

Strategic Framework. Denmark's Partnership with Ukraine July 2025 – June 2028

Draft for Public Hearing

5 December 2024

(All figures on Danish assistance to be updated in final version)

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1. Introduction

Since Ukraine gained independence, Denmark has been an active voice of support and partner. In 2004, Denmark established a bilateral partnership with Ukraine as part of the Neighbourhood Programme. Following the Maidan Revolution of Dignity in 2014, there has been an increasing focus on supporting the country's progress towards EU membership. This has included partnerships in areas such as good governance and human rights, green transition and energy independence, just growth and a well-functioning labour market. At the same time, more than 100 private Danish Companies operated in Ukraine before 2022.

The Russian full-scale invasion in February 2022 has had drastic consequences for the population of Ukraine, causing a dire humanitarian situation with almost 15 million people in need of humanitarian assistance in 2024 and more than 10 million¹ people displaced by the war. Russian attacks have caused extensive damaged to civilian infrastructure, including homes, hospitals, schools and Ukraine's energy infrastructure. The Ukrainian private sector has been affected severely and agricultural areas have been left desolate due to landmines and unexploded ordnance. Meanwhile, the war undermines social cohesion particularly in frontline regions, there is widespread gender-based violence and millions – including veterans, IDPs and youth – are in the need of mental health and psycho-social support services.

The invasion revealed Russia's territorial ambitions, which constitute a threat to the security of all of Europe. Thus, Ukraine's battle to defend itself against a full-scale invasion is not only a fight for the country's existence and survival but is also a fight for European security and a global, rule-based order.

From the first day of the full-scale invasion, Denmark has stood by Ukraine's side - also in terms of financial support. From February 2022 to November 2024, Denmark has granted DKK 58,6 billion in total support to Ukraine, including 5,2 billion in civilian development assistance.

The Danish support for Ukraine involves a wide range of stakeholders. Both small and large Danish civil society organisations, together with a large number of popular initiatives, have contributed to a significant humanitarian effort and show of solidarity. This also applies to Danish private enterprises and foundations, which have contributed through donations and pro bono services and/or have entered into public-private partnerships. A number of Danish municipalities have also entered into friendship-city agreements with cities in Ukraine. In addition to the assistance channelled through the Ministry of Foreign Affairs, a number of Danish ministries and agencies have been involved and have contributed within their fields.

The Strategic Framework – a frame for all of Denmark's development cooperation and partnerships with the neighbourhood countries

A Strategic Framework for Denmark's partnership with the Neighbourhood Countries 2022-26 – including Ukraine - was presented in January 2022, just before the full-scale invasion, and was revised in November 2023. In parallel with the revision, a separate strategy for Danish assistance to early recovery in Mykolaiv/Ukraine 2023-2024 was developed. As the latter expires by the end of 2024, and given that Ukraine is the largest recipient of Danish development assistance,

¹ IOM Displacement Tracking Matrix October 2024: 3.7 million internally displaced; UNHCR Operational Data Portal 18 November 2024: 6.8 million refugees from Ukraine recorded globally.

this Strategic Framework for Denmark's partnership with Ukraine 2025-2028 has been developed to cover all of the Danish civilian support for Ukraine.

The new strategic framework will establish goals, priorities, and principles for Denmark's state-led development assistance to Ukraine, incorporating a broad involvement of public authorities through a 'whole-of-government' approach. At the same time, it is the intention that the Strategic Framework in its entirety will contribute to continued mobilisation of private sector engagement and encourage private-public cooperation, including both business, civil society and citizens.

Strategic goals and overall approach

During the period 2025-28, Denmark will strengthen its partnership with Ukraine with the overall vision of strengthening Ukraine's resilience and delivering on the urgent basic social needs of its people, as well as contributing to the democratic and institutional reform processes, that also support EU accession. Thereby, the support aims at enabling Ukraine to strengthening the resilience of the Ukrainian society at large while supporting the country to be self-reliant and on a path to build back better and greener, toward EU membership.

As a framework for the Danish efforts, **three overall strategic goals** have been set out, which will provide direction and define the concrete sub-goals for the Danish engagement. The three strategic goals are to support:

- **Building resilience; addressing urgent basic social needs, including early reconstruction and humanitarian assistance**
- **Energy security, green transition and just growth**
- **Supporting reforms and EU accession; Promoting the development of democratic institutions and processes**

An important sub-goal will be to mobilise and promote a broad, sustainable engagement and cooperation between Denmark and Ukraine.

Geographically, Denmark will continue to play a special role in the reconstruction of Mykolaiv, and the planned Transition Country Programme (see below chapter 8) will continue to prioritize the special partnership with Mykolaiv city and oblast. Thus, approx. 60 % of the Ukraine Transition Country Programme will be reserved for Mykolaiv.

Chapters 1 through 7 of the Strategic Framework define the goals and priorities for the overall Danish development cooperation with Ukraine. The initiatives include a number of development policy instruments and programmes. These various instruments are described in chapter 5. Chapter 8 of the Strategic Framework presents the objectives and principles specific to the Ukraine Transition Country Programme 2025-2028 – as well as the programme's focus areas going forward.

Hence, the Strategic Framework only includes objectives and priorities for Danish development policy. Other MFA Strategic Frameworks have also included political, military, and trade/business instruments. These are not included as a part of this Strategic Framework as the government's overall strategy and efforts regarding Ukraine have recently been described in the government's

foreign and security policy strategy from May 2023² as well as the priorities set in the Danish Ukraine Fund.

2. Analysis of the context, challenges, and risks

2.1 Background: Challenges and opportunities

Ukraine gained independence from the Soviet Union in 1991 and has since developed into a parliamentary democracy with regular free elections and Ukraine is classified as 'partly free' in terms of political rights and civil liberties in 2024 by Freedom House.

However, following independence, Ukraine had to acquire the formal competences and develop the institutions that characterise an independent democratic state. This has been challenging. While corrupt practices and the deeply rooted network bound by shared interests of big business and the political class was not a new phenomenon for Ukraine, the transition to a market economy, including the rapid privatisation of the state-owned enterprises, and a weak state created the basis for widespread inequality, systemic corruption at all levels of society, and the concentration of power with oligarchs. These structures have been somewhat resilient. Together with the dependence on Russia and the schism over the country's Western/Russian orientation these structures have led to major political and economic tensions within the Ukrainian society. The Maidan Revolution of Dignity in 2013-2014, was triggered when then President Viktor Yanukovich refused to sign an association agreement with the EU.

At the same time, since independence, Ukraine's national sovereignty and territorial integrity has been challenged. In 2014, during the swells of the Maidan Revolution of Dignity, Russia annexed Crimea through military presence, and Russian-supported militias occupied parts of Eastern Ukraine. At the same time, Russia carried out political interference and influence campaigns and with Russia's brutal full-scale invasion of Ukraine on 24 February 2022, the very existence of Ukraine came under threat.

