

## CONCLUSIONS

In light of the profound transformations occurring in the Ukrainian economy, this study of financial policy, the analysis of individual instruments, and the effectiveness of their implementation become particularly relevant. The thorough analysis and systematic use of econometric tools presented in this work define the key aspects and trends of contemporary state regulation of socio-economic processes. Therefore, the main directions and prospects for forming an effective financial policy strategy aimed at achieving macroeconomic stability and sustainable economic growth are outlined. Below are conclusions that distinguish the main vectors of this study and define strategic recommendations for the development of Ukraine's financial policy.

The consideration and implementation of a balanced financial policy in Ukraine are crucial for achieving macroeconomic stability and sustainable economic growth. The integration of econometric modeling with practical aspects of the decision-making process should aid in forming effective strategies that meet the needs of the modern Ukrainian economy. Ensuring stability, transparency, and accountability in financial policy implementation is key to achieving macroeconomic stability and sustainable economic development.

The proposed study examines the theoretical and methodological foundations of macroeconomic stability and its vital component – financial stability. It lists the endogenous and exogenous factors influencing financial stability, defines parameters of macroeconomic and macro-financial stability, and substantiates guidelines for effective management of the national economy. It also considers the activities of the Financial Stability Council of Ukraine, the "Strategy for the Development of the Financial Sector of Ukraine," and the proposed "Post-War Macroeconomic Architecture for Ukraine".

It is determined that monetary and fiscal policy are important instruments of state regulation of socio-economic processes. However, in conditions of macroeconomic instability, the coordination and consistency of these financial policy directions become particularly important. Monetary policy, focused on controlling the

money supply and interest rates, and fiscal policy, affecting government expenditures and tax rates, must interact to ensure stable economic growth. Harmonizing these policies helps avoid economic imbalances, reduces inflation and unemployment, and promotes efficient resource use. Such a coordinated approach helps achieve common goals and stimulates economic recovery and development.

It is substantiated that the financial policies of the state are crucial for fostering sustainable development. These policies have a significant impact on various aspects such as economic stability, social protection, investment in environmentally sustainable technologies, and other vital components of sustainability. Through fiscal policy, the government regulates expenditures and revenues to finance programs that promote sustainable development, such as ensuring quality education, supporting energy efficiency, and developing infrastructure. Proper management of public finances is key to ensuring efficient resource allocation, contributing to sustainable economic growth and social well-being.

The National Bank of Ukraine and the National Commission on Securities and Stock Market are actively working on the introduction of principles of sustainable development and sustainable financing in Ukraine. These institutions are focused on integrating environmental, social, and governance criteria into financial services and corporate governance. The NBU presented a Sustainable Financing Development Policy up to 2025, which includes guiding principles and an action plan, while the National Commission on Securities and Stock Market developed an ESG supplement to the Corporate Governance Code. Thus, the financial market regulators of Ukraine are actively implementing the best international ESG support practices into their activities and creating a new institutional environment for all market participants to ensure sustainable economic growth of Ukraine.

It is determined that under favorable and stable macroeconomic conditions, a gradual liberalization of financial markets and a return to an inflation targeting regime with a floating exchange rate are anticipated. The necessity of continuing technological development of financial services as a prerequisite for further expansion of financial inclusion and ensuring cybersecurity is also substantiated. Important measures also include the restoration of financial infrastructure in de-

occupied territories, ensuring accessibility and inclusiveness of the financial sector. Additionally, for Ukraine, the development of financial markets is a crucial task, as they play a significant role in determining the level of interest rates and credit conditions, which affects the size of investments, expenditures of enterprises and citizens, and the overall economic development of the country. The development of financial markets entails creating effective financial instruments, such as stocks, bonds, derivatives, and others, allowing for the attraction of more capital and creating favorable conditions for doing business in Ukraine. Furthermore, the creation of financial instruments will help reduce risk for investors and enable the attraction of funds for long-term investments in Ukraine. Directions for the development of financial markets include the advancement of the banking system, securities market, stock market, insurance market, pension market, and derivatives market. Successful development of financial markets in Ukraine can enhance the effectiveness of monetary policy and positively impact the development of the real sector of the economy.

Moreover, the analysis of the impact of inflationary expectations underscores the importance of the National Bank of Ukraine's communication with economic entities at various levels. The regulator must prioritize communication as a critical aspect of its operations. Effective communication with diverse audiences, including the public, financial services consumers, academic community, media, economic and financial organizations, domestic and international experts, as well as international organizations and other external partners, is essential for the NBU to attain success. The importance of not only ensuring price stability during periods of macroeconomic destabilization but also supporting the uninterrupted functioning of the financial system and the economy as a whole is substantiated. At the same time, the necessity of returning to the fundamental postulates of inflation targeting with a floating exchange rate and the absence of fiscal dominance by the government in the post-war period is proven. Meanwhile, important monetary and institutional measures remain the support the stability of the banking system, reducing risks associated with an increase in the number of insolvent banks, decreasing the level of shadow economy,

and promoting the stimulation of the economy, particularly through the development of entrepreneurship and innovative sectors.

