Bank projects in Ukraine (as of 2025)

Project	Content	Result
Public Expenditures for Administrative Capacity Enhancement (PEACE)	Help the Government of Ukraine meet urgent needs and support the delivery of public services. Employ additional safeguards and oversight, including audits, to ensure that funding is reaching its intended purpose.	The support reached 15 million Ukrainians, providing salaries for government and school employees, pensions for the elderly, salaries for civil servants, and funding for social programs for vulnerable groups.
International Finance Corporation (IFC)	A member of the World Bank Group, it specializes in financing the private sector in developing countries. In Ukraine, IFC has focused on supporting the private sector since the beginning of the war. It implements long-term financing projects, including capital investments in areas such as food production, telecommunications, technology, construction, and energy. Financing advice on private sector investments.	Since February 2022, IFC has provided $2.2 billion to support Ukraine's private sector, including $760 million mobilized under the Economic Resilience Program.
Multilateral Investment Guarantee Agency (MIGA)	A member of the World Bank Group, MIGA has provided six guarantees to Ukraine since the start of the war. MIGA established the SURE Trust Fund to help deploy a two-pronged strategy in the country: (a) to facilitate private investment by providing guarantees – political risk insurance (PRI), trade finance guarantees, and credit enhancements – to investors and lenders; and (b) to ensure that projects are implemented in accordance with global best practices in integrity, environmental, social, and climate standards.	Protection of up to 75% of risk through guarantees to support trade in essential goods, bank lending to enterprises, including small and medium-sized ones, and insurance of projects in the real sector of the economy. After the end of the war, MIGA expects to continue providing guarantees for the real sector of the economy.
Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund	A multi-donor fund to channel grant contributions from donor partners. The goals are to help maintain the country's administrative capacity and service delivery, carry out relief efforts, and support the planning and implementation of Ukraine's recovery, sustainable reconstruction, and reform agenda.	Supports World Bank projects and ensures that Ukrainian authorities can quickly and effectively leverage these critical investments, as well as effectively and at scale leverage multiple sources of financing.

Source: World Bank Group

Table 1 shows that the World Bank projects in Ukraine are quite large-scale and are generally aimed at supporting the government sector, private business, insurance, and adhering to the principles of transparency and accountability. However, the specific amounts of funding spent are not always publicly available. The results of project implementation are also declarative in nature without specific quantitative indicators before the project / after the project.

The International Monetary Fund (IMF) has provided Ukraine with significant financial assistance to ensure macroeconomic stability and finance critical budgetary needs resulting from the war, beginning in 2022 (IMF, 2025). The total financial support from the IMF to Ukraine since February 2022 amounts to approximately $12.4 billion, which includes both emergency financing and long-term support programs.

However, this institution provides financial aid based on clearly defined criteria. For Ukraine, the key conditions for receiving IMF assistance include (Singh, 2025):

- Economic necessity and debt sustainability: based on an assessment of Ukraine's ability to service its public debt in the medium term. For instance, in March 2023, the IMF concluded that Ukraine's debt was sustainable with international donor support, which enabled the approval of the Extended Fund Facility (EFF) program.
- Necessity of economic reforms: to achieve economic stability, the country is required to implement structural reforms, including tax reform, increasing transparency in public finances, implementing anti-corruption measures, reducing the budget deficit, and strengthening the independence of the National Bank of Ukraine.
- Adherence to reform monitoring: under the EFF program, regular reviews are conducted to assess compliance with the established indicators. If the conditions are not met, further disbursements can be postponed or adjusted. For example, in March 2025, the seventh review of the EFF program was completed, and Ukraine received $400 million for meeting key reform and fiscal performance indicators (Singh, 2025).

Ukraine met all key Quantitative Performance Criteria (QPCs) set by the IMF. However, there was a deviation in the indicator "Ceiling on the primary balance of the state budget (excluding defense spending and external budget support grants), net of budget support grants", where the actual deficit exceeded the planned limit. Since this criterion was revised and adapted to the new conditions, Ukraine received a "met" status from the IMF.

Actual budget revenues exceeded the minimum threshold (indicator: "Ceiling on tax revenue"), which is a positive signal for macroeconomic stability. Similarly, the actual level of borrowing was significantly lower than the ceiling, indicating a responsible debt policy. The level of international reserves exceeded the minimum requirement, reflecting financial resilience and adequate foreign currency reserves.

