

Financial Support of Communities During the Covid-19 Pandemic

[http://doi.org/10.21272/fmir.6\(3\).83-92.2022](http://doi.org/10.21272/fmir.6(3).83-92.2022)

Olena Pakhnenko,  <https://orcid.org/0000-0002-4703-4078>

PhD, Associate Professor, Sumy State University, Ukraine

Maryna Brychko,  <https://orcid.org/0000-0002-9351-3280>

PhD, Associate Professor, Sumy State University, Ukraine

Anzhelika Shalda,  <https://orcid.org/0000-0003-1910-4988>

Bachelor student, Sumy State University, Ukraine

Corresponding author: o.pakhnenko@biem.sumdu.edu.ua

Abstract. *The article provides a study of the financial provision of local communities to respond the COVID-19. The main purpose of the research is to analyze the role of alternative sources of funding for local communities in strengthening their financial capacity and supporting the health care system during the pandemic. The analysis was carried out on the basis of a study of world trends, a comparative analysis of the financial support of Eastern and Western European countries at the expense of international organizations and government institutions; as well as the study of contributions of charitable funds, public organizations and corporate entities in supporting the health care system (the case of Ukraine). The research empirically confirms and theoretically proves that the pandemic had long-lasting effects on the global economy and created a demand for financial support from citizens and businesses, local and central governments. In order to cover the expenses related to the provision of health care in the conditions of the pandemic, as well as aimed at minimizing the consequences of COVID-19 for the economy and society, various sources of funding were involved, which included funds from the state and local budgets, as well as external funding, such as financial activities, programs and grants of international organizations and other donors, charitable contributions from foundations and corporations. The study proved the existence of inter-country and inter-regional differences in the structure of sources of financing, as well as in the focus areas of funding. The analysis of funding activities of major international organizations, unions and government structures, such as the World Bank, the International Monetary Fund, the European Investment Bank, the European Union, the United States Agency for International Development and others, for the period 2020-2021 confirmed that most of the funding initiatives have an economic orientation, but only some of them are directly aimed at financial support of local communities. On the other hand, alternative sources of funding, such as funds from charitable foundations and donations from the corporate sector, were directly aimed at supporting medical institutions and patients in local communities. That makes them important both for the economy and for saving lives, despite of the lower values of funding compared to international or state programs. The results of the research can be useful for scientists, state and local self-government bodies in managing the financial capacity of local communities and their resilience to health threats.*

Keywords: charitable contributions, covid-19, covid fund, international funding, local community, medical provision, pandemic.

JEL Classification: H51, H75, I18, D64.

Received: 21.06.2022

Accepted: 25.08.2022

Published: 30.09.2022

Funding: This research was funded by Ministry of Education and Science of Ukraine within the framework of state budget research № 0122U000778 “Socio-economic recovery after COVID-19: modelling the implications for macroeconomic stability, national security and local community resilience”.

Publisher: Sumy State University.

Cite as: Pakhnenko, O., Brychko, M., and Shalda, A. (2022). Financial Support of Communities During the Covid-19 Pandemic. *Financial Markets, Institutions and Risks*, 6(3), 83-92. [http://doi.org/10.21272/fmir.6\(3\).83-92.2022](http://doi.org/10.21272/fmir.6(3).83-92.2022)



Copyright: © 2022 by the authors. Licensee Sumy State University, Ukraine. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

Introduction. The spread of the COVID-19 pandemic at the beginning of 2020 significantly affected national economies at the macro and micro levels, reducing the pace of their development and causing significant damage to certain industries (for example, transport, restaurant, hotel business) or radical changes in the functioning of others (for example, in education, financial services). The COVID-19 crisis has significantly affected the functioning of local communities and reduced their incomes. This negative impact was especially noticeable for local communities, which before the pandemic did not have sufficient financial resources of their own in general and an effective system of financial support for medical institutions in particular. Such a situation was characteristic of local communities in countries with a lower level of economic development, in particular in Ukraine. Local governments were not ready to sufficiently react to the new realities, so they were forced to look for ways to supplement their budgets through additional sources of funding in order to finance measures to strengthen the resilience of the community and its health care system and counter the negative economic, social and other consequences of the COVID-19 pandemic. Numerous national and international support programs were implemented to strengthen financial capacity at the local level. However, an important role in increasing the resilience of communities, especially at the initial stages, was provided by charitable foundations and public organizations, which raises the urgent issue of researching all alternative sources of communities funding during the pandemic. Thus, the purpose of the research is to analyze the role of alternative sources of funding for local communities (such as international programs and grants, funds from charitable foundations, etc.) in strengthening their financial capacity and supporting the health care system during the COVID-19 pandemic.

Literature Review. Since the beginning of the COVID-19 pandemic, a significant number of publications have appeared, devoted to the study of certain aspects of the pandemic and its impact on the economy, society, health care, etc. The study of financial aspects of countering the pandemic, resilience of cities and territorial communities is among the main areas of economic research dedicated to COVID-19.

