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INSTITUTIONAL FRAMEWORK AND REGULATORY PRINCIPLES OF PUBLIC DEBT MANAGEMENT

Public debt management plays a vital role in Ukraine's financial policy, ensuring public finance stability and contributing to macroeconomic development. This article analyzes the institutional framework and regulatory principles of public debt management in Ukraine from both historical and contemporary perspectives. It focuses on key stages in the development of the public debt management system, from independence to the present day. The evolution of legal, institutional, financial, and technological factors that have influenced the formation of public debt policy during various periods, including the establishment of an independent state, economic crises, the COVID-19 pandemic, and wartime in Ukraine, is highlighted. A statistical assessment of public debt under extraordinary challenges and threats is provided.

The article explores adaptive strategies for managing debt risks, the digitalization of financial processes, and the role of international financial assistance in ensuring economic stability. It emphasizes the behavioral aspects of decision-making in debt management under conditions of limited rationality, uncertainty, and information asymmetry. Innovative theoretical and methodological approaches to improving the public debt management system in light of global transformations, exogenous challenges, and the needs of the national economy are proposed. The practical significance of the study lies in developing scientifically grounded recommendations for enhancing the institutional capacity of the state, increasing transparency in debt policy, and integrating modern financial instruments. The article concludes with the necessity of developing proactive strategies to address external environmental challenges, ensuring long-term financial stability and economic security for Ukraine.

Keywords: *public debt management, debt policy, regulators, financial mechanisms, behavioral management, wartime, public finances.*

Table 1. Fig. 3. Lit. 29.

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ІНСТИТУЦІЙНЕ ФОРМАТУВАННЯ ТА РЕГУЛЯТОРНІ ЗАСАДИ УПРАВЛІННЯ ДЕРЖАВНИМ БОРГОМ

Управління державним боргом є важливим елементом фінансової політики України, який забезпечує стабільність державних фінансів та сприяє макроекономічному розвитку. Стаття присвячена аналізу інституційного форматування та регуляторних засад управління державним боргом України в історико-сучасному контексті. Особливу увагу приділено ретроспективному аналізу ключових етапів розвитку системи управління державним боргом від моменту здобуття незалежності до сучасності. Висвітлено еволюцію нормативно-правових, інституційних, фінансових і технологічних чинників, котрі мали істотний вплив на регуляторів, які впливали на формування державної боргової політики в різні періоди, зокрема в умовах встановлення незалежної держави,

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економічних криз, пандемії COVID-19 та воєнного часу в Україні. Представлена статистична оцінка державного боргу в умовах надзвичайних викликів і загроз.

У статті розглядається впровадження адаптивних стратегій управління борговими ризиками, цифровізація фінансових процесів і залучення міжнародної фінансової допомоги для забезпечення економічної стабільності. Особливу увагу приділено поведінковим аспектам прийняття рішень у сфері боргового менеджменту в умовах обмеженої раціональності, невизначеності та асиметрії інформації. Запропоновано інноваційні теоретико-методологічні підходи до вдосконалення системи управління державним боргом із урахуванням глобальних трансформацій, екзогенних викликів і потреб національної економіки. Практична значущість дослідження полягає у виробленні науково обґрунтованих рекомендацій щодо посилення інституційної спроможності держави, прозорості боргової політики та інтеграції сучасних фінансових інструментів. Зроблено висновок про необхідність подальшого розвитку стратегій випереджувального реагування на виклики зовнішнього середовища, що забезпечить довгострокову фінансову стійкість й економічну безпеку України.

Ключові слова: *управління державним боргом, боргова політика, регулятори, фінансові механізми, поведінковий менеджмент, воєнний стан, державні фінанси.*

Problem Statement. The relevance of the study of institutional formatting and regulatory principles of public debt management in modern scientific discourse acquires special significance and theoretical and applied importance in the context of permanent transformations of the global economic system, geopolitical fluctuations and unprecedented challenges facing states. A comprehensive analysis of institutional mechanisms for regulating debt policy requires a fundamental rethinking of traditional approaches to debt management, taking into account dynamic changes in the global economic architecture and the increasing influence of exogenous factors on the financial stability of states. Scientific research acquires particular relevance in conditions of permanent systemic crises, in particular those associated with the global COVID-19 pandemic, military-political conflicts in Ukraine and in the world, transformational processes in international economic relations and cardinal shifts in the paradigm of world management. Theoretical substantiation and practical implementation of effective institutional mechanisms for public debt management is a critically important area of scientific research, which is due to the need to develop proactive debt policy strategies that are able to adequately respond to challenges and minimize potential risks in conditions of uncertainty and turbulence of the external environment.

