

THE ACCOUNTANT ONLINE

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The Ukraine Marshall Plan Initiative – and what accountancy firms can do to support

By Zoya Malik



Liza Robbins, Chief Executive, Kreston Global and Sergey Atamas, Managing Partner, Kreston Ukraine report

As the war in Ukraine enters its seventh week, it has been repeatedly observed that it is the most devastating conflict to reach Europe since the Second World War -that the conflict is illegal, unjustified, and bloody; that it has stolen lives, homes and childhoods.

Words are increasingly failing to rise to the challenge of such a conflict. Action is what is needed, which is why Kreston Global is supporting the endeavours of its Ukraine member firm, Kreston Ukraine, to help lay the foundations for Ukraine's recovery once the conflict finally ends.

In the wake of the Second World War, US Congress approved a \$13 billion (the equivalent of \$115 billion in) programme of economic assistance to help Western European countries to recover and rebuild. This

programme, known as the Marshall Plan, provided aid over a four-year period, and made a critical contribution to the successful recovery of Western Europe in the post-war decades.

The Marshall Plan is now providing a touchpoint for Kreston Ukraine and others in the country as they look to an eventual conclusion of the conflict. As things stand, the prospects for Ukraine's economic recovery after the conflict, are bleak. Thousands of lives have been lost. Millions of people have been displaced and made homeless. Critical infrastructure such as hospitals and roads have been consistently targeted by the invading force. And, failing any meaningful progress in the peace talks, this devastation is set to get worse before it gets better.

But the war will come to an end one day and a Ukraine Marshall Plan, underwritten by the world's leading economies, will give this once thriving economy a chance to recover. The success of the original Marshall Plan teaches us that significant economic aid can give ruined states the boost they need to recreate themselves, as attractive investment destinations.

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The rationale is multi-faceted. First, human. Without adequate assistance, the Ukrainian population faces no end to the food, energy and healthcare crises, precipitated by the war. Second, economic. Ukraine, while not a G20 economy, is an important global producer and was, prior to the invasion, an attractive destination in which to invest and do business. Long-term failure of the Ukrainian economy would have serious implications for global supply chains and beyond. Third, strategic. One of the pillars of the original Marshall plan was to prevent the ideological spread of communism in Western Europe. Ukraine will continue to have a strategic significance for Russia and its allies, long after the resolution of the current conflict, and if Ukraine is weakened, then Russia will have achieved much of what it set out to do.

So what form would a Ukraine Marshall plan take, and where do accountancy firms come in?

Kreston Ukraine, our member firm in Kyiv, has provided consultancy services to the Office of the President of Ukraine and Ukrainian ministries on several occasions in the past. Now, our Kreston Ukraine colleagues are participating in government working groups, planning for the recovery of Ukraine after the war. Specific areas for investment will include transport (roads, bridges, airports), social infrastructure (schools, kindergartens, hospitals,) and manufacturing facilities.

But these ambitions will require concerted effort beyond Ukraine. Our colleagues at Kreston Ukraine have therefore invited fellow member firms in the Kreston Global network to engage with the Ukraine Marshall Plan initiative, by signing up to lobby their own governments, and to join an international Kreston Global group, coordinating support. Several of our member firms have already signed up, and we expect many more to do so.

And it doesn't stop there. As the war drags on, the readers of this publication also have an opportunity to engage with their own trade bodies, with clients, and even with their governments, to encourage them to think about what the next stage will look like for Ukraine. Having condemned this catastrophic invasion, we now want to show our long-term solidarity with the Ukrainian people by showing our support for this most practical

and humanitarian of initiatives. It is beholden on all of us, to use our knowledge and contacts to do what we can in supporting Ukraine to move beyond this conflict.

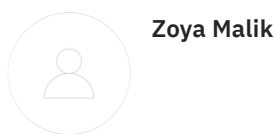
** The featured image is from Hostomel, the suburb of Kyiv, where more than 400 people have gone missing throughout 35 days of occupation by Russian troops. The head of the Hostomel village military administration was appointed the Director of Innovation of Kreston Ukraine, Taras Dumenko.*

If you would like to sign up to support this initiative, you can do so by contacting the authors liza@kreston.com or atamas@Kreston.ua.

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- Very concerned
- Slightly concerned
- Neither concerned nor unconcerned
- Not very concerned
- Not concerned

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