Humanitarian situation

The humanitarian consequences of Russia's full-scale invasion continue to be severe. The UN estimates that nearly 15 million people – close to 40% of the current population - are in need of humanitarian assistance in 2024³. The situation has been particularly critical in areas close to the frontline and under temporary Russian control, where humanitarian access is severely restricted. Meanwhile, civilians continue to pay the highest price for Russia's war of aggression with more than 12,162 civilians in Ukraine killed and over 26,000 injured (October 2024⁴). As of October 2024, more than 6,7 million Ukrainians have been forced to flee the country and around 3,7 million have been internally displaced, while millions remain in areas now under temporary control by Russia.

² [Foreign and Security Policy strategy 2023](#)

³ Figueres to be updated in final version of the Strategic Framework

⁴ OHCHR – Ukraine: Protection of civilians in armed conflict – October 2024 update published 15 November 2024.

Throughout the war, Russian attacks have caused extensive destruction of civilian infrastructure, including homes, schools, health facilities and energy infrastructure. Such attacks put civilians at risk and have caused disruption to the delivery of essential services such as education, healthcare and basic amenities, including electricity, water and heating. Moreover, attacks targeting Ukraine's agrarian infrastructure and grain storage facilities have had negative implications for food security on a global scale.

According to the UN Development Programme (UNDP), Ukraine is now the most mined country in the world, with 23 percent of Ukraine's territory considered to be at risk of contamination with landmines and unexploded ordnance (October 2024⁵). The heavy contamination poses a considerable threat to the health and safety of the civilian population while at the same time significantly impeding the country's economy, agricultural sector as well as reconstruction efforts and humanitarian operations.

The report "Ukraine - Rapid Damage and Needs Assessment" from February 2024 estimated that the preliminary damage due to the war, as of December 23, was USD 152 billion – a figure that is expected to have risen since. As of December 31, 2023, recovery and reconstruction needs were estimated at almost USD 486 billion⁶.

Energy security - damage to the country's energy capacity.

According to the United Nations Human Rights Monitoring Mission in Ukraine, the Ukrainian power system had lost nearly half of its available production capacity from occupation and destruction by April 2023. Between March and August 2024, Russia resumed a large-scale, coordinated campaign of attacks on Ukraine's electricity infrastructure damaging or destroying numerous power generation, transmission, and distribution facilities. These strikes had far-reaching consequences, harming the civilian population and affecting critical infrastructure, including electricity supply, water distribution, sewage and sanitation systems, heating and hot water, public health, education, as well as agriculture and industry.

Mykolaiv

The city of Mykolaiv is strategically important and a key financial capital in the south of Ukraine, and was captured by Russian forces during the first days of the full-scale invasion. At the beginning of April 2022, the Ukrainian army recaptured the city and the surrounding areas. Prior to Russia's invasion, a total of 1.1 million people lived in the Mykolaiv region and around 470,000 people in the city. The initial Russian attack led to severe destruction of industry, schools and public buildings, as well as disruption of drinking water supply and other pipeline networks in the city. Additionally, transmission and distribution electricity network in the Mykolaiv region have taken serious damage from continuous Russian missile and drone attacks, leaving the city vulnerable to a complete disruption of external energy supply. Port access and exit through the Black Sea is still suspended due to a heavy layout of naval mines and close proximity to Russian troops in the north-western part of the Crimean Peninsula. Finally, large swathes of agricultural land in the Mykolaiv region are contaminated with mines and unexploded ordnance, leading to

⁵ <https://www.undp.org/european-union/stories/ukraine-tackling-mine-action-all-sides-make-land-safe-again>

⁶ Ukraine - Rapid Damage and Needs Assessment: February 2022 – 2023¹ The World Bank, the Government of Ukraine, the European Union) Ukraine - Rapid Damage and Needs Assessment: February 2022 – 2023 (worldbank.org).

a substantial decrease in the region's production of grains and vegetables. Many civilians in Mykolaiv region have moved to the western parts of the country, while Mykolaiv city itself has become a centre for persons displaced from Kherson, Zaporizhia and areas occupied by Russian forces.

Ukraine's Economy

Due to the war, Ukraine's economy is under severe pressure. Ukraine's state finances are heavily dependent on external macro-financial support. Resources fall far short of those required for recovery and preservation of social and economic sustainability and resilience. The consequences of the Russian destruction of energy infrastructure in particular is putting further pressure on the economy, as are difficult debt rescheduling and continuing reliance on donor contributions. Ukraine's national debt has risen to 89 per cent of GDP as Ukraine has had a large borrowing need since the start of the war. In 2024, Ukraine had a fiscal deficit of USD 43 billion without macro-financial assistance, equivalent to around 23 per cent of GDP. The deficit is almost covered by macro-financial assistance and loans for 2024. The financing needs in 2025 and 2026 are estimated to be between USD 35 and 57 billion per year. Financing options for 2025 consist of EUR 13 billion support from the EU Ukraine Facility and the 'Extraordinary Revenue Acceleration (ERA) Loans for Ukraine' [of an USD 50 billion⁷] based on Russia's immobilised assets and possible bilateral support.⁸

Euro-Atlantic aspirations and EU accession process

Since the Maidan Revolution of Dignity in 2013-14, Ukraine has steered a clear European course with strong Euro-Atlantic aspirations. In 2019, the aim of achieving membership of the EU and NATO was enshrined in Ukraine's constitution. With the invasion as a catalyst, Ukraine applied for EU membership on 28 February 2022. In December 2023, the European Union (EU) approved the decision of the European Commission to start EU accession negotiations with Ukraine. On 25 June 2024, the first Intergovernmental Conference (IGC) with Ukraine was held, formally marking the start of accession negotiations with the country. The EU accession process, and the so-called EU Enlargement Package⁹, will be core instruments in the reform process in Ukraine – together with the Ukraine Plan developed by the Ukrainian government to guide economic recovery and development. These documents provide the point of departure for reform in all sectors of society.

Oligarchy practises and fighting of corruption

Russia's full-scale invasion of Ukraine has affected all spheres of life in the country, and the oligarchs are no exception. One of the key factors that contributed to the decline of oligarchs' influence is the financial losses suffered by their businesses during the war, which have limited their ability to influence the political and media spheres. The anti-corruption bodies sent some oligarchs to prison and others escaped abroad while under investigation. Meanwhile, the role of the President and his Office has increased and power has been centralized, also at the expense of the oligarchs. The traditional checks-and-balances are in some areas suspended and in others, their value is limited compared to the situation before the full-scale invasion. Thus, the media

⁷ Figure to be updated according to final decision on the ERA loan in final version of the Strategic Framework

⁸ Flashanalyse, Udenrigsøkonomisk analyseenhed

⁹ [Ukraine Report 2024 - European Commission](#)

and Parliament lost some of their ability to hold law enforcement agencies to account. Business associations have complained, that law enforcement agencies appear to have expanded their corrupt behavior and pressure on private businesses.

Widespread corruption still poses a major problem for many Ukrainians in their daily life and for the quality and the extent of public services. This damages societal cohesion and stability in Ukraine. In addition, corruption poses an imminent danger and a challenge to the military, the reconstruction efforts, and the long-term development projects. The massive influx of donor funds increases the risk of new systems of corruption.