The scientific issues of studying the institutional formatting of debt management are focused on identifying and systematizing the complex of determinants that influence the formation and implementation of public debt policy, taking into account institutional, economic, socio-political and behavioural factors. The importance of the work is enhanced by the need to develop innovative theoretical and methodological approaches to the institutional design of public debt management systems that are able to integrate institutional practices of different levels - from local to global, taking into account the potential for adaptability and resilience in the face of extraordinary challenges and threats of today. Of particular importance is the study of behavioural aspects of debt policy, which involves analysing the institutional capacity of state institutions to make effective decisions in conditions of uncertainty, bounded rationality, and information asymmetry.

Therefore, the relevance of this study is due to the need to overcome existing scientific deficits in the study of institutional mechanisms of debt management, in particular in the context of traditional neoclassical and neo-institutional theoretical constructs to explain complex transformation processes in the field of public finance. Scientific exploration is aimed at deepening the theoretical and methodological basis of institutional theory through the integration of interdisciplinary approaches, which include the achievements of economic theory, institutional economics, public administration theory, behavioral economics, as well as at the development of effective institutional design tools that allow adapting debt management systems to dynamic changes in the external environment, taking into account the specifics of the socio-economic system and global trends in institutional evolution.

The relevance of the study is enhanced by the need to form a comprehensive methodology for analyzing the institutional dynamics of public debt management systems, which would allow not only to diagnose existing institutional deformations, but also to develop preventive mechanisms of debt policy. The cross-disciplinary nature of the study ensures methodological novelty and relevance of scientific research, as it involves the integration of institutional, behavioral, systemic and evolutionary approaches to the analysis of public debt management mechanisms.

The practical value of the work is determined by the need to develop scientifically based recommendations for improving the institutional architecture of the public debt management system in the context of global economic instability. The study is of particular importance in the context of implementing effective institutional practices of debt management that can ensure the financial stability of the state, minimize debt risks and create the prerequisites for sustainable economic development.

Analysis of recent research and publications. The issue of public debt management, as well as the definition of mechanisms and instruments for its regulation at different historical stages, is the subject of long-term research by both scientists and practitioners. Within the framework of this study, the works of domestic scientists are of particular value, in particular: I. Bogdan, T. Bogdan, S. Hasanov , V. Kudryashov, A. Garbinska -Rudenko, O. Lyamzina , M. Fominykh, A. Parfenyuk , N. Davydenko, A. Lisovska, M. White, A. Bee, S. Vasylchenko, I. Chugunov , G. Kucher, I. Lyubchak , I. Krup'yak and others [1–17].

The purpose of the study is to investigate individual aspects institutional formatting and regulatory principles of public debt management in the historical and contemporary context and taking into account behavioral modeling in conditions of extraordinary challenges and threats.

Main results of the study. The practice of public debt management in Ukraine during 1991–2024 is characterized by a complex evolution of institutional mechanisms in the context of permanent economic transformations, geopolitical challenges and systemic crises.

The institutional architecture of debt management is a complex and multifaceted system that undergoes permanent transformations under the influence of a complex of regulatory mechanisms. The fundamental regulators are institutional determinants, which include formal and legal norms, informal rules and institutional restrictions that determine the trajectory of the evolution of the debt environment. Macroeconomic regulators are represented by the monetary policy of central banks, fiscal strategies of governments and global trends in the financial market, which indirectly affect the institutional dynamics of debt relations. Information and communication regulators are of particular importance, ensuring the transmission of institutional changes through channels of transparency, trust and asymmetry of economic information.

