

# Ukraine

## Maintaining a Focus on Robust Financial Stability, Resilience, and Inclusion in Ukraine



**Relevant Pillars:**  
Pillars 1,2,3,4



**Cross-Cutting Themes:** Climate Change, Digital, Gender



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Ukraine is facing immense financial needs, estimated at a minimum of US\$524 billion over the next decade for repair and reconstruction as the country navigates Russia's ongoing invasion and its economic aftermath.<sup>1</sup>

Private sector investment is crucial for robust recovery and rebuilding efforts. Policy reforms and deeper integration with the European Union (EU) could enhance private sector participation in infrastructure sectors, paving the way for green and resilient reconstruction. Ukraine's small and medium enterprises (SMEs), which constitute most of the private sector, require support to sustain the economy and maintain employment for Ukrainians.

In a continuously precarious environment, it is crucial to ensure financial inclusion for both individuals and businesses, underpinned by a stable and resilient financial sector.

## Challenges in the Financial Sector

**(i) Resilience to shocks:** Though the National Bank of Ukraine (NBU) has worked over the past decade to restructure and strengthen the sector, Russia's invasion of Ukraine has increased financial stress and exposed weaknesses, including the high level of non-performing loans (NPLs). **(ii) Access to finance:** Access to finance remains challenging, particularly for underserved populations, including SMEs, rural residents, women, and the elderly. The Russia's ongoing invasion has disrupted banking infrastructure, reduced access to branches, and disrupted payment systems. **(iii) Usage of digital financial services:** The country payment systems have exhibited significant resilience. The use of payment cards in Ukraine has been on the rise; however, usage of digital financial services (DFS) remains somewhat limited, particularly among underserved populations.

## Prior World Bank Support to Boost Financial Sector Reform

During the past decade, the World Bank has played a leading role in supporting the financial sector reform agenda, helping to stabilize and deepen the sector in Ukraine through technical assistance (TA) and lending operations. Since 2013, the **Financial Sector Advisory Center (FinSAC)**, supported by the **Austrian Federal Ministry of Finance (BMF)**, has been the World Bank's prominent vehicle to support financial stability and resilience in Ukraine by deepening and expanding tailored TA. In parallel, the World Bank has supported Ukraine's

1. World Bank. 2025. "Updated Ukraine Recovery and Reconstruction Needs Assessment Released." Press Release, February 25. <https://www.worldbank.org/en/news/press-release/2025/02/25/updated-ukraine-recovery-and-reconstruction-needs-assessment-released>

The World Bank's support, complementary to other reforms, has helped Ukrainian authorities impose strict rules of related party lending, conduct related party diagnostics, strengthen the governance of state-owned banks, take measures to reduce NPLs, overhaul the non-bank financial institutions regulatory framework, and improve financial safety nets.

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efforts to develop a cashless economy. In 2021, under the NBU's leadership, a roadmap for a cashless economy was developed, and since then, the country has made strong progress in embracing DFS. **The Ukraine Remittances and Payments Project (RPP)**, funded by the Swiss State Secretariat for Economic Affairs (SECO) and implemented 2018–22, assisted the NBU in making policy and regulatory changes to improve the population's access to more efficient and less costly payment services. The **Deposit Guarantee Fund (DGF)**, which received multiple TA lines from the World Bank, fully implemented an electronic system of insured deposit payouts through agent banks. Social payments and government transfers to citizens are now fully moved to an electronic format.

## Complementary Trust-Funded Programs Delve into Critical Areas

**FinSAC4, which continues to be funded by BMF, joined F4D in October 2023** to build on successful financial stability-related reform programs. Reflecting the country's evolving context, the program is designed to address the authorities' immediate needs—preserving financial stability, maintaining public confidence, and ensuring readiness for bank resolution—while supporting longer-term reforms to facilitate Ukraine's EU accession program. In one year, FinSAC4 has already made notable progress in the areas of micro prudential aspects of climate-

related financial risk, NPLs resolution, adoption of several banking regulations, and support in updating the Sustainable Finance Development Policy.

**The Ukraine RPP Phase 2, now funded through F4D with SECO's contribution**, is building on the first phase. To help Ukraine align with the Single Euro Payments Area (SEPA), the team drafted the country's application to the European Payment Council and coordinated knowledge exchange for the NBU to learn from peer countries going through the same process. The team is also supporting Ukraine's transition to a cashless economy, delivering technical notes for the country's cashless strategy, and holding bilateral knowledge exchanges with central banks in Norway and Sweden. On fast payment systems, the team is providing TA on user experience requirements, overlay services, and QR code.

As Ukraine continues its unwavering commitment to engage with the World Bank and other partners, the **lessons learned from this ongoing support could inform future programming** to maximize impact. Lessons from FinSAC will be crucial in developing solid foundations for sustainable access and usage of financial services in the country. And the lessons, tools, and frameworks developed in the Ukraine RPP Phase 2 could inform and inspire similar initiatives in Ukraine, particularly with regard to cross-border payments, financial inclusion, and payment infrastructure.

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