Fransen et al. (2022) explore the emergence of initiatives to strengthen community resilience during a pandemic. The study substantiates that the implementation of Community Resilience Initiatives should take into account the local context, strengths and weaknesses of the communities for which it is being implemented. At the same time, insufficient funding, weak networks and limited cooperation create obstacles in the implementation of such initiatives.

White et al. (2022) analyze in detail one of the types of international aid that countries could receive to respond COVID-19, namely funding from the Global Fund COVID-19 Response Mechanism. The authors examine in detail the results of peer reviews and provide recommendations for strengthening applications and increasing opportunities for receiving funding.

The pandemic shifted funding priorities, reducing funding for other equally important social projects (Blanco et al., 2022). The authors emphasize that the total amount of donations has practically not changed, but there has been a partial substitution in donations to other social causes after the emergence of the COVID-19 pandemic.

Given the specificity of the organization of the budget system and health care in each country, most studies on financial support during the pandemic are focused on the national or regional level. For example, Antohi et al. (2022) researches the issue of health care financing in the EU countries. The authors analyze the effectiveness of the health financial allocations from public funds and the shortcomings identified in the national health care systems during the pandemic.

Aregbeshola and Folayan (2022) analyze health financing issues in Nigeria. The authors note that 90% of the COVID fund, which was created as a response to the coronavirus pandemic, consisted of contributions from private individuals and the donor/philanthropist community. The problem is that the funds were spent on the current needs of treatment and provision of medical facilities during the pandemic, but the funding for post-pandemic economic recovery is insufficient.

Much of the research concerns financial security during the pandemic in the United States (Paarlberg et al., 2020; Maher et al., 2020; Dzigbede et al., 2020). The survey of local governments and nonprofits throughout the United States showed that most of COVID-19 response strategies are focused on limiting expenditures (Maher et al., 2020). Another conclusion is that local governments are innovating and taking strategic actions to fight the virus, but they need substantial assistance from state and federal governments in the conditions of a pandemic of this scale (Dzigbede et al., 2020).

Researchers also draw attention to the importance of community philanthropic organizations (CPOs) and public charities that raise and distribute resources within a geographic community. The authors call such organizations “community resilience activators” (Paarlberg et al., 2020).

Another regional study is devoted to the problems of the countries of South Asia, namely the analysis of the negative economic consequences caused by the COVID-19 pandemic, as well as the importance of the regional SAARC COVID-19 Fund to support stability in this region (Pattanaik, 2020).

Investigating fiscal imbalances that have formed at the central and municipal levels in Czechia and Slovakia as a result of the COVID-19 crisis, researchers note a much worse situation at the local level. Together with inadequate state policy during the pandemic, this may exacerbate the problems of the financial capacity of municipalities in the future (Nemec and Špaček, 2020).

Methodology and research methods. To achieve the goals of the research, the article used the methods of comparative, structural and statistical analysis. In addition, the Google trends toolkit was used to study global trends in interest in the topic of COVID-19 funding. Official statistical databases and online platforms with aggregated indicators were used to collect statistical data. In particular, data from the Ministry of Finance of Ukraine was used for analysis of the composition and structure of expenses of the Anti-COVID-19 Fund; YouControl online platform data – for conducting an analysis of charitable aid for the fight against COVID-19 in terms of by regional structure, directions of use, and main donors; data of the Devex COVID Funding visualization – for structural and comparative analysis of funding activities of international organizations by geography, focus areas and other characteristics.

Results. The spread of the COVID-19 infection has led to changes in all areas of life and additional financial burdens to contain and overcome the consequences of the disease. The forced stoppage or limitation of activities in both the public and private sectors led to a drop in GDP and destabilization of the economy, exacerbated social and other problems that existed in society. Therefore, the pandemic became not only a crisis phenomenon in the field of health care, but also a multi-vector problem that required a comprehensive solution at all levels.

The reaction to this was the introduction of targeted programs to support business, vulnerable populations, and of course the health care system at the local, national, and international levels. Confirmation of the high need for financial support with the beginning of the COVID-19 pandemic was a sharp increase in the number of search queries on Google for the keywords “covid grant”, “covid funding” and “covid business grant” since March 2020 (Figure 1).