Structural and institutional transformations of debt management are also determined by evolutionary regulators, among which institutional memory, dependence on the previous development trajectory and institutional adaptations play a key role. Normative and legal regulators determine the formal boundaries and algorithms of debt interactions, ensuring institutional stability through a system of legislative restrictions, standards and procedural mechanisms. Also important are behavioral regulators, which include psychological and socio-cultural factors of debt decision-making by institutional agents, their cognitive attitudes and motivational strategies.

The neo-institutional paradigm considers transformation regulators as a multilevel system of interconnected elements, where institutional changes occur through mechanisms of selection, adaptation and institutional isomorphism. Of particular note are transaction cost regulators, which mediate the effectiveness of debt mechanisms by making the processes of contracting, monitoring, and enforcing debt obligations cheaper or more expensive. At the same time, globalization regulators are shaping a new paradigm of debt management, transforming traditional institutional matrices through mechanisms of international integration, cross-border capital flows, and the unification of financial standards.

The institutional formatting and regulatory framework for public debt management in Ukraine in the period 1994-2024 represent a complex evolutionary trajectory of the formation and transformation of debt management, characterized by consistent institutionalization, implementation of international standards (including indicators of Ukraine's fiscal balance according to international standards ESA 2010 and GFSM 2014 or the model established by the IMF - DIG-model/DIGNAR - debt model) and adaptation to the systemic challenges of the national economy established by supranational regulators - for example, the IMF. The basic institutional framework of debt policy is the phased modernization of regulatory and legal support, the formation of specialized structural units in the system of central executive bodies, in particular in the Ministry of Finance of Ukraine, the State Treasury of Ukraine and the National Bank of Ukraine, and the implementation of a comprehensive medium-term public debt management strategy.

Fundamental transformations of the institutional architecture of debt management took place through consistent adaptation to the requirements of international financial institutions, the introduction of risk-oriented approaches, the digitalization of financial control and reporting processes, which provided for a gradual evolution from a centralized administration model to a flexible, diversified system of strategic planning with elements of proactive response to external and internal economic challenges. The key institutional determinants of the development of debt policy were: legislative institutionalization (adoption of the Budget Code, relevant laws, signing agreements with international financial organizations), expansion of the powers of regulatory institutions, strengthening of financial control, monitoring and compliance mechanisms, implementation of international standards of transparency and reporting, which in the conditions of geopolitical instability, military aggression and systemic transformations of the state's economic model ensured the formation of an adaptive, sustainable debt management system with the priority of national financial security and strategic development.

The institutional formatting of public debt management in Ukraine demonstrates a consistent evolution from a fragmented approach to a comprehensive, adaptive debt management system capable of responding to the complex challenges of the national economy. The evolution of the institutional formatting and regulatory framework for public debt management in Ukraine during 1991–2024 represents a complex process that reflects both internal challenges of public administration and the influence of external factors. The main regulators in this area are regulatory, institutional, financial and technological mechanisms, the functionality of which has gradually expanded, responding to the dynamics of the economic environment and global trends in the field of debt management.

Let us analyze the evolution of the institutional support for the management of Ukraine's public debt from 1991 to 2024, considering key transformations and expansion of the functionality of the main regulators (Fig. 1).

The military aggression of the Russian Federation against Ukraine in 2022 and the annexation of the Autonomous Republic of Crimea in 2014 radically changed the paradigm of public finance management, forcing the introduction of anti-crisis institutional mechanisms. An important stage was the implementation of the Association Agreement with the European Union, which put forward additional requirements for transparency and increased efficiency of public finance management, as well as the acquisition by our country of the status of a candidate for accession to the EU, which led to a perfect state. The Russian full-scale invasion of 2022 finally changed the model of fiscal policy, transforming, in turn, debt policy, shifting the emphasis to military financing, supporting defense capabilities, and attracting international financial assistance.

The institutional architecture of Ukraine's debt management has gone through a complex evolution from fragmented management to a comprehensive, technologically equipped system capable of effectively responding to the challenges of the national and global economies.