The Ukrainian government and parliament have taken a number of important steps to strengthen the independent anti-corruption structures that were established in the years after the Revolution of Dignity. The perspective of EU membership, critical dialogue with international partners and a growing intolerance of corrupt behaviour in the population and pressure from Ukrainian civil society seem to be driving this progress. The anti-corruption institutions – investigation (NABU), prosecution (SAPO) and the high-anti-corruption Court (HACC) – are now delivering more high-level corruption cases and verdicts than ever before. They are slowly getting a grip on high-level corruption. Important integrity initiatives have been taken in the Ministry of Defence and in the Ministry and Agency of Reconstruction where some corruptions risks are concentrated. However, there is still a lot to be done in a number of sectors to reduce corruption risks, including in the judiciary, law enforcement, customs, taxation, public procurement in the construction sector and health care.

Media

Historically, Ukraine has had relatively free media, protection of the freedom of speech and active investigate journalists, while the important TV media was hampered by the fact that the largest Ukrainian media houses have generally been owned by oligarchs with the aim of serving their political and financial interests. Since Russia's full-scale invasion the media landscape has undergone significant changes. The martial law put in place a number of restrictions on the TV media and the war has led to the oligarch-owned television channels either disappeared or were transformed into one state-led 'United News' 24/7 TV channel. This 'TV marathon' is increasingly met with critical voices from the political opposition and independent media. In December 2022, president Zelensky signed a law that expanded government control over print and online media with the aim of preventing the spread of Russian propaganda and as a security precaution during times of war. This law was controversial, as the law allows authorities to shut down news sites that are not officially registered as media without a court order, and is by some viewed as a way to limit freedom of expression. At the same time, Ukraine's independent public broadcaster Suspilne-UA:PBC has gained more ground and is judged to operate in a politically neutral way and independent media continue to publish investigative journalism revealing cases of corruption.

Social cohesion and vulnerable groups

Social cohesion, and a sense of national unity, experienced a boost at the onset of the full-scale invasion. However, the war has challenged social cohesion nationally and in local communities, especially in the frontline regions, and trust in central institutions is declining. While there is common ground in the overall fight against the aggressor, social tensions and internal conflicts can become even more pronounced, both in protracted war scenarios and after military

stabilisation: between those who stayed versus those who fled, those who fought in the army versus those who did not etc.

Vulnerable population groups, including survivors of war crimes and sexual and gender-based violence (SGBV), veterans, women providing care for children, older people, internally displaced people, people living with disabilities and people living with illnesses, are at increased risk of psychological distress and mental disorders as the war continues. The need to address trauma and stress disorders in the population is and will continue to be critical. Provision of assistance to SGBV survivors is a particular concern: rape has emerged as a weapon of war, and there is an increase in incidences of conflict-related sexual violence, sexual exploitation and abuse and human trafficking. SGBV is a persistent problem in Ukraine. Women in the East are more at risk than anywhere else in Ukraine, of psychological, economic, physical and sexual violence - exacerbating the pre-war situation. Ukraine's internal affairs ministry reported a 20 percent increase in cases of domestic violence from 2022 to 2023.¹⁰

Civil society

Before the full-scale invasion in February 2022, Ukraine's civil society was already recognised as one of the key factors to the country's transformation over the last 20 years and the resilience in the face of Russian aggression. The Ukrainian civil society has remained strong and agile since February 2022, and has at large redirected its activities towards emergency response, but also documentation of human rights violations. The number of registered organisations and initiatives have increased across the country, while there has been a decrease in the eastern parts of Ukraine due to relocations from occupied areas. Still, the civil society is active in delivering vital support in areas close to the frontline and civil society has an important role to play in mid- and long-term reconstruction

2.2 Scenarios

- *Negative/worsened scenario*: In this scenario, hostilities on the part of Russia continue or increase throughout 2025-2028. Ukraine's government and military will primarily focus on the country's defence. In this scenario, Ukrainian territory subject to hostilities or Russian control could increase, sustaining or even increasing the need for humanitarian assistance and making reconstruction difficult, partly in areas directly affected by hostilities and partly in the rest of Ukraine as a result of a general reduction in security in the country, an economic prioritisation of warfare, an increased number of internally displaced persons and potential social conflicts and unrest. The Ukrainian government may lose control over parts or all of the Mykolaiv region and other regions in Ukraine, and it could be increasingly difficult for development and humanitarian partners to work closely to the front line.
- *Scenario where hostilities cease*: A scenario where a peace agreement is concluded between Russia and Ukraine. This scenario could include Ukraine gaining control over - various amounts of - lost territory and thus gaining physical access to be able to start reconstruction in areas previously controlled by Russia. The effect on social cohesion will depend on to what extent a peace agreement is considered acceptable by the different population groups and societal divides. Displaced citizens will gradually be able to return to Ukraine-controlled areas, but re-opened borders for all citizens might lead to families

¹⁰ <https://wpsconflicttracker.com/>

moving abroad in the face of worsened living conditions in Ukraine. The possibilities for gradually phasing out humanitarian support and increasing the focus on long-term and comprehensive reconstruction efforts would depend on the degree of sustainability of the peace agreement. Planning and preparation of comprehensive reconstruction efforts would be initiated on Ukrainian-controlled territory – but among central focus areas within a three-year horizon would most likely be removing demolished structures, demining and preparation of the longer-term reconstruction.

- *Intermediate scenario: frozen conflict/protracted situation:* A scenario where the current situation more or less continues with daily hostilities to the east and the south, and missile and drone attacks in the rest of the country targeting critical infrastructure. In this scenario, it will still be possible to rebuild prioritised infrastructure and plan for an actual reconstruction effort based on needs analyses and a national coordination effort. However, expensive infrastructural projects and restoration of destroyed high value targets are likely to be postponed. The utilities sector will seek to further decentralise and diversify energy assets and to increase resilience and mitigate vulnerabilities. On a needs basis, humanitarian support could be sustained for particularly vulnerable groups that are not covered by existing national social protection systems, while the protracted nature of the crisis would simultaneously require a gradual transition towards more long-term, sustainable solutions, based on national capacities. Ukraine defence spending would need to remain high due to possible continuation of fighting. International partners would have to continue the vast macro financial support and reconstruction efforts in order to sustain efforts to rebuild and uphold public services.

The strategic framework for the period 2025-2028, is being developed based on scenario two and three. Thus, during a possible first stage continued hostilities are expected, including further destruction of infrastructure and disruption of electricity, water, and heating supplies. In a second stage where the hostilities are temporarily or permanently ceased, there will be an enhanced opportunity to gradually assess the possibilities for reducing the level of humanitarian assistance and simultaneously focus on recovery efforts and planning for long-term reconstruction.