It has been determined that trust and dialogue with the regulator play a significant role in shaping inflationary expectations. Accordingly, for the stabilization of these processes, communication from the National Bank of Ukraine with various target audiences is important. Thus, the NBU's communication policy is a fundamental element of macroeconomic management and stability, contributing to ensuring transparency, predictability, and effectiveness of monetary policy.

The National Bank of Ukraine conducts a very effective monetary and macroprudential policy that allows for the management of dollarization levels. The experience of other countries shows that macroeconomic stability must be a key goal, without which any additional measures aimed at de-dollarization will not be fully realized. Deepening the financial market should be a primary strategy for de-dollarizing the economy. Facilitating access to and promoting hryvnia instruments, particularly hryvnia deposits and bonds, should be a priority for the NBU and the Ministry of Finance. Ensuring macroeconomic stability will maintain dollarization at a relatively low level, but it is necessary to anticipate reducing incentives for dollarization for banks, the population, and businesses.

Based on the conducted analysis and modeling, the influence of currency policy on the country's trade competitiveness has been systematized. The necessity for Ukraine to return to a floating currency exchange rate after the end of the war is substantiated. At the beginning of the full-scale invasion in February 2022, the NBU was compelled to fix the exchange rate to avoid panic and support the country's economy and financial activity. Such actions yielded positive results in the initial months of the war. However, in the long-term perspective, fixing the exchange rate could lead to a deepening of the country's economic problems. A floating national currency exchange rate more flexibly responds to market conditions, which can contribute to enhancing the competitiveness of exports and attracting foreign investments.

It is argued that resuming the process of medium-term budget planning immediately after the war is essential. This planning serves as a guarantee for the

stable development of the budgetary system by identifying priority tasks and determining the required funds for their implementation. A clear understanding of the direction of development of the budgetary system prevents the misuse of funds and the diversion of resources from priority programs. Medium-term budget planning will provide an opportunity to create a long-term development strategy for the economy, which will determine the model of economic development, the resources necessary for this, and reforms. Consequently, it is worth forming a budget strategy that will balance the budget's income and expenses for several years, with mandatory reference to the planned reforms. Such a strategy should include a list of reforms, their priorities, the cost of development and implementation, and the timing of implementation.

After the end of the war, it is recommended that economic policy be reoriented towards actively engaging investors, fostering export-oriented production, and developing strategically significant competitive industries. Additionally, it is crucial to restore budgetary reforms, including decentralization, medium-term planning, program-targeted methods, expenditure reviews, and the implementation of digital services and fiscal rules. Efforts should also be made to reduce the debt burden while providing social protection to populations affected by the conflict. In the post-war period, government investment in infrastructure and public services will serve as a catalyst for economic activities, job creation, and sustained economic growth.

Determining the main directions for effective management of public debt is vital for reducing financial risks and increasing the stability of state finances. Particularly important are diversifying funding sources and attracting funds from various sources, including international financial markets and bilateral loans, increasing the efficiency of domestic debt, and developing the domestic financial market to attract funds at the domestic level. Additionally, it's crucial to enhance transparency and accountability in debt management to build trust among investors and the public.

The National Bank of Ukraine and the National Securities and Stock Market Commission are actively working on implementing principles of sustainable development and sustainable financing in Ukraine. These institutions are focused on

integrating environmental, social, and governance (ESG) criteria into financial services and corporate governance. The National Bank of Ukraine has presented the Sustainable Finance Development Policy up to 2025, which includes guiding principles and an action plan, while the National Securities and Stock Market Commission has developed an ESG appendix to the Corporate Governance Code. Consequently, Ukraine's financial market regulators are actively incorporating best international practices in support of ESG into their operations and creating a new institutional environment for all market participants to ensure sustainable economic growth in Ukraine.

Ensuring sustainable economic development requires forming a comprehensive approach to financial policy, aimed at achieving a balance between economic growth, social justice, and ecological sustainability. State regulation in Ukraine in the context of sustainable development requires a system of measures for stabilizing the macroeconomic environment, implementing structural reforms, stimulating investment, developing financial markets, and actively supporting small and medium-sized enterprises. The realization of these directions requires coordinated efforts of the government, private sector, and international partners to achieve common long-term goals.

Thus, ensuring Ukraine's economic recovery and further sustainable growth is determined by the effectiveness of the use of appropriate fiscal and monetary instruments, the development of the national financial infrastructure, the corresponding institutional environment, proper performance of the financial system in redistributing financial resources among economic entities, and the financial system's resilience to external and internal unpredictable and adverse events.