Public debt management is an important element of Ukraine's financial policy, ensuring the stability of public finances and contributing to macroeconomic development. Table 1 presents a retrospective analysis of key stages in the development of the public debt management system, starting from the moment Ukraine gained independence. It reveals the evolution of the regulatory framework, institutional environment, financial mechanisms and technological tools used to address pressing challenges in different periods. This approach allows us to trace the gradual transition from basic management tools to modern strategies that meet international standards and take into account the realities of wartime. It illustrates the consistent development of debt policy from its formation in the 1990s to modern challenges caused by the war and the need for rapid adaptation to new realities, taking into account new financing programs by international partners. The analysis shows that each period is characterized by specific tasks, such as the formation of a regulatory framework, structuring debt obligations, anti-crisis management, process reform, and the introduction of innovations.

Transformation of the institutional architecture of Ukraine's debt management by key regulators

Ministry of Finance of Ukraine

Evolution of functions:

- 1991-1994: Basic budget planning.
- 1995-2000: Formation of primary debt accounting mechanisms.
- 2001-2008: Development of strategic documents on debt management.
- 2009-2014: Implementation of risk management in debt policy.
- 2015-2018: Strengthening analytical and forecasting functions.
- 2019-2024: Anti-crisis debt risk management.

Key transformations:

- creation of a specialized department for public debt management; - implementation of a debt monitoring system; - development of digital tools for debt sustainability analysis; - strengthening coordination with international financial institutions.

National Bank of Ukraine:

Evolution of supervisory and regulatory functions:

- 1991-1995: Limited monitoring of foreign exchange transactions
- 1996-2004: Development of foreign exchange regulation mechanisms
- 2005-2013: Strengthening macroprudential supervision
- 2014-2018: Anti-crisis regulation of the financial sector
- 2019-2024: Comprehensive debt risk management

Key transformations:

- implementation of an early warning system for debt risks; - expansion of analytical studies of debt sustainability; - strengthening coordination with international regulators; - development of macroeconomic forecasting tools.

State Treasury Service of Ukraine:

Evolution of control and accounting functions:

- 1991-1996: Primitive accounting of budget funds.
- 1997-2005: Formation of the treasury service system.
- 2006-2014: Introduction of electronic financial accounting.
- 2015-2018: Digitalization of financial control.
- 2019-2024: Integrated management of budget flows.

Key transformations:

- creation of a unified accounting system; - introduction of automated control systems; - ensuring transparency of budget operations; - development of integrated information systems.

Accounting Chamber of Ukraine:

Evolution of control and analytical functions:

- 1996-2002: Basic external financial control.
- 2003-2013: Expansion of powers to audit public finances.
- 2014-2018: Strengthening independent financial monitoring.
- 2019-2024: Comprehensive audit of debt policy.

Key transformations:

- implementation of international external audit standards; expansion of analytical studies of the effectiveness of debt policy; - strengthening the independence and transparency of financial control.

Fig. 1. **Transformation of the institutional architecture of debt management in Ukraine by key regulators,** *compiled by the authors based on [7-9; 18-20]*

In the context of the Russian-Ukrainian war, the emphasis has shifted to attracting international support, digitalizing processes, and ensuring the financial stability of the state, which confirms the importance of adaptive and strategic debt policy. The

Table 1. **Stages of development of the public debt management system of Ukraine: retrospective and current challenges,** *compiled by the authors based on [3; 8-9; 18-20]*