Therefore, overall, the efforts for 2025-2028 will need to be organised with the flexibility to address the changing, urgent needs that are expected to characterise the situation in Ukraine, while at the same time gradually adjusting the Danish support to address the increasingly protracted nature of the crisis. If developments take a radically different direction, the strategic goals and focus areas will need to be re-evaluated, particularly in relation to the period following a potential cessation of hostilities.

3. The Danish efforts and results so far

3.1. Efforts so far

Prior to 2022

Ukraine and the eastern neighbourhood countries have long been essential to Denmark's foreign and security policy. Denmark played a central role in the EU's expansion in 2004, where the EU

borders moved further east and the neighbourhood countries came closer. From the start, Denmark was also active in the establishment of the EU's Eastern Partnership (EAP) in 2009. The Russian annexation of Crimea in 2014, combined with the military intervention in Donbas, further increased the geopolitical significance of Ukraine. Denmark has worked for an active and ambitious EU agenda towards Ukraine and the neighbourhood countries. In the EU, in the years following 2015, Denmark assumed a leading role in the informal 'Friends of Ukraine' circle of like-minded member states that have been driving the EU's ongoing dialogue with Ukraine with regard to reforms. Denmark furthermore hosted the major Ukraine Reform Conference in 2018.

Denmark's bilateral partnership with Ukraine started after Ukraine's independence. From 2005, the efforts were gathered under the 'Neighbourhood Programme', including support for structural reforms of Ukrainian society (anti-corruption, transparency, good governance, decentralisation) aiming at developing more favourable conditions for just growth. In addition, a large number of Danish civil society commitments and humanitarian efforts have been implemented as well as investments in the private sector through IFU – the Investment Fund for Developing Countries and investments in public infrastructure projects through the Danida Sustainable Infrastructure Finance. Moreover, a large number of multilateral organisations that receive support from Denmark have activities in Ukraine.

Around 100 Danish companies were present in Ukraine prior to the full-scale invasion, the vast majority of which have managed to sustain and adjust their operations.

Efforts since 2022

Since the Russian full-scale invasion of Ukraine, Danish support for the country has increased considerably. Since the outbreak of the full-scale invasion, Danish support to Ukraine amounts to approximately DKK 5,2 billion in civilian contributions. That includes DKK 883.3 million in humanitarian support to Ukraine and neighbouring countries.

Humanitarian support has been provided through the UN system, the EU Civil Protection Mechanism, International Red Cross, and Danish civil society actors and their Ukrainian partners. Denmark's humanitarian support to Ukraine and neighbouring countries has been directed where the humanitarian needs are highest and has focused on hard-to-reach areas as well as vulnerable groups. Since 2022, specific focus has been put on delivery of lifesaving aid and protection of civilians, including mental health and psycho social support (MHPSS), humanitarian mine action, gender-based violence, and protection of vulnerable groups, including women, children, people with disabilities, refugees and internally displaced people. Moreover, Denmark has contributed towards the humanitarian winter response over the past winters, supporting humanitarian partners in delivering winter assistance to people in need across the country.

From the middle of 2022, focus has been on recovery and reconstruction. At the request of President Zelensky, Denmark took on a special role in the reconstruction of the city and the region of Mykolaiv in Southern Ukraine. A concept paper was prepared for this collaboration in June 2022 identifying eight areas of longer-term cooperation. However, the Ukrainian partners requested for an immediate focus on the emergent needs: building materials, equipment, and vehicles for early reconstruction, as well as pumps, water pipes, generators, and heating boilers, etc. to ensure the water and energy supply. The Danish assistance to Mykolaiv is coordinated in the Steering Committee for the Mykolaiv-Denmark Partnership (see further description in Chapter 6). In total, Denmark has provided assistance in an amount of approx. DKK 1,21 billion

to Mykolaiv since 2022 aiming at immediate recovery and creating conditions that enable the population to stay in the region. The efforts include the involvement of local civil society organisations - both with regard to the reconstruction itself and as representatives who can help ensure popular participation and control of the reconstruction process in dialogue with local and national authorities. At the same time, activities under the Peace and Stabilisation Fund continue to focus on the areas close to the front of eastern Ukraine.

As part of the reconstruction assistance, funds were channelled through the Investment Fund for Developing countries (IFU) and Danida Sustainable Infrastructure Finance (DSIF) under IFU - just like the Danish co-owned Nordic Green Bank, NEFCO has a significant portfolio in Ukraine¹¹.

With regard to the overall energy supply, Denmark has had a collaboration with government authorities in Ukraine since 2014 under the Neighbourhood Programme. The Ukraine-Denmark Energy Partnership Programme (UDEPP) is anchored within the Danish Energy Agency and in close partnership with the Ministry of Energy, Ministry of Restoration, State Agency for Energy Efficiency, NEURC, Ukrenergo, among others. Following the invasion, the programme has included a focus on the urgent restoration of energy supply infrastructure. Denmark was involved in establishing and providing the first contribution to *the Ukraine Energy Support Fund* under *the Energy Community*, which purchases and donates energy infrastructure based on national priorities. The more long-term tracks within the collaboration have been resumed in September 2023 and the collaboration has since expanded to also include rollout of onshore wind energy, energy efficiency in buildings and biogas/biomethane. In total, DK has supported with approx. DKK 537 million to the Ukrainian energy sector since the Russian full-scale invasion. Moreover, to increase Ukraine's civil protection capacity, the Danish Emergency Management Agency (DEMA) has provided support to the State Emergency Service of Ukraine for approx. DKK 150 million, including donations of fire and rescue equipment and training of trainers.

In 2022, considerable macro-finance support was given to Ukraine through the World Bank and the EU, and Denmark has supported the set-up of EU's Ukraine Facility, which will help ensure Ukraine macro-economic stability and enable Ukraine to continue provision of basic services to the population.

Finally, the efforts within the Neighbourhood Programme have been continued and expanded in Ukraine. The Programme's focus on supporting democratic reforms and public authorities – including Ukraine's anti-corruption authorities, as well as on promoting a strong and independent civil society and independent media, has only become more relevant following the Russian full-scale invasion.

In the EU, Denmark has advocated for the establishment of a solid mechanism for coordinating the broader reconstruction and reform assistance and in the autumn of 2023 the G7-EU's '*Multi-Donor Coordination Platform for Ukraine*' was formed (see section 6.1.1 below). At the same time, Denmark has contributed to strengthening the EU's new Ukraine Service through two secondments.

In 2024, Denmark started two Strategic Sector Cooperation (SSC) inception phases in Ukraine, within the water & environment and food & agricultural sectors and approved another inception phase within the health sector. SSC is an aid modality, through which Danish authorities collaborate with their sister authorities in partner countries to build up local capacity, develop

¹¹ See chapter 5.4

framework conditions, and in the long-term open doors for Danish companies, all to aid the green transition and sustainable development. It is focused on sectors where Denmark has comparative strengths.