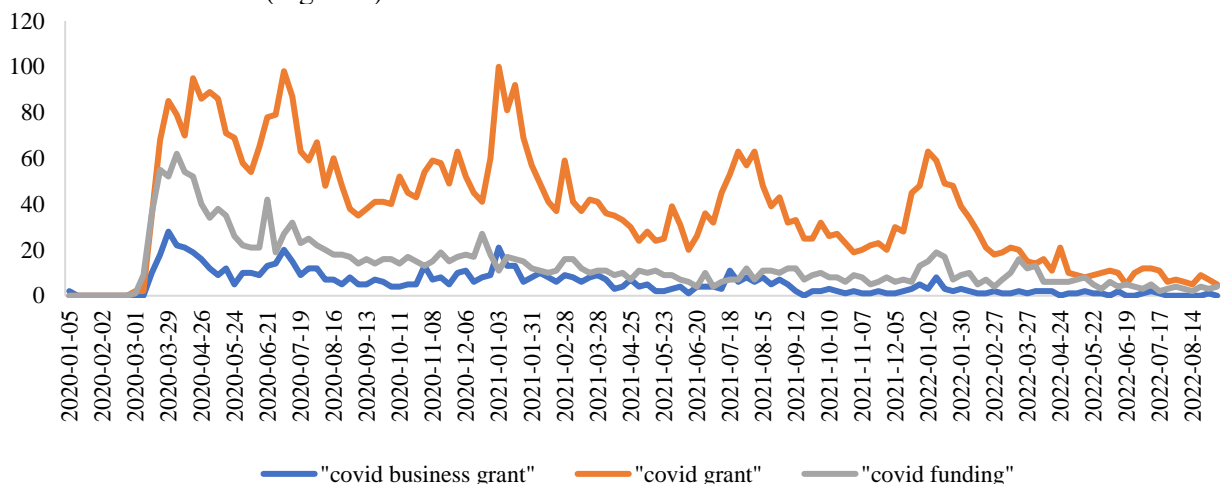


Figure 1. The popularity of the search terms regarding to COVID-19 funding and grants according to Google trends since January 1, 2020

Source: developed by the authors using Google Trends.

Figure 1 demonstrates, first of all, that the issue of financial support in connection with COVID-19 has been relevant for a long period of time (the decrease of requests to the minimum level for the key term “covid grant” is observed only in the spring of 2022). At the same time, there are several waves of growth in the number of such searches that corresponded to periods of growth in the incidence of the coronavirus disease globally. Secondly, along with “covid grant” and “covid funding”, interest in “covid business grant” is quite high, which confirms the importance of small and medium business support programs during the pandemic.

Since 2020, key international organizations have implemented a significant number of multi-targeted financial support initiatives in response to COVID-19. Some of the initiatives were global or multi-regional in nature, but most were country specific, taking into account the weaknesses and specific needs of different countries. The main international donors who provided financial support in the fight against COVID-19 were the World Bank, the International Monetary Fund, the European Investment Bank, the European Union, etc. In particular, in Ukraine, the total number of funding opportunities related to the response to COVID-19 according to the records in the Devex tracker for the period from January 1, 2020 to June 27, 2021 is 82 funding activities, 19 programs and 35 grants (Devex, 2021). Information on the main funding activities in terms of donors and funding values is given in Table 1.

Table 1. Funding opportunities for the response to the COVID-19 in Ukraine for the period 01.01.2020 – 27.06.2021

Title of funding activity	Donor/s*	Funding value, mln USD
\$5 billion towards Addressing Economic Fallout Amidst the Pandemic in Ukraine	IMF	5000,00
New Memorandum of Understanding Signed for the Mitigation of the Socio-Economic Impact of COVID-19 in Ukraine	EU	1416,00
€320 million to Accelerate Pandemic Recovery and to Rebuild Airport Infrastructure and Operational Resiliency in Ukraine	EIB	390,40
\$350 million Support on Economic Recovery to Mitigate the Impact of COVID-19 in Ukraine	WB	350,00
\$350 million to Support the Economy of Ukraine during the COVID-19 Pandemic	WB	350,00
Second Additional Financing for COVID-19 Response under Social Safety Nets Modernization Project	WB	300,00
€150 million Support on Financial Assistance to Fight Against Coronavirus in Ukraine	GN	163,50
\$155 million in to Address Key Development Challenges in Ukraine	USAID	155,00
\$150 million Additional Financing for the Improvement of Social Assistance in Ukraine	WB	150,00
Additional Financing to Serving People, Improving Health Project	WB	135,00
Ukraine Access to Long Term Finance COVID-19 Additional Financing	WB	100,00
\$100 million to Step Up COVID-19 Support to Export-Oriented Small and Medium Enterprises in Ukraine	WB	100,00
Ukraine Emergency COVID-19 Response and Vaccination Project	WB	90,00
\$90 million Loan to Mitigate the Spread of COVID-19 in Ukraine	WB	90,00
\$90 million on Efforts to Strengthen COVID-19 Response in Ukraine	WB	90,00
€74,2 million Loan to Support the COVID-19 Vaccination Campaign in Ukraine	EBRD	89,81
€7,4 billion to Provide Support for COVID-19 Vaccination Program in Ukraine	WB	89,55
\$88,6 million Loan for Purchase of Vaccines in Ukraine	WB	88,60
€60 million to Strengthen Socio-Economic Resilience in Ukraine	EU	70,80
€30 million Loan to Support Private Sector Businesses Impacted by COVID-19 in Ukraine	EIB	35,10
\$27 million loan to Ensure Sustainable Agricultural Trading Volumes in spite of the COVID-19 Outbreak in Ukraine	EBRD	27,00
€18 million to Help Small and Medium-Sized Enterprises Deal with the Impact of COVID-19 Pandemic in Ukraine	EU, BMZ	21,78
\$20 million Loan to Help Address Food Security and COVID-19 Challenges in Ukraine	WB	20,00
\$12,1 million Aid to Help Cope with COVID-19 in Ukraine	DOS, USAID	12,10
€10 million to Support the Development of Social Services in Eastern Ukraine	KfW	12,00
€10 million to Build Resiliency on Hybrid Challenges and Effects of the COVID-19 Pandemic in Ukraine	EU, GIZ	11,90
€7 million to Support Agricultural Operations Affected by COVID-19 in Ukraine	EBRD	7,91
\$1,2 million Assistance to Help Prepare Laboratory Systems and Support Experts to Respond and Prepare for the COVID-19 Pandemic in Ukraine	USAID	1,20
\$1 million Support Response to COVID-19 in Ukraine	USAID	1,00
New Funding to Overcome the Consequences of the Pandemic in Ukraine	UN	0,89
New Funding to Fight COVID-19 in Rural Hospitals in Ukraine	Private Sector	0,36
New Funding Support for Local Communities in Crisis Management in Ukraine	SDC	0,15