Years	Stage name	Stage description	Regulatory and legal regulators	Institutional regulators	Financial regulators	Technological regulators
1991–2000	**Formation of a debt management system (formation period)**	Creation of basic institutions and legislation for public debt management; lack of a clear debt strategy due to transformation processes after the collapse of the USSR	Adoption of the Law of Ukraine "On the Budget System of Ukraine" (1990); adoption of the Law of Ukraine "On State Internal Debt" (1992)	Cabinet of Ministers of Ukraine, Ministry of Finance of Ukraine	Primary issues of government bonds, borrowings from international financial organizations	Initial automation of debt transaction accounting
2001–2008	**Structuring debt policy**	Optimization of the debt structure, development of the domestic bond market, attraction of external loans; formation of mechanisms for interaction between executive authorities regarding debt management; creation of specialized units in the Ministry of Finance of Ukraine on debt policy issues	Budget Code of Ukraine (2001), a package of legislative support for currency regulation	Ministry of Finance of Ukraine, National Bank of Ukraine	Foreign currency borrowing, cooperation with the IMF, issuance of Eurobonds	Integration of basic digital platforms for financial management
2009–2014	**Crisis and debt restructuring**	Growing debt burden due to the financial crisis, restructuring of debt obligations; strengthening the role of the National Bank of Ukraine in monitoring debt risks; creation of specialized units for debt policy management	Anti-crisis legislation, agreements on restructuring of public debt	Cabinet of Ministers of Ukraine, international financial organizations (IMF, World Bank, etc.)	Borrowing at high rates, active use of currency swaps	Beginning of digitalization of debt accounting, transition to modern monitoring systems
2015–2019	**Stabilization and reform**	Stabilization of debt policy, reform of the debt management system, increased transparency; expansion of the powers of the Ministry of Finance of Ukraine in the field of debt policy; strengthening of the control functions of the State Treasury of Ukraine; development of methodological principles for public debt management; adaptation of the debt strategy to geopolitical challenges; strengthening coordination between the Ministry of Finance of Ukraine, the National Bank of Ukraine and the Cabinet of Ministers of Ukraine; implementation of anti-crisis public debt management mechanisms	Regulatory support for the reporting process and transparency of public debt	Ministry of Finance of Ukraine, Accounting Chamber of Ukraine, State Treasury of Ukraine	Repayment of crisis liabilities, creation of forecast models of debt policy	Automated reporting systems, open data integration (Open Budget)
202 0 – present	**Russian-Ukrainian war, innovation and digitalization**	Debt management in wartime, attracting grants and loans for defense and recovery, digitalization of processes; introduction of risk-based approaches; expansion of analytical functions of regulators; strengthening transparency and accountability in debt policy; adoption of the Law of Ukraine "On the Establishment of the Public Debt Management Agency of Ukraine" (2020); adoption of the National Revenue Strategy until 2030 (2023); in 2020, Ukraine won the nomination "Best Public Debt Management Office in Central and Eastern Europe" according to GlobalMarket; Moody's upgraded Ukraine's credit rating to B3 with a stable outlook, making Ukraine the only country in the world to have its credit rating upgraded during the COVID-19 pandemic; in June 2021, Ukraine received several awards from the Bond Awards 2021, taking 2nd place in the category "Most Impressive Issuer from the CIS and Former CIS Region"; Government Commissioner for Public Debt Management, for the third year in a row received an award and took 1st place in the nomination "The Most Outstanding State Representative Responsible for Capital Attracting in the Central and Eastern European Region"; expanded cooperation with IFOs and foreign governments on concessional financing, in particular in the Ukraine Facility program and the Memorandum with the IMF on Economic and Financial Policy; approved the medium-term public debt management strategy for 2021–2024; approved the medium-term public debt management strategy for 2024–2026	Martial law legislation, international agreements on defense financing and humanitarian aid	Ministry of Finance of Ukraine, international financial organizations and EU grants and loans	Loans and grants from partners, war bonds, budget support borrowing, green bonds	Blockchain to protect financial transactions, integration of international debt monitoring platforms

transformation of the institutional architecture of Ukraine's debt management reflects the gradual expansion of the functionality of regulators in response to national and global challenges. Thanks to the modernization of management structures and the introduction of modern technologies, it was possible to increase the level of efficiency in public debt management, despite significant external and internal crises.

As can be seen from Table 1, at the stage of the formation of the system (1991–2000), the main task was to create basic institutions, such as the Ministry of Finance of Ukraine and the State Treasury of Ukraine, as well as to adopt fundamental regulatory acts. The following period (2001–2008) was characterized by the structuring of debt policy, the development of the domestic bond market, and the integration of Ukraine into the international financial space. During the crisis period (2009–2014), the main attention was paid to the restructuring of debt obligations and the introduction of risk-oriented approaches. In the post-crisis period (2015–2019), the emphasis was placed on increasing the transparency and efficiency of debt management through digitalization and harmonization with international standards. The current stage (2020 - incl.) is characterized by extreme complexity caused by the COVID-19 pandemic and the Russian-Ukrainian war, which requires the state to implement anti-crisis mechanisms. The main priority has been to attract international financial assistance, in particular grants and preferential lending and financing, as well as the introduction of innovative instruments, such as military and green bonds. The digitalization of debt management processes is of great importance, which contributes to increasing transparency and efficiency of decision-making.