The limit on new external payment arrears also showed that Ukraine did not resort to monetary financing through the National Bank of Ukraine (NBU), which is a key IMF condition to control inflation and maintain macroeconomic stability.

Thus, fiscal deficit, public debt, and international reserves remained within the program's framework.

Within the framework of the forecast and risks developed by the IMF for Ukraine for 2025, the following key points can be highlighted (IMF. European Dept, 2025).

1. The overall expected economic growth in 2025 will be closer to the lower limit of the 2-3% range, due to such adverse events as a decrease in steel exports and an increase in coal imports due to the closure of the Pokrovskaya mine due to the war. An increase in gas imports due to large-scale attacks by the Russian Federation on gas infrastructure will also have a negative impact.
2. The expected inflation rate at the end of 2025 will be 9% in annual terms, due to the impact of negative household expectations and the general unfavorable socio-economic situation. If the 2025 harvest is at least at the level of 2024, this, together with a balanced monetary policy, may slow down inflation.

3. The trade balance is likely to deteriorate due to increased gas and services imports (as part of the liberalization reform). However, the outlook for agricultural exports remains positive.
4. The baseline fiscal projections remain tied to the 2025 budget. The prospects for an improvement in the economic situation are linked to policy adjustments, expectations of post-war recovery, and normalization of spending in key categories after the war. By the end of 2026, inflation is expected to be 7% year-on-year.

The Organization for Economic Co-operation and Development (OECD) is working with the Government of Ukraine under the four-year OECD-Ukraine Programme, which began in June 2023. The aim of the programme is to support Ukraine's reforms, recovery and reconstruction and to help it advance its ambitions to join the EU and the OECD (OECD, 2025). The programme consists of 21 policies and 10 capacity-building projects. It provides for Ukraine's participation in 24 OECD bodies and its compliance with 76 OECD legal instruments for four years. The program covers six policy areas:

- economic recovery and infrastructure resilience;
- environmental sustainability and energy;
- taxation and financial management;
- good governance and transparency;
- competitiveness and regulatory efficiency;
- human capital, social and cultural development.

Thus, the cooperation between the OECD and Ukraine is multi-vector and covers such key areas as the economy, governance, competition, education and literacy of the population, and the implementation of the principles of competitive energy markets. This cooperation involves attracting financial support from international partners (EU, Poland, Lithuania, private foundations), which allows ensuring the duration and effectiveness of projects. Legal mechanisms for cooperation are based on OECD programs (SIGMA, PISA, SOURCE), which are adapted to Ukrainian realities. In general, the goal of cooperation with the OECD after the outbreak of the war in 2022 has been transformed towards supporting Ukraine's recovery and integration into European institutions through the application of OECD standards and approaches. The United Nations Development Programme (UNDP) envisages the following areas of work in Ukraine.

1. UNDP Recovery Framework for Ukraine (UNDP, 2025). It was developed in March 2022 in close cooperation with the Government of Ukraine, development partners and UN agencies and launched in April 2022. The aim of the programme is to play a key role in supporting the country's resilience and recovery. It helps communities to clear debris and demine, reconstruct housing, energy and social infrastructure, provide basic services and psychiatric and psychosocial care, as well as support livelihoods and employment. The main areas of funding for the programme are presented below (Table 2).

The Framework Programme is aimed at strengthening Ukraine's capacity to respond to the unprecedented challenges caused by the war. Support is organized into areas that include damage assessment, coordination of recovery and reconstruction, and restoration efforts.

UNDP supports the Government of Ukraine in fulfilling its core functions, coordinating aid, conducting damage and needs assessments, and building the capacity of national and local authorities to develop recovery plans.

UNDP also supports the government's reform agenda, focusing on economic strengthening, innovation development, and protection of vulnerable populations.

2. Green Energy Recovery Programme (Green energy recovery programme, 2025). This programme aims to address urgent needs caused by recent damage through mobilizing efforts to repair and restore critical energy infrastructure.

It is part of a multi-year, multi-donor initiative (funded by the governments of Japan, Norway, Sweden, Denmark, the Republic of Korea, Belgium, Germany, and Iceland).