* BMZ – German Federal Ministry for Economic Cooperation and Development, DOS – United States Department of State, EBRD – European Bank for Reconstruction and Development, EIB – European Investment Bank, EU – European Union, IMF – International Monetary Fund, GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit, GN – Government, KfW – Kreditanstalt für Wiederaufbau, SDC – Swiss Agency for Development and Cooperation, USAID – United States Agency for International Development, WB – World Bank.

Source: compiled by the authors based on (Devex, 2021).

In addition to the funding activities indicated in Table 1, a number of programs to combat and minimize the consequences of COVID-19 were implemented in Ukraine, most of which were financed by the European Bank for Reconstruction and Development (EBRD), in particular: “Supporting the Liquidity of Grain Alliance Group and Withstanding Covid-19 Caused Crisis in Ukraine” (EBRD, \$7,91M), “Providing Emergency Liquidity Support to Mitigate COVID-19 Effects in Ukraine” (EBRD, \$28,50M), “Support for Trading Operations and Withstanding COVID-19 Impact in Ukraine” (EBRD, \$27,00M), “Preserving its Capital Expenditure Plans amidst the COVID-19 in Ukraine” (EBRD, \$4,72M), “Pravex COVID-19 Loan for Enterprises and Midcaps in Ukraine” (European Investment Bank, \$36,30M), “Emergency COVID-19 Response and Vaccination Project in Ukraine” (World Bank, \$90,00M), “Supporting Access to Long Term Finance during the COVID-19 Crisis in Ukraine” (World Bank, \$100,00M) (Devex, 2021).

To achieve the more specialized goals of the projects, funding was provided in the form of grants provided by the Foreign, Commonwealth & Development Office, the government, the European Union, in particular the following: “Strengthening Participation in COVID 19 Response and the Reduction of Opportunities for Corruption”, “Supporting Social Action Projects to Overcome the Effects of the COVID-19 Pandemic”, “Support for Research Initiatives on the Impact of COVID-19”, “Support for Initiatives Addressing Anti-Corruption, Disinformation, and the Economic Impact of COVID-19”, “Support for Digital Infrastructure Initiatives Amidst the Pandemic” (Devex, 2021).

Based on the results of the analysis of the target orientation of international financial support, it can be concluded that only a few initiatives were directly aimed at supporting local communities (in particular, “New Funding Support for Local Communities in Crisis Management in Ukraine” by Swiss Agency for Development and Cooperation).

As noted, the provision of international assistance in the fight against COVID-19 differs between regions of the world and individual countries, due to the current needs and national characteristics of the country. Table 2 presents the results of the structural analysis of funding activities in the countries of Western and Eastern Europe, and Ukraine in particular.

Table 2. Covid-19 focus areas of funding in Europe for the period 01.01.2020 – 27.06.2021

Covid-19 focus areas	Ukraine	Eastern Europe	Western Europe
Economic	60,0%	61,1%	59,8%
Vulnerable	15,9%	0,2%	0,4%
Prevention	10,5%	0,1%	0,0%
Health systems	6,3%	1,2%	1,0%
Response	2,4%	36,7%	37,1%
Vaccine/treatment	2,3%	0,0%	0,0%
Tourism	1,4%	0,0%	0,0%
SMEs	1,0%	0,2%	1,5%
Food Security	0,2%	0,0%	0,0%
Gender	0,0%	0,4%	0,0%
Other	0,0%	0,0%	0,1%
Total value of funding, mln USD	22163,95	2441633,53	4261740,08
Total count of initiatives	82	388	104
Country specific initiatives	91,50%	85,80%	62,50%
Key funders	IMF, WB, EU	EU, EIB, GN, WB	EU, GN, EIB, KfW

* EIB – European Investment Bank, EU – European Union, IMF – International Monetary Fund, GN – Government, KfW – Kreditanstalt für Wiederaufbau, WB – World Bank.

Source: compiled by the authors based on (Devex, 2021).