Next, within the framework of the study, we will move on to a statistical assessment of the public debt inherent in the last 15 years in Ukraine (Fig. 2-3).

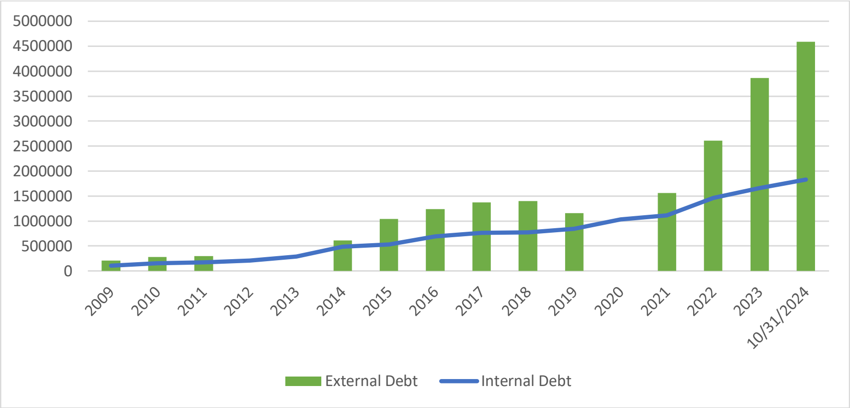

Fig. 2. **Dynamics of external and internal public debt of Ukraine, million UAH,** *compiled by the authors based on [8–9; 18; 20–21]*

The presented figures 2 and 3 reflect the key indicators of the state debt of Ukraine for the period 2009–2024, which allows for a comprehensive analysis of trends in the field of state debt management. First of all, the rapid growth of the total amount of state debt of Ukraine during the period under study is noteworthy. If in

2009 the total debt was 316884.6 million UAH, then in 2024 it is projected at 6413569.8 million UAH (95.65% of the total amount of state and state-guaranteed debt), or 148.61 billion USD), that is, it has increased more than 20 times. Such a rapid accumulation of the debt burden is a serious challenge to the sustainability of public finances and requires balanced management decisions, taking them into account the need to achieve the triggers of post-war recovery.

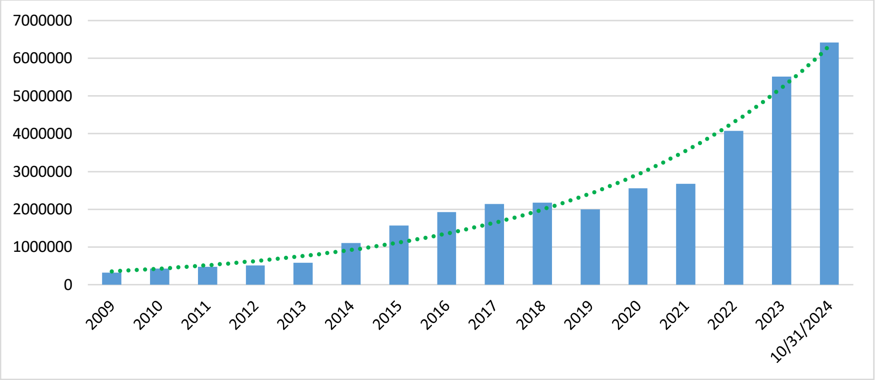

Fig. 3. **Dynamics of total state and guaranteed state debt of Ukraine, million UAH,** *compiled by the authors based on [8–9; 18; 20–21]*

Analyzing the structure of the public debt, it is worth noting the dynamics of the ratio of its external and internal components. The share of external debt in the total debt structure decreased from 36.4% in 2009 to the expected 16.2% in 2024. In contrast, domestic debt demonstrated stable growth, increasing almost 17 times over the period under review - from UAH 105,139.9 million in 2009 to UAH 1,829,080.0 million in 2024. This trend indicates a gradual reorientation of the state's debt policy with an emphasis on internal sources of financing.