The programme expands UNDP's involvement in supporting reconstruction and recovery of Ukraine's energy system, building on partnerships, results, and lessons learned from the 2023–2024 Winterization Project (Green energy recovery programme, 2025).
Expected outcomes include supporting the implementation of the national energy strategy and decentralization of the energy system to ensure reliable and uninterrupted electricity supply in Ukraine.

Table 2. Areas of support for Ukraine under the Recovery Framework Program

Pillar	Content	Financing, million USD
Response to the crisis	Government capacity to coordinate crisis Recovery planning and aid effectiveness Providing evidence base	29.1
Provision of public services	Digital transformation Administrative and social services Physical and mental health needs Human rights and access to justice	34.3
Reconstruction for recovery and return	Debris removal, mine action, community security Remediation of critical environmental threats Restoration of essential utilities Infrastructure and housing rehabilitation Energy sector support Making local authorities 'reconstruction ready' De-risking investments	517.7
Inclusive economic growth	Livelihoods, jobs, SME support Market opportunities and business support infrastructure Innovative finance Establishing conditions for private sector growth	21.3
Social cohesion and inclusion	Preservation of social fabric Reintegration of war veterans Women's empowerment Disability inclusion and rehabilitation	57,9

Source: NSI (Times New Roman, 10 pt., italic)

3. Ukraine Early Recovery Programme (Ukraine early recovery programme, 2025). Under this programme, the European Investment Bank (EIB), in cooperation with the Government of Ukraine, has provided financing for the first multi-sectoral framework loan, aimed at investing in the early recovery of critical infrastructure in conflict-affected regions and addressing basic needs to ensure decent living conditions for displaced persons and host communities.
Ukraine's public and private infrastructure - including water and electricity systems, as well as education and healthcare facilities - already suffered from decades of underinvestment, neglect, and inadequate maintenance, and has been further damaged by war, particularly in the Donetsk and Luhansk regions.
The €200 million framework loan is intended to support multi-sectoral investment schemes in municipal and social infrastructure sectors to address the consequences of conflict in eastern Ukraine and the flow of IDPs to other regions.
Due to the complexity of planning and implementation, the EIB requested technical assistance from the International Renaissance Foundation (for community development) and UNDP (for capacity building and project cycle support, including monitoring).

UNDP's role is to serve as a competent resource for decentralized technical assistance units, enabling effective management of the programme at the regional level and supporting the preparation and implementation of sub-projects at the local government level.

3. Conclusions.

Global institutions play an indispensable role in strengthening the capacity of states and regions to absorb, respond to, and recover from large-scale shocks such as armed conflicts, economic disruptions, and environmental catastrophes. Their contributions go beyond financial aid, encompassing strategic policy guidance, institutional reform, technical assistance, and long-term development planning.

In the context of Ukraine, the coordinated involvement of major international actors, including the World Bank, the International Monetary Fund (IMF), the United Nations Development Program (UNDP), the European Investment Bank (EIB), and a range of multilateral donors, demonstrates a comprehensive and integrated approach to regional development and post-conflict resilience. These efforts reflect a multidimensional response that addresses infrastructure rehabilitation, macroeconomic stabilization, governance reform, and social protection.

The work of the World Bank, for instance, illustrates the critical role of damage assessments and targeted investments in guiding resilient reconstruction. Similarly, the IMF's framework of conditional financial support underscores the importance of fiscal discipline, transparency, and structural reform as prerequisites for sustainable external assistance.

UNDP's initiatives (particularly in green energy recovery and early reconstruction) highlight the relevance of decentralization, inclusive development, and sustainability in post-crisis settings. This is particularly evident in frontline and border regions such as Kharkiv, where local resilience is directly tied to national security and stability.

The effectiveness of such efforts is contingent upon robust coordination between global institutions and local governance structures. This collaboration ensures that recovery measures are appropriately contextualized, responsive to community-specific needs, and capable of fostering social cohesion and economic revitalization.

Ultimately, global institutions serve not only as emergency responders but as long-term development partners. Their sustained engagement is essential for promoting equitable growth, enhancing resilience, and advancing the goals of sustainable development, particularly in regions that are most vulnerable to external shocks.

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