Since 2022, the general interest in Ukraine from Danish private companies has grown, while the risks (related to economy, security etc) have also increased as a consequence of the war. Danish private companies have shown broad interest in engaging in Ukraine, but often find it unfavourable to proceed with investments if not state-guaranteed. Thus, few Danish newcomers have entered the Ukrainian market on commercial terms. However, with the growing recovery needs combined with an urgency to modernize existing infrastructure, more Danish solutions could become applicable and profitable, especially in the event of a more stabilized scenario. This can be particularly relevant within the agriculture, green energy, water and cleantech sectors. The maritime sector can also become increasingly relevant, including through partnerships with Mykolaiv. Also, the changing security landscape in Europe and pivot towards a more autonomous defence industry base could create a stronger basis for innovation/partnerships and new opportunities in Ukraine for Danish companies.

Most Danish companies active in Ukraine focus their activities in the Western and central regions, which was also the case before 2022. More targeted support is needed if Denmark wishes to stimulate business activity in other regions, including Mykolaiv.

EIFO's Ukraine Facility was established as part of the Danish Ukraine Fund in March 2023. EIFO can provide financing on commercial and semi-commercial terms for export and investments in Ukraine to rebuild critical infrastructure and to develop the private sector.

The Danish Embassy in Kyiv provides assistance to Danish companies free of charge when related to donation projects. Assistance in export promotion and development of commercial activities are subject to Trade Council fees.

3.2 Achieved results and lessons learnt

Prior to 2022

The coordinated and strategic use of the broad range of modalities within development, foreign, and security policy - including the Neighbourhood Programme and the Peace and Stabilisation Programme - brought about Danish clout and international recognition. The close Danish bilateral relationship with Ukraine meant that Denmark was well positioned to have an open dialogue about the need to maintain Ukraine's reform course. In 2019, the Neighbourhood Programme was subject to a mid-term review concluding that the programme was pertinent and had achieved important results and contributed to the overall objectives. It was recommended to better utilise the opportunities for synergies between different Danish initiatives, strengthened learning and monitoring, and increasing the involvement of Danish civil society partners. The recommendations of the review formed the basis for determining the overall benchmarks for the Neighbourhood Programme 2022-26.

Efforts since 2022

Support for democratisation/reform: Under the Neighbourhood Programme, not least the activities within the anti-corruption sector, have played an important role after the invasion and the huge influx of assistance. The Danish-led EU Anticorruption Initiative (EUACI) has provided essential technical assistance to the Ukrainian Ministry and Agency of Reconstruction to enhance

procedures and transparency and strengthen control mechanisms. In Mykolaiv it has supported integrity measures with the aim of supporting the City in ensuring a reconstruction process with respect of transparency, accountability and integrity. Meanwhile, the programme has supported civil society organisations, local authorities (so-called Integrity Cities) and investigative journalists, and the programme has been able to provide important technical and policy analyses of various initiatives and legislative work, including related to the EU accession

Support for early recovery: As one of the few countries, Denmark accepted the invitation to take on a special responsibility as a "champion" for one of Ukraine's 21 regions. The support and Danish willingness and ability to deliver according to the specific needs of Mykolaiv have been highly appreciated by Ukraine. The country-to-city/region cooperation have proven to provide a feeling of solidarity and connectedness with Danes and Denmark. In April-June a thematic review of the Danish reconstruction assistance was carried out. The Thematic Review Team (TRT) found *'that the Danish assistance to early recovery has been pertinent and timely and current portfolio of projects under the programme remains relevant. The level of adaptability varies across the more than 20 projects, but in general, projects continue to be relevant and respond to needs and priorities of some of the Ukrainian societies that have been and still are most affected by the war.'*

Moreover, the TRT discussed the efficiency of the assistance. The TRT argued that the support for more technically complemented projects have been less efficient, than the delivery of more 'humanitarian-like' assistance and recommended to improve monitoring and budget follow-up – not least at the local level of implementation. The thematic review sums up its forward-looking findings in a number of detailed recommendations regarding strengthening monitoring the projects, including systematic budget discussions.

In addition, the midterm review had two more strategic recommendations. The first recommended was for a *'a real medium-term strategy including normal appropriation procedures and quality assurance'*, to be developed. The recommendation is being addressed by developing the present Strategic Framework and the new Ukraine Transition Country Programme 2025-2028. In the second strategic recommendation, the TRT recommended that *'evolution in partnership for Ukraine's recovery is placed at the centre of discussions regarding a new country strategy'*. The TRT stresses the need for having national authorities and partners to take on the responsibility for actual implementation (to avoid parallel structures to take ownership and undermine national implementation capacity). This important discussion is unfolded in the below chapters 6 and 8 – and specific action as regards building local capacity and help developing procures and practises are outlined especially in chapter 8.2.

Private sector engagement: EIFO's Ukraine Facility has a track record so far of viable projects in Ukraine, and the pipeline of relevant projects currently exceeds the funding available.

4. Strategic goals for the Danish partnerships with Ukraine

Overall vision and three strategic goals

The Strategic Framework for Denmark's partnership with Ukraine is based on the priorities defined by the Ukrainian government and the Danish government's foreign and security policy strategy and the goals and priorities defining Danish development cooperation, including Denmark's commitment to the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change.

Three strategic goals are at the core of the Strategic Framework:

- Building resilience; addressing urgent and basic social needs, including early reconstruction and humanitarian assistance
- Energy security, green transition and just growth
- Supporting reforms and EU accession; Promoting the development of democratic institutions and processes

The three strategic goals will be addressed from an HDp-nexus approach¹². Overall focus of all engagements will be to strengthen local capacities, enhance sustainable efforts and self-reliance, as well as the protection and promotion of rights for all people across humanitarian, reconstruction and development activities. Where possible relevant interventions will also link up with private sector tools and modalities to enhance private financing and just economic growth to multiply available funds for Ukraine. Where feasible, interventions will strengthen conflict management capacities and structures, and promote social cohesion. Additionally, focus will be on strengthening coherence, complementarity, and cooperation between stakeholders, partners and donors. Activities targeting the local and regional levels will be linked to the overall effort to further consolidate democratic reform and institution building – a process that will be closely link to the EU-accession process.

¹² [Humanitarian, Development and Peace Nexus | PEACEBUILDING](#)

4.1 Strategic Goal 1 (and subgoals): Building resilience; addressing urgent and basic social needs, including early reconstruction and humanitarian assistance

Strategic goal 1: to support Ukraine's resilience by ensuring that the most vulnerable people's urgent and humanitarian needs are met; to contribute to creating the basic living conditions for the people living in Ukraine through the re-establishment of the necessary basic social infrastructure as well as the improvement of the energy and water supply; to support access to basic health and mental health services for people traumatised by war, including veterans, IDPs, children/youth and people suffering from SGBV; to strengthen the state's options for addressing the basic needs of the people within health and education, and strengthening conflict management with a focus on broad participation by the local population, including women, the internally displaced, and veterans aiming at furthering social cohesion and peace building.