Analyzing the rate of change in debt indicators, it is worth noting two periods when the most significant jumps were observed: 2014 (85.4% increase) and 2022 (52.4% increase). Such sharp increases in public debt were likely caused by the need to attract additional resources to overcome the complex economic and political challenges and turbulences that Ukraine faced during these periods.

In general, the analysis of the above data indicates a steady trend towards growth of Ukraine's public debt during 2009—2024, which is accompanied by a gradual shift in the emphasis in the state's debt policy from external to internal sources of financing. Such dynamics require increased attention from state authorities to ensure the balance and sustainability of the country's debt policy.

It should be noted that on November 28, 2024, the President of Ukraine signed the Law of Ukraine "On the State Budget for 2025". According to Article 5, it is established that it is necessary to set the limit volume at 8 trillion 182.83 billion UAH as of December 31, 2025 , and the maximum volume of guaranteed state debt is 406.69 billion UAH [18—19; 21—22] .

In the state budget in 2025, it is planned to spend 691.4 billion UAH on the repayment of the state debt. of which 129.4 billion UAH - on external debts, 562 billion - on internal debts. Servicing the state debt will cost the budget 480.8 billion UAH. In general, the government expects that the state debt, according to projected calculations, should decrease from 100.5% of GDP to 97% in 2024 [23].

The government has set a record amount for servicing the public debt – UAH 480 billion, which exceeds spending on the social sphere. In the context of the current economic situation in Ukraine, an unprecedented transformation of the structure of public expenditures is observed, where debt servicing has for the first time taken a dominant position in the budget classification, significantly ahead of socially oriented expenditure items typical of the pre-crisis period. According to forecast calculations, by the end of 2025, the public debt, together with guaranteed public debt, will grow to UAH 8.62 trillion, which will be 97% of GDP [24] .

In the context of the current macroeconomic analysis, the international rating agency Fitch presents a prognostic assessment of the dynamics of Ukraine's public debt, which demonstrates a tendency to a significant increase. The projected value of the debt burden will reach 90.8% of GDP in 2024, which represents a significant increase compared to the indicator of 84.4% in the previous period. The agency's empirical studies indicate a critical excess of the national debt indicator relative to the median value for states classified in rating categories "B" / "C" / "D", where the corresponding average indicator does not exceed 70.9%. According to Fitch's expert estimates , the determinants of such a negative debt situation are two determining factors: first, the devaluation processes of the national currency, and second, the permanent budget imbalance. The projected budget deficit in 2024–2025 is expected to be approximately 19% of GDP, which further complicates the financial and economic situation.

Fitch experts note that 74% of total debt is denominated in foreign currency, although 77% of external debt is highly concessional . In 2025, external financing needs are estimated at $ 38 billion , down from $ 41 billion in 2024. Short-term uncertainty regarding external financing has been reduced due to the expected support from the G7 countries in the amount of about $ 50 billion in the form of loans secured by frozen Russian assets. These financial resources will be used to repay the principal amount and interest under bilateral credit agreements with creditors under the G7 initiative "Extraordinary Loans to Accelerate Revenues to the Budget of Ukraine" (Extraordinary Loans to Accelerate Revenues to the Budget of Ukraine) Revenue Acceleration (ERA) Loans for Ukraine) [31].

Fitch Ratings has affirmed Ukraine's sovereign credit rating at "limited default" ("RD"), driven by the ongoing process of restructuring its external commercial debt. According to the agency's forecasts, Ukraine's economic growth in 2024 will be 4%, but in 2025 it is expected to slow to 2.9%, due to labor shortages and constraints in the energy sector [24–25] .

In turn, the IMF provided a forecast for Ukraine's public debt. The Fund believes that in 2025 this indicator will exceed 100% of GDP. According to the text of the Memorandum with the IMF on Economic and Financial Policy, this year the public debt will be 3–5% below this mark, i.e. it will be 95.6% of GDP, and in 2025 – 106.6%. In 2026, the debt will show an increase of another one percentage point, relative to 2025. It is noted that only in 2027 the debt will decrease by 5% to 102.6%. At the same time, under the negative scenario, in 2024 Ukraine's public debt will be

97% of GDP, in 2025 – 117.5% of GDP, in 2026 – 132.1%, and in 2027 – 134.3% [2 6– 27] .