In all countries and regions, economic projects account for the largest share of financing – about 60%. As for other focus areas, Ukraine is significantly different from both the countries of Western Europe and the countries of its group – Eastern Europe. The second largest area of funding (about 37%) in European countries is Covid Response. In Ukraine, projects of this focus area accounted for only 2.4%, instead, a significant share is occupied by projects related to the support of vulnerable segments of the population and preventive measures. It is also worth noting that funding of health care projects and vaccination/treatment needs is significantly higher in Ukraine compared to other European countries. One of the reasons for this is insufficient financial support of the national health care system in Ukraine and its low efficiency.

At the national level, the main sources of financial support in the field of health care in Ukraine are funds from the State and local budgets under the “Health Care” function. However, with the beginning of the pandemic, it became obvious that the budgeted expenditures for health care will not be enough to financially

cover the needs that have arisen in connection with the spread of the coronavirus infection. The government has created a Fund for the fight against COVID-19 (“Anti-COVID-19 Fund”) within the general fund of the state budget to finance additional health care and social costs directly related to the pandemic. The total size of this fund was about UAH 66 billion in 2020, and the directions for the use of the funds were focused on expenses necessary to combat the COVID-19 pandemic. (Figure 2).

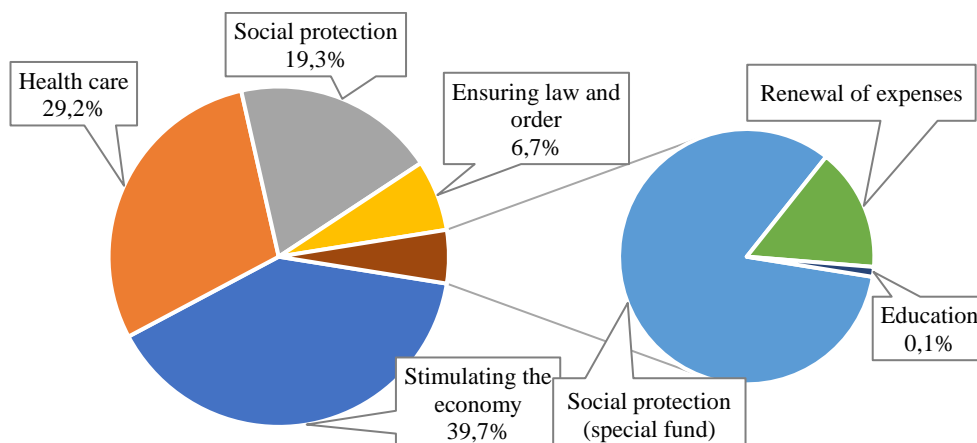


Figure 2. Cash expenditures of the Fund for the fight against COVID-19 as of December 31, 2020

Source: developed by the authors based on (Ministry of Finance of Ukraine, 2020)

Funding under the expenditure item “Health care” was aimed at the purchase of ventilators, personal protective equipment, medicines, equipment for reception departments, etc. Significant expenses under this item are subventions to local budgets for providing hospitals with oxygen, equipping temporary hospitals and, in general, for the implementation of measures to combat COVID-19. As of the end of 2020, UAH 1,38 billion was allocated from the special fund under the expenditure item “Health Care” for the purchase of a vaccine against COVID-19.

Since the beginning of the spread of COVID-19, local communities in Ukraine found themselves in a situation of insufficient personal protective equipment in hospitals, lack of ventilators, and at the same time a shortage of their own resources to finance these areas of expenditure. Therefore, at the beginning of the pandemic, funds from public organizations and charitable foundations, as well as private companies, became an important source of funding for measures to combat COVID-19 in Ukraine. These institutions responded quickly enough and within their capabilities provided hospitals, emergency medical care centers, laboratories, etc. with the necessary medical equipment, devices, consumables, and also provided support to vulnerable groups of population. As of the end of September 2020, there were more than 390 benefactors in Ukraine who provided assistance in the total amount of UAH 1203,3 million to combat COVID-19. The largest amounts of charitable aid came from the “Monstriv Corporation” foundation, the ICF of the Intercession of the Holy Mother of God, Rinat Akhmetov Foundation, CF “Prime”, CF “Patients of Ukraine”, AUCF “Krona”, the MHP – community charitable foundation and others (Table 3).

Table 3. Charities in funding the response to the COVID-19 in Ukraine

Charitable organization	COVID-19 initiatives*	Regions / communities
“Monstriv Corporation” foundation	“Breathe” (2020 – present) and others Total amount: 116,2 mln UAH (medical equipment, personal protective equipment, medicines, consumables and other)	All regions, the most funded – Kyiv city and Odesa region
ICF of the Intercession of the Holy Mother of God	Total amount: 77,9 mln UAH (medical equipment, personal protective equipment and other)	Kyiv, hospitals in Donetsk, Dnipropetrovsk, Kherson, Zaporizhia, Mykolaiv, Chernivtsi, Luhansk regions
Rinat Akhmetov Foundation	“Fighting COVID-19 in Ukraine” (2020) Total amount: 36,7 mln UAH (medical equipment, personal protective equipment and other)	Kyiv city, Dnipropetrovsk, Luhansk, Lviv, Kyiv, Ivano-Frankivsk and other regions; the most funded – Donetsk region
CF “Prime”	Total amount: 23,0 mln UAH (personal protective equipment)	Hospitals in 12 regions
CF “Patients of Ukraine”	“United in the fight against the coronavirus” (March, 2020 – March, 2021) Total amount: 19,3 mln UAH (medical equipment, personal protective equipment, consumables and other)	All regions, the most funded – Kyiv city