SDG 3 (Health and well-being), SDG 6 (Safe and affordable drinking water), SDG 7 (Sustainable energy), SDG 8 (Decent jobs and economic growth), SDG 11 (Sustainable cities and local communities), SDG 13 (Climate efforts) and SDG 16 (Peace, justice, and strong institutions)

- *Basic humanitarian needs of the most vulnerable people are met – based on continued needs assessments*

Based on the humanitarian principles and continued needs assessment, Denmark will contribute to the humanitarian efforts in Ukraine. Humanitarian aid will be provided to those most in need. To date, this has meant a particular focus on basic needs, hard-to-reach areas and the protection of vulnerable groups, including women, children, people with disabilities, internally displaced people and returnees. The humanitarian efforts are delivered through Danish humanitarian partners, such as the UN, the Red Cross movement, and Danish civil society organisations and their local partners and Ukraine State Emergency Service.

- *Basic energy and water supply and social infrastructure are restored providing basic, decent living conditions for citizens - and Ukraine and Mykolaiv have the capacity to plan for a better and greener reconstruction, building on national capacities (private sector and labour force) and focusing on the most vulnerable (including people with disabilities, children and single parents).*

Denmark will contribute to the reconstruction of a better and greener Ukraine in accordance with the Ukrainian reconstruction plan and the EU Green Deal. The goal of the Danish early reconstruction assistance to Ukraine and Mykolaiv is to help improve basic living conditions for the Ukrainian citizens through the recovery and re-establishment of the necessary energy and water supply as well as basic social infrastructure. To the extent possible, the immediate re-establishment of the necessary basic infrastructure will be planned to support the future sustainable reconstruction and long-term green energy transition, including energy efficiency and promoting the use of renewable energy. It is an important aim to organise the recovery and

reconstruction process so that it contributes to the re-establishment of the Ukrainian economy, including job creation and private sector-driven economic growth and employment, including within the agricultural sector. Denmark will contribute to the establishment of mechanisms and procedures that ensure transparency in the reconstruction efforts and promote broad popular participation, democratic control, and good local governance. New infrastructure should be built in a way that ensures access for people with disabilities - where possible - and organisations representing people living with disabilities should be involved in relevant decision-making processes.

- *The Ukrainian authorities continue to have the ability and capacity to ensure health, education, and basic infrastructure for their citizens.*

Denmark will continue to contribute to the EU's macro-financial support for Ukraine and the EU Ukraine facility. The support must contribute to the state's budget so that the Ukrainian government can restore and continue to provide basic services to the population, in particular health, education, pensions, and other social services. The macro-financial assistance through the EU is also based on reform requirements.

Denmark will continue and further the support to strengthen Ukrainian capacity to plan and lead on reconstruction efforts and build back better and greener at both national and local level. This includes technical and administrative capacity to plan for, coordinate and carry out the immense restoration and reconstruction of damaged infrastructure.

- People traumatised by war, including veterans, IDPs, children/youth and survivors of Sexual and gender-based violence (SGBV) have access to health services, specifically within SGBV and mental health and psycho social support services.

Denmark will continue to support access for conflict affected parts of the population to adequate health services with specific focus on mental health care, psychosocial support and other individualised assistance, including survivors of war crimes, SGBV and other forms of torture and ill-treatment. Additionally, Denmark will continue to support capacity building of women's rights organisations to advocate for the strengthening of women's rights awareness and prevention of SGBV, as well as addressing the stigma associated with Mental Health and Psychosocial Support (MHPSS) and support survivors of war crimes and human rights violations including SGBV hereunder also accountability processes addressing Russian violations and war crimes.

- *Local conflict management capacities and structures are strengthened with a focus on inclusive and meaningful participation by the local population, including women, internally displaced persons, youth and veterans aiming at furthering social cohesion and peace building.*

Denmark will continue to contribute to initiatives to strengthen both local civil society and local authorities to enhance conflict management capacities and strengthen social cohesion, and will cooperate between these within the frontline zone in Eastern and Southern Ukraine. Similarly, Denmark will support initiatives for dialogue that contribute to local conflict management and inclusion in the reconstruction process in order to promote social cohesion with a view to promoting long-term stability.

Locally-anchored, lasting peace requires meaningful inclusion of the local population groups, including especially women and young people, in the peace and security initiatives. This is aligned with Denmark's new National Action Plan for Women, Peace and Security (WPS), 2025 – 2029. Ukrainian women remain well positioned to support the war effort and recovery planning. Women's expertise will be a vital resource for the reconstruction and building back better process, as well as in possible peace negotiations. Further, in cooperation with multilateral partners, Denmark will contribute to supporting Ukraine in living up to the UN Security Council's resolution 1325 on WPS and 2250 regarding young people, peace and security, in part through capacity building.

Denmark will continue to support the European Union Advisory Mission in Ukraine, both politically and via personnel contributions.

4.2 Strategic Goal 2 (and subgoals): Energy security, green transition and just growth

Strategic goal 2: to support Ukrainian energy independence through supporting preparation and planning and selected projects within green transition and renewable energy; contribute to sustainable and just growth by strengthened framework conditions for private sector development and a well-functioning labour market and skilled labour force.



SDG 7 'Affordable and Clean Energy', SDG 8 'Decent Work and Economic Growth', SDG 12 'Sustainable Production and Consumption', SDG 13 'Mitigate Climate Change Impact'

- *The Ukrainian capacity to prepare and plan for green transition and energy independence is strengthened and selected pilot projects are initiated to further energy independence and promote green transition and renewable energy.*

The conversion to green energy does not have to happen at the expense of economic growth, as the Danish experience with green transition the last 40 years has shown. A heavily subsidized heating and electricity sector, inadequate regulatory frameworks and inefficient energy systems contribute to high energy costs, and affect consumers negatively and unevenly, often with forced power cuts across Ukraine. Therefore, there is a great demand for both energy efficiency initiatives, strengthening of the legislation, expertise in terms of balancing the electricity markets with influx of more renewable energy, insights in decentralized energy production and advice on how to harmonize Ukrainian energy legislation with European standards. Such efforts focus on the areas that the EU Commission outlined as important within Chapter 15 in the Enlargement Report¹³.

¹³ https://neighbourhood-enlargement.ec.europa.eu/ukraine-report-2024_en

- *To contribute to sustainable and just economic growth, market liberalisation, social dialogue and skilled labour force.*

Denmark will contribute to economic growth by supporting the necessary reforms to create the framework conditions for sustainable and just growth. Structural reforms, including enhancing the rule of law and combatting corruption, are important in order to live up to EU membership conditions. The economic integration of the neighbourhood countries with the EU must help create sustainable and socially just growth. Liberal markets in the neighbourhood countries are supposed to ensure the rights of both employees and businesses on common European terms - with an emphasis on cooperate sustainability and due diligence with reference to the new EU Directive 2024/1760 regulation¹⁴, and the UN's *Guiding Principles for Business and Human Rights*. Danish experience from the construction of a strong democratic trade union movement and representative labour market structures can be valuable in the neighbourhood countries to create a framework for social dialogue and a well-functioning labour market based on democratically organised labour market organisations. Denmark will continue to address the existing gender pay gap as well as support Ukraine in its preparation for the ratification of ILO Convention 190 concerning the elimination of violence and harassment in the world of work.