In addition, the IMF named the main factors causing the growth of Ukraine's public debt: the intensity and duration of the Russian-Ukrainian war, in particular attacks on energy infrastructure, which entail a decrease in the level of economic potential; delays in financial assistance by international partners, which will lead to a reduction in social spending.

Development of an effective national debt policy, which is a critically important element of a comprehensive strategy for economic transformation and is based on the fundamental principles of institutional renewal of the financial system. Key guidelines in this context are systemic strategic planning documents, in particular the Strategy for Reforming the Public Finance Management System for 2022–2025 [27] and the Memorandum of Understanding between Ukraine and the IMF on Economic and Financial Policy (as last amended) [28].

Special attention is required to prepare for receiving the next tranche from the IMF, which requires not only formal compliance with the established criteria, but also demonstration of real capacity for systemic financial and economic transformations. Therefore, the formation of a debt policy capable of ensuring not only temporary financial stability, but also creating long-term prerequisites for sustainable economic development is of fundamental importance. This involves the consistent implementation of measures focused on the transparency of financial processes, rational management of debt obligations and diversification of financing sources. It should be noted that in the above-mentioned memorandum, in section II. Macroeconomic and structural policy for 2024–2027, in paragraph 8, it is determined that "... the ultimate goal of our economic program, supported by the IMF, is to restore fiscal and debt sustainability, support external and financial stability, and restore medium-term external viability; and also paragraph 17 "... it will be necessary to complete the return to debt and fiscal sustainability by achieving a primary surplus of S-1S percent of GDP in the medium term after the end of the war with the Russian Federation ..." [28].

The issue of updating the Medium-Term Strategy for Public Debt Management, which should take into account both the current challenges of wartime and the strategic prospects of the post-war recovery of the national economy, remains extremely important. Such a strategy should be flexible, adaptive, and maximally focused on achieving long-term financial sustainability of the state.

Also in 2025, the work of the Ministry of Finance of Ukraine will focus on such vectors as: the creation of new institutions – the Debt Agency and the Fiscal Council, as provided for in the Public Finance Management Strategy for 2022–2025, as well as the development of a new Public Finance Management Strategy for 2026–2030 [29].

In order to monitor and control the total volume of contingent liabilities and ensure transparency of debt policy in Ukraine, the Debt Agency is expected to maintain a register of contingent liabilities and post information from the relevant register on the official website of the Debt Agency. In addition, it is envisaged that the Debt Agency of Ukraine will inform the Cabinet of Ministers of Ukraine and the Committee of the Verkhovna Rada of Ukraine on Budget Issues about the emergence of debt liabilities by the state in the event of circumstances arising in accordance with the terms of such transactions, under which creditors may exercise a limited right to demand from the state the return of loans (credits) that were provided as a result of the implementation of these transactions [30–31].

Thus, Ukraine's debt policy is considered a dynamic tool for ensuring macroeconomic stability, which requires constant improvement, a professional approach, and consideration of both internal challenges and global economic trends.

Conclusions. Public debt management is vital for Ukraine's financial stability, particularly amid global challenges and national crises. This study analyzes the evolution of Ukraine's debt management system, identifying key transformations in regulatory, institutional, and technological frameworks. It highlights the role of behavioral factors in debt policy formation, particularly under uncertainty.

The research emphasizes the need for developing tools to assess institutional capacity, design preventive strategies, and ensure adaptability in the face of extraordinary challenges. Successful debt policy relies on aligning regulations with international standards, improving coordination with global institutions, and advancing monitoring technologies.

Ukraine’s debt management has progressed, but further improvements are needed, especially under wartime conditions. Key priorities include integrating new technologies, strengthening international cooperation, and developing long-term debt reduction strategies.

To enhance efficiency, the government should reprofiling bonds, lower interest rates, ease monetary policy, and address budget deficits through foreign grants and tax mobilization.

Future research should focus on adapting debt policy in uncertain environments, incorporating international best practices, and exploring proactive responses to external challenges like debt restructuring.

A conceptual framework for managing Ukraine’s public debt, focused on financial sovereignty, debt sustainability, and crisis prevention, is essential for long-term economic stability and national security.

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