Table 3 (cont.). Charities in funding the response to the COVID-19 in Ukraine

All-Ukrainian Charitable Foundation “Krona”	“Stop Covid-19” (2020-2021) Total amount: 15,6 mln UAH (medical equipment, personal protective equipment, consumables and other)	Hospitals in 12 regions, the most funded – Kyiv city
MHP – community charitable foundation	“Co-action: overcoming COVID-19” (spring 2020) Total amount: 8,2 mln UAH (medical equipment, personal protective equipment, consumables and other)	City and district hospitals in Cherkasy and Vinnytsia regions
CF “Wings of hope”	Total amount: 4,8 mln UAH (medical equipment, personal protective equipment, consumables and other)	Lviv region
CF “Tabletochki”	Total amount: 3,2 mln UAH (personal protective equipment and other)	Hospitals in 11 regions, the most funded – Kyiv city
CF “Tvoya opora”	“COVID-19: banding together to survive” (2020) Total amount: 1,2 mln UAH (personal protective equipment)	Kyiv city and Zhytomyr region

* Total amounts according to the documented assistance in the YouControl as of September 2020

Source: developed by the authors based on (YouControl, 2020).

The Rinat Akhmetov Foundation was one of the first to provide assistance in connection with the pandemic, which in February 2020 allocated UAH 300 million for the fight against COVID-19. As part of the Fund’s program, the project “Fighting COVID-19 in Ukraine” was created, which became the largest, systematic and large-scale private initiative aimed at helping state medical institutions in the fight against the coronavirus. More than 200 thousand units of personal protective equipment and consumables, as well as 320 thousand rapid tests, were handed over to state hospitals. The purchase of more than 200 modern ventilators from this fund became a key element of community assistance (Rinat Akhmetov Foundation, 2022).

During the pandemic, the “Monstriv Corporation” charitable foundation created the “Breathe” project to support patients with COVID-19 who needed oxygen therapy. The project was implemented within the territorial communities of the Odesa region and included the purchase of oxygen concentrators, which subsequently saved more than 2000 oxygen-dependent people and continue to be used today (“Monstriv Corporation” foundation, 2022).

With the beginning of the pandemic, Charitable Foundation “Tvoya opora” created the project “COVID-19: banding together to survive”, which became a unique case for Ukraine. The specifics of the project consisted in an active partnership with business, thanks to which UAH 72,5 million was collected in 9 months to help hospitals in all regions of the country, namely the purchase of ventilators, equipment, protective suits, etc. (Charitable Foundation “Tvoya opora”, 2022).

In 2020, the “Patients of Ukraine” charity fund launched the “United in the fight against coronavirus” initiative. By March 2021, it collected more than UAH 23 million and helped more than 8000 doctors in 241 hospitals throughout Ukraine. In addition to the purchase of protective equipment to combat COVID-19, “Patients of Ukraine” carried out reconstructions in the reference laboratory of the Center for Public Health, which is the main laboratory for the study of COVID-19 in Ukraine and verifies the work of other laboratories around the country (Charitable Foundation “Patients of Ukraine”, 2022).

The activities of some public and charitable organizations were more specialized. For example, the team of the charity foundation “Your Future” as part of the project “STOP coronavirus” directed its activities to help vulnerable groups of the population, in particular, three specialized homes for war and labor veterans, senior citizens and the disabled, located in Kyiv. At the expense of the funds of the Foundation, these institutions were provided with antiseptics, gloves, masks, respirators and alcohol tinctures to avoid the spread of infection (Charitable Foundation “Your future”, 2022).

During 2020-2021, the All-Ukrainian Charitable Fund “Krona” provided assistance to patients and hospitals involved in the fight against the coronavirus infection, and also implemented support programs for pregnant women and newborns. In particular, the fund helped pregnant women and women in labor with hygiene and personal protective equipment, purchased oxygen equipment, sterilization chambers, a blood analyzer, equipped an intensive care unit for mothers and babies at the Amosov National Institute of Cardiovascular Surgery according to the standards of clean premises in the territory of the Kyiv region. The foundation also cooperates with large manufacturing companies and financial institutions (Raiffeisen Bank Aval, Carlsberg Ukraine and others) to provide hospitals with ventilators, oxygen equipment, personal protective equipment for doctors, etc. (All-Ukrainian Charitable Foundation “Krona”, 2022).