Likewise, Denmark will continue to work on increased labour market mobility and securing of access to relevant skills in the Ukrainian labour force through e.g. training and education that meets current and anticipated needs, with a special focus on underrepresented groups, such as women, youth, IDPs, war veterans, elderly people with residual working capacities.

In parallel Denmark will contribute to economic growth through continued private sector investments via IFU – the Investment Fund for Developing Countries.

- *To contribute to restoration of the private sector, including enhancement of agricultural production.*

To create growth and long-term economic sustainability, Ukraine needs private investments, increased domestic demand, and a revitalized private sector - including a strong agricultural sector. Special attention is to be paid to small and medium sized enterprises (SMEs) which is providing two-thirds of value added and more than 80 percent of jobs. As far as possible, reconstruction assistance should be organised to contribute to job creation and a stronger local business community. This implies, that Denmark will also strengthen business development capacities and advisory functions in Ukraine, especially at the local/regional level.

The engagement of the Danish private sector is also an aim of the Strategic Sector Cooperation in Ukraine, with a focus on sectors where Denmark has special strengths and demonstrates international best practices, such as agriculture and water. Denmark will seek to create synergies between the development-funded reconstruction efforts, aid instruments such as Danida Sustainable Infrastructure Finance and the Investment Fund for Developing Countries, as well as export credits that support private Danish investments in private and public projects (EIFO).

¹⁴ [Directive \(EU\) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive \(EU\) 2019/1937 and Regulation \(EU\) 2023/2859Text with EEA relevance.](#)

While in most cases Ukrainian buyers are currently dependent on international financing, some trade on commercial terms is still possible (e.g. within agriculture), and several Danish companies continue and develop activities in Ukraine, which is supported and leveraged by Denmark through economic diplomacy instruments.

Finally, Denmark will seek to assist the Ukrainian efforts to engage local Ukrainian companies more strongly in internationally funded reconstruction efforts, but guidance and assistance in terms of e.g. administrative burdens are needed, and not all local/regional authorities might have all the tools and the capacity to carry out such support.

Finally, Denmark will seek to assist the Ukrainian efforts to engage local Ukrainian companies more strongly in internationally funded reconstruction efforts, but capacity building and guidance in terms of e.g. administrative burdens and tender processes are needed, in order to better equip local/regional authorities to carry out such support

Parallel to the developmental efforts, Denmark will work to increase access to IFI funding for Danish and Ukrainian businesses, and increase access to funding through the EU Ukraine Facility for Danish companies including SMEs. The Danish support should also increase awareness among Danish companies about Ukrainian companies' opportunities to participate in implementation of projects carried out by Danish-supported international organizations and Danish SPA partners¹⁵

Moreover, Denmark will work to further strengthen direct connections between the private sector in Denmark and Ukraine, including through export promotion activities in Ukraine and cooperation at municipal level. A goal is to stimulate partnerships and production/development with Ukrainian partners, as opposed to just exporting Danish solutions.

4.3 Strategic Goal 3 (and subgoals): Supporting reforms and EU accession; Promoting the development of democratic institutions and processes

Strategic goal 3: to support reforms and strengthen Ukraine's democratic institutions and processes, whereby also meeting the criteria for joining the EU. This includes combating corruption and strengthening democratic accountability institutions; upholding human rights, maintaining an effective three-part separation of state power and having a strong independent control body so as to enable a politically engaged population; an organised and independent civil society and its ability to influence decision-making; independent and fact-based media, who can hold authorities to account; and ensure an inclusive society with gender equality and the recognition of diversity.



SDG 5 'Gender Equality', SDG 11 'Sustainable, Safe and Inclusive Cities and Communities' and SDG 16 'Peace, Justice and Strong Institutions'.

¹⁵ Strategic Partnerships 2022-2025 with Danish Civil Society Organisations

- *Reforms and the strengthening of democratic institutions*

The EU accession negotiations with Ukraine was formally initiated in June 2024. The EU Commission's recommendation for Ukraine's EU candidate status, and the so-called EU Enlargement Package¹⁶, will be a core instrument in the reform process in Ukraine. These initiatives address the most pressing challenges for Ukraine covering main sector policies as well as anti-corruption prevention/combat, the need for reforming the justice system as well as greater involvement of an independent, strong and inclusive civil society and the promotion of political pluralism. Thus, the Enlargement Package guides the future reform process together with the Ukraine Plan (see chapter 6.1.1)¹⁷. Denmark will support Ukraine's reform efforts – with specific focus on strengthening of its' demo experience - bilaterally or through Danish contributions to multilateral organisations and programmes.

A special Danish focus will continue to be decentralisation, where both political and financial responsibility are delegated to the municipalities and local cities. This creates the basis for strengthening the supply of services available to the local population, including for people living with disabilities, as well as a strengthened local democracy and broader local participation, including the involvement of representative organisations for marginalised groups.

- *Fighting corruption and strengthening democratic accountability institutions*

A special Danish focus area on the reform agenda will continue to be combatting and prevention of corruption. Corruption undermines both economic development and democratic reforms as well as human rights of ordinary Ukrainians. It is a major issue of concern in regard to reconstruction. Combatting corruption will be both a specific focus area and a crosscutting theme in Danish supported projects and Denmark will pursue a holistic approach in combatting corruption involving key stakeholders. The issue is an important aspect of the EU accession negotiations. As much as possible, Denmark will contribute to strengthening Ukraine's democratic accountability institutions, such as anti-corruption institutions, parliamentary committees, and ombudsman/human rights institutions. In this regard Denmark recognises the importance of ensuring the full, equal and meaningful participation of women and marginalized groups in these decision-making processes and institutions. The reform work and the fight against corruption requires a long, tough haul, which Denmark, who is co-funding and responsible for the implementation of the EU's anti-corruption programme, is well-placed to assist with. The Danish bilateral efforts in the anti-corruption area are supported by Danish support for international anti-corruption organisations and programmes.

Denmark will emphasise the importance of effective and independent courts and support international efforts to promote reforms of the judiciary.

- *Consolidating and strengthening the active role of civil society and its ability to influence decision-making*

Denmark will contribute to consolidating and strengthening a diverse and democratic civil society. There will be a special focus on organising and involving young people. Civil society is a

¹⁶ [Ukraine Report 2024 - European Commission](#)

¹⁷ [Reforms Matrix mof.gov.ua](#)

cornerstone of democracy, which - under the right conditions - can contribute to creating change, innovation, development of communities, and to shape the leaders of tomorrow. A strong and well-functioning civil society can hold authorities accountable and, by virtue of their local anchoring, reach far into society. Many civil society organisations possess deep knowledge within their field and can thus create access to important networks and contacts. A strong and well-functioning civil society is crucial for the development of an active citizen-driven democracy - and to ensuring and encouraging public authorities to comply with and promote the respect for human rights and achieving the UN's Global Goals for sustainable development. An active civil society and the mobilisation of democratic youth organisations can help underpin democracy and make it resilient to anti-democratic influences. In addition, efforts to strengthen civil society will take place through partnerships with Danish civil society thus fostering long lasting cooperation and mutual knowledge and understanding. Danish civil society will, among other things, assist the Ukrainian civil society with capacity building to become more independent democratic institutions.

