

## Ukraine and Global Civil Society Calls on G20 leaders to provide more financing to Ukraine

*Russia's war in Ukraine resulted in a human and humanitarian crisis, a drop in the economy, and, as a result, a substantial fiscal gap. The Ukrainian Government urgently needs emergency financing to win the war and help the Ukrainian population. According to the IMF and the most recent report from the UN Secretary-General, this war has and will continue to have severe detrimental impacts on the most vulnerable and hamper food security both locally and globally. The most vulnerable countries might suffer the most. Therefore, we as a civil society appeal to G20 countries to provide all possible financing to Ukraine.*

Ukraine has been at war with Russia for over eight years. On February 24, 2022, Russia started the full-scale invasion of Ukraine with heavy bombing and shelling of Ukrainian cities. The damage of Russia's war to Ukraine's economy is enormous. Already many have recognized that this war is a genocide of Ukrainians. The loss of human life in the war, the suffering of civilians in besieged cities, and the massive displacement of people are at the core of the humanitarian crisis in Ukraine. The UN estimates that the number of refugees is approaching 5 million people, while the number of internally displaced people is about 7 million.

According to the Ministry of Finance of Ukraine, the current estimates of damaged civilian and military infrastructure account for about USD 300 bn, but this is not a final estimate. As a result, Ukraine faces a substantial fiscal gap as its economy shrank and, thus tax revenues dropped. The gap was close to USD 3bn in March 2022 and might reach monthly USD 5-7 bn in April and May each.

Overall, according to different estimates, the drop in real GDP might reach 45% in 2022 followed by an only slower recovery. As a result, Ukraine urgently needs emergency financing from G20 countries as well as the strengthening and creation of instruments and institutions for the financing of recovery after Ukraine wins the war.

The financial support to Ukraine might be provided either directly or through international financial organizations. Any financing pathways will be much appreciated as long as the mechanisms emphasize spending flexibility, transparency, as little bureaucracy as possible, involvement of local units of government and civil society, and do not impose austerity measures that a rebuilding Ukraine cannot carry out without levying greater hardships on its people.

We would really encourage you to consider the support to Ukraine, which would allow Ukraine to manage its debt sustainability now and after the war, and return to growth as fast as possible:

- **Grants** rather than loans, not to push Ukraine into a debt trap.
- If loans, then with very **concessional** terms: long maturities (above 20 years) with low yields and a grace period of at least 10 years.

The IMF has created a Multi-Donor Administered Account for Ukraine, which would receive contributions from donors in either reserve currencies or SDRs. Taking into account the substantial SDRs allocation made by the IMF in 2021, we respectfully call upon States, especially high-income countries (HICs) to donate (the really preferable option) or lend (on very concessional terms) a share of G20 unused **SDRs to Ukraine**.

Additionally, we would greatly appreciate it G20 countries would advocate the financial support for Ukraine among their private sector and citizenry. In particular, everyone can help Ukraine to win the war and to recover afterward in several possible ways.

One of the possibilities is to invest money into [domestic government bonds issued during Wartime by the Ministry of Finance of Ukraine](#) each Tuesday during auctions (with yields of 10-11% p.a).

Another possibility is to make direct donations and encourage others to do so. Some of the links we provide below, even though there are more charities and initiatives, citizens, businesses, and foreign investors can donate in addition to sovereign governments.

#### **Help Army:**

- [Special account of the National Bank of Ukraine](#) – to raise funds for Ukraine's Armed Forces,
- [International Charitable Foundation “Come Back Alive”](#) – the largest foundation providing support for purely defensive initiatives to the Ukrainian Armed Forces.

#### **Help medics:**

- [Medical fund Hospitallers](#) – the fund provides first aid, home medical care, and evacuation of wounded Ukrainian soldiers from the hottest parts of the front.
- [Sister of Mercy](#) - this charitable organization provides medical assistance for wounded Ukrainian soldiers and buys necessities for those in the front line.

#### **Humanitarian aid:**

- [Special account of the National Bank of Ukraine](#) – to raise funds for humanitarian aid.

In light of the above, the undersigned reiterate that Ukraine’s economic resilience would be strengthened if it timely receives all possible financial assistance provided predominantly in the form of grants and donations.

**For these reasons, Ukrainian and global civil society calls on G20 countries to pledge immediate and longer-term financial support to assist Ukraine in its immediate needs and economic post-war recovery.**

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#### ***Signatures***

- 1. Institute for Economic Research and Policy Consulting, Kyiv, Ukraine*
- 2. Center for Economic Strategy, Kyiv, Ukraine*
- 3. Institute of Analysis and Advocacy, Ukraine*
- 4. DiXi Group, Kyiv, Ukraine*
- 5. NGO European Pravda, Kyiv, Ukraine*
- 6. Advanter Group, Kyiv, Ukraine*
- 7. CASE Ukraine, Kyiv, Ukraine*
- 8. UNIVER Investment Group, Kyiv, Ukraine*

9. *VOX Ukraine, Kyiv, Ukraine*
10. *NGO "Parents for vaccination", Kyiv, Ukraine*
11. *Ilko Kucheriv Democratic Initiatives Charitable Foundation, Kyiv, Ukraine*
12. *Committee of Voters of Ukraine, Kyiv, Ukraine*
13. *Centre for Policy and Legal Reform, Kyiv, Ukraine*
14. *Agency of Efficient Solutions, Ukraine, Kyiv, Ukraine*
15. *KSE Institute, Kyiv, Ukraine*
16. *NGO "Detector media", Kyiv, Ukraine*
17. *European Policy Centre*
18. *Center for Liberal Modernity, Berlin*
19. *ISET Policy Institute, Tbilisi, Georgia*
20. *New Vision University, Tbilisi, Georgia*
21. *Institute for European Policies and Reforms (IPRE), Chişinău, Moldova*
22. *Local Democracy Agency, Moldova*
23. *Association for Participatory Democracy "ADEPT", Moldova*
24. *Georgian Institute of Politics, Georgia*
25. *Eco-TIRAS International Association of River Keepers, Moldova*
26. *National Union of Cinematographers of Ukraine, Kyiv, Ukraine*
27. *AO ECOTOX*
28. *Legal Resources Centre, Moldova*
29. *Alliance for Energy Efficiency and Renewables, Moldova*
30. *Expert-Grup, Moldova*
31. *NGO " Rivne interregional medical cluster", Ukraine*
32. *Legal Resources Centre from Moldova, Chisinau, Moldova*
33. *WatchDog.MD Community*
34. *Transparency International, Moldova*
35. *Association of Independent Press (API), Moldova*