To combat the coronavirus pandemic, the MHP agricultural holding and the “MHP – Communities” Charitable Foundation allocated a total of about 84 million UAH, most of the amount (55 million UAH) was directed to the national state fund, the distribution of which is handled by specialists of the Ministry of Health of Ukraine. The rest of the funds were directed to financing the needs of medical institutions in the communities of Vinnytsia and Cherkasy regions. At the initiative of the foundation, a charity platform “Community of Cherkasy: Overcoming COVID-19” was created in Cherkasy Oblast. The collected funds were spent under the supervision of public organizations on personal protective equipment, medical equipment and other urgent items needed by doctors. The platform united the efforts of the government, business and public of the Cherkasy region in the fight against the coronavirus (MHP - community charitable foundation, 2022).

In addition to the charitable funds listed above, the corporate sector played a major role in financing measures to combat the coronavirus infection in Ukraine. The business entities that donated the largest sums of money for the fight against COVID-19 in 2020 are: JSC “Ukrgezvydobuvannya” (NAC Naftogaz) – UAH 607,9 million; “Silpo-Food” LLC – UAH 84,3 million; “Epicenter K” LLC – UAH 43,1 million; JSC Zaporizhzhya Ferroalloy Plant – UAH 27,5 million; SE “Roshen Confectionery Corporation” – UAH 4,5 million and others (YouControl, 2020).

Summarizing the YouControl data on the distribution of aid provided by public and charitable organizations, businesses and other donors by region (Figure 3), it can be noted that a fifth of the funds were allocated in the city of Kyiv (this amount includes contributions to the State Institution of Health of the Ministry of Health of Ukraine (91,2 million UAH) and State Enterprise Ukrvaccine of the Ministry of Health of Ukraine (41,3 million UAH)).

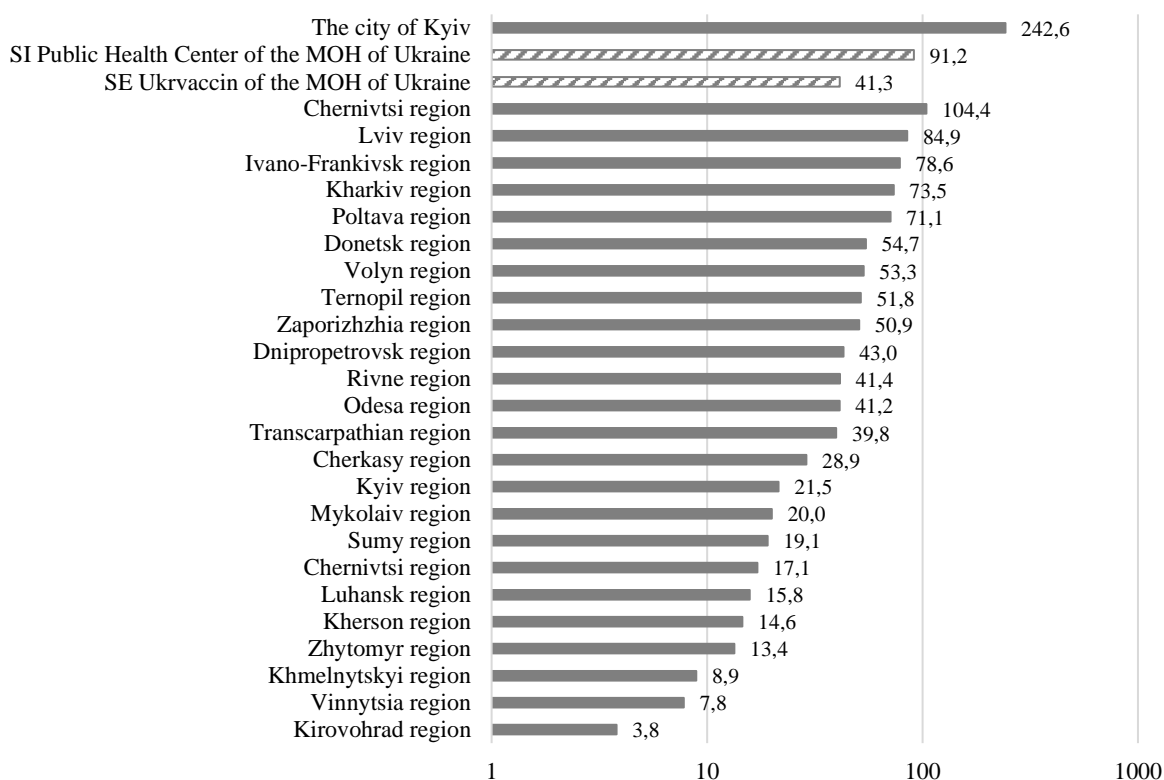


Figure 3. Distribution of charitable aid for the fight against Covid-19 by region as of September 2020

Source: developed by the authors based on (YouControl, 2020)

The rest of the amount was distributed between regions of Ukraine (from 1% to 9% of total funds) to help medical institutions and patients. The largest share went to the most densely populated communities, as well as the western regions, in particular the Chernivtsi region, which had a faster rate of spread of the coronavirus infection in March – May 2020.

Conclusions. The pandemic had long-lasting effects on the global economy and created a demand for financial support from citizens and businesses, local and central governments. International organizations,

regional associations and government structures, such as the World Bank, the International Monetary Fund, the European Investment Bank, the European Union, the United States Agency for International Development and others, have directed significant amounts of financial resources to respond the COVID-19 and for the postpandemic recovery. Most of the funding initiatives have an economic orientation, but only some of them are directly aimed at financial support of local communities. In Ukraine, facing the budget deficit and the low level of state financing of the health care system, an Anti-COVID-19 Fund was formed to combat the pandemic by redistributing funds from the general fund of the state budget. In combination with state support, other sources of funding were used, such as funds from charitable foundations and donations from the corporate sector, which became valuable both for the economy and for saving lives. Despite the fact that the total amount of funds collected from charitable organizations is insignificant compared to international funding activities and the Anti-COVID-19 Fund, however, they were directly aimed at supporting medical institutions and patients in local communities. The world experience and Ukrainian practice of combating COVID-19 gives an understanding that the desired result can be achieved by combining all possible resources.

Author Contributions: **Conceptualization**, O.P. and M.B.; **methodology**, O.P.; **software**, O.P.; **validation**, O.P. and M.B.; **formal analysis**, M.B.; **investigation**, A.S.; **resources**, M.B.; **data curation**, M.B.; **writing-original draft preparation**, A.S.; **writing-review and editing**, O.P.; **visualization**, M.B.; **supervision**, O.P.; **project administration**, O.P.; **funding acquisition**, O.P. and A.S.

References

1. All-Ukrainian Charitable Foundation “Krona” (2022). Reports. [\[Link\]](#)
2. Antohi, V. M., Ionescu, R. V., Zlati, M. L., Mirica, C., & Cristache, N. (2022). Approaches to health efficiency across the European space through the lens of the health budget effort. *International Journal of Environmental Research and Public Health*, 19(5). [\[Link\]](#)
3. Aregbeshola, B. S., & Folayan, M. O. (2022). Nigeria's financing of health care during the COVID-19 pandemic: Challenges and recommendations. *World Medical and Health Policy*, 14(1), 195-204. [\[Link\]](#)
4. Blanco, E., Baier, A., Holzmeister, F., Jaber-Lopez, T., & Struwe, N. (2022). Substitution of social sustainability concerns under the covid-19 pandemic. *Ecological Economics*, 192. [\[Link\]](#)
5. Charitable Foundation “Patients of Ukraine” (2022). Reports COVID-19. [\[Link\]](#)
6. Charitable Foundation “Tvoya opora” (2022). COVID-19: banding together to survive. [\[Link\]](#)
7. Charitable Foundation “Your future” (2022). STOP coronavirus. [\[Link\]](#)
8. Devex (2021). COVID Funding visualization Tableau Public. [\[Link\]](#)
9. Dzigbede, K., Gehl, S.B. & Willoughby, K. (2020). Disaster resiliency of US local governments: insights to strengthen local response and recovery from the COVID-19 pandemic. *Public Administration Review*, 80(4), 634-643. [\[CrossRef\]](#)
10. Fransen, J., Peralta, D. O., Vanelli, F., Edelenbos, J., & Olvera, B. C. (2022). The emergence of urban community resilience initiatives during the COVID-19 pandemic: An international exploratory study. *European Journal of Development Research*, 34(1), 432-454. [\[Link\]](#)
11. Maher, C.S., Hoang, T. & Hindery, A. (2020). Fiscal responses to COVID-19: evidence from local governments and nonprofits. *Public Administration Review*, 80(4), 644-650. [\[CrossRef\]](#)
12. MHP - community charitable foundation (2022). Fund 2020 Projects. [\[Link\]](#)
13. Ministry of Finance of Ukraine (2020). Anti-COVID-19 Fund. [\[Link\]](#)
14. “Monstriv Corporation” foundation (2022). The fight against COVID-19. [\[Link\]](#)
15. Nemeč, J. & Špaček, D. (2020). The Covid-19 pandemic and local government finance: Czechia and Slovakia. *Journal of Public Budgeting, Accounting & Financial Management*, 32(5), 837-846. [\[CrossRef\]](#)
16. Paarlberg, L. E., LePere-Schloop, M., Walk, M., Ai, J., & Ming, Y. (2020). Activating community resilience: The emergence of COVID-19 funds across the united states. *Nonprofit and Voluntary Sector Quarterly*, 49(6), 1119-1128. [\[Link\]](#)

17. Pattanaik, S. S. (2020). SAARC COVID-19 fund: Calibrating a regional response to the pandemic. *Strategic Analysis*, 44(3), 241-252. [\[Link\]](#)
18. Rinat Akhmetov Foundation (2022). Project: Fighting COVID-19 in Ukraine. [\[Link\]](#)
19. White, A. C., Péchevis, M., & Cuen, A. J. (2022). Lessons learnt from UNAIDS virtual technical support to countries applying for funding from the global fund COVID-19 response mechanism. *African Journal of AIDS Research*, 21(2), 100-109. [\[Link\]](#)
20. YouControl (2020). COVID-19 Map. [\[Link\]](#)