In Ukraine, civil society actors continue to play an important role in the humanitarian assistance and early reconstruction efforts, and the psychosocial support. Meanwhile, the Ukrainian civil society organisations also have an important role in ensuring the popular participation in the reconstruction process, as well as in ensuring transparency and accountability in the use of reconstruction funds. Efforts will be strengthened to engage with civil society at local levels and enhance coordination between organisations and across local, regional and national levels.

- *Independent pluralistic media - fighting disinformation and digital resilience*

Freedom of expression and ensuring an independent and pluralistic media sector are key elements in the development of democracy. These are necessary conditions for the 'checks and balances' on authorities, as well as for the dialogue to exist between the public authorities, citizens, and civil society. Denmark will support the development of media that makes accurate, evidence-based, and plural information available to the population and enable them to make informed decisions on issues of public interest. Denmark supports independent media and investigative journalism and seeks to promote partnerships with the media in Denmark and in the region.

Denmark has a particular focus on foreign malign influence campaigns and disinformation that undermine access to a free and independent flow of information. In this connection, Denmark will continue to contribute to building new alliances - with the tech industry and civil society among others - in the fight against disinformation while maintaining the open, global, and free internet. Thus, Denmark will continue to seek to strengthen the digital resilience and ability of civil society to use digital solutions in democratic organisation and dialogue. Bilateral initiatives in Ukraine will be coordinated with Danish support for strengthening civil society and partnerships with international multilateral organisations and NGOs within the field.

- *Protecting and promoting human rights, gender equality and an inclusive society with respect for diversity*

Human rights and gender equality are key priority areas and cross-cutting issues in Denmark's support to Ukraine. Denmark recognizes the particular challenges women and marginalized groups, including people living with disabilities, face in times of crisis and conflict. Denmark will seek to strengthen women's organisations and organisations working for gender equality and

inclusion, including organisations representing marginalised population groups, including organisations promoting people living with disabilities. Support to veterans will play a key role in this regard especially pertaining to reintegration of veterans into society and the traditional labour market. In addition, Denmark will also contribute to strengthening relevant public authorities working for related policy development and legislation. This is an effort that is closely related to the reform work necessary to live up to the conditions of EU membership.

5. Danish development policy programmes and instruments

Denmark will contribute to achieving the three strategic goals for the Danish development cooperation with Ukraine through a number of different instruments and programmes, the most important of which are shown in the below Table 1. The individual initiatives will be presented, and synergy and coordination between them will be addressed in Chapter 6. Some of the initiatives are described in more details than others. Chapter 8 contains a separate and detailed description of the Ukraine Transition Country Programme 2025-2028.

Table 1: Danish assistance to Ukraine 2025-28: Instruments and programmes

		Approx. annual budget	Strategic goal		
			Goal 1: Building resilience; addressing urgent needs, including early reconstruction.	Goal 2: Energy security, green transition and just growth	Goal 3: Reforms and EU accession; Promoting the development of democratic institutions and processes
1	Instruments and programmes				
	Ukraine Transition Country programme 2025-2028	935	X	X	X
	Humanitarian Assistance	205	X		
	Strategic sector cooperation	n/a	X	X	X
	DSIF and IFU, Ukraine	145	X	X	
	Peace and Stabilisation Fund	30	X		
	Neighbourhood Programme	n/a			X
	Pre-accession Support	n/a			X
	Municipal Twinning	n/a	X	X	X
	Contribution to EU Financial Support	100	X	X	X
2	Crosscutting instruments ¹⁸				
	Danish contributions through multilateral organisations		X	X	X
	Partnerships with Danish civil society organisations		X		X

¹⁸ These instruments are financed by overall development assistance. The portion that goes to Ukraine varies and is determined by the organisations' priorities and needs assessments.

3	EIFO, private and non-governmental initiatives 19				
	Denmark's Export and Investment Fund (EIFO)		X	X	
	Philanthropy foundations and private companies		X	X	X
	Civil society, fundraising and donations		X	X	X

5.1 Ukraine Transition Country Programme 2025-2028

The new Ukraine Transition Country Programme July 2025 – June 2028 is a three-year transition programme, with the overall aim to address urgent needs facing Ukraine after Russia’s full-scale invasion while at the same time assisting Ukraine in preparing for the post-war reconstruction and continued reform processes, including support to EU-accession. The programme has an expected budget for the three years of approx. DKK 2,800 million. The programme will be a main tool in the Danish-Ukrainian Partnership and does also entail Danish support for early recovery and reconstruction, including the partnership with Mykolaiv City and Region. The programme and its focus areas and sub-focus areas are further described in chapter 8.

5.2 Humanitarian Assistance, Ukraine

Since Russia's full-scale invasion, Denmark has been a significant humanitarian donor to Ukraine²⁰. In 2022-2024, Denmark has provided a total of DKK 883.3 million in humanitarian support to Ukraine and neighbouring countries. Anchored in the humanitarian principles and a needs-based approach, the humanitarian assistance is directed toward the areas and population groups, where the humanitarian needs are the highest. Humanitarian initiatives range from basic relief - such as cash-based support, winter assistance, and securing access to basic necessities and services - to protection of civilians, including efforts within mental health and psycho social support (MHPSS), humanitarian mine action, gender-based violence and protection of vulnerable groups such as women, children, people with disabilities, internally displaced people and returnees. The humanitarian assistance is channelled through trusted, long-term international and Danish humanitarian partners, such as the UN, the Red Cross Movement, Danish civil society organisations and their local partners. There is significant synergy between the humanitarian efforts and the reconstruction assistance in particular, as well as with parts of the multilateral assistance. The humanitarian efforts play a particular role in providing relief close to the frontline, where the security challenges are most severe and where alternative means of assistance are limited due to the difficult operational environment.

Approx. annual budget for 2025: DKK 205 million.

The actual amount may increase during the years as extraordinary humanitarian allocations are made on a running basis based on needs assessment and prioritization.

¹⁹ A budget statement for future possible contributions and donations – or the activities of the friendship (twinned) municipalities does not exist. With regard to municipal twinning, and the focus on strengthening Ukraine’s municipalities, this is also financed through the Reconstruction assistance.

²⁰ For an overview of the overall global humanitarian funding to Ukraine, cf. [Ukraine 2023 | Financial Tracking Service \(unocha.org\)](https://www.unocha.org/ukraine/2023/financial-tracking-service)

5.3 Strategic sector cooperation and posting of sector advisers

Through the Strategic Sector Cooperation (SSC) and the Ukrainian-Danish Energy Partnership (UDEPP) aid modalities, Danish public authorities form partnerships with countries' public authorities to contribute to ensuring that partner countries can develop, implement, and enforce productive framework conditions for the green transition and sustainable development in sectors where Danish authorities have comparative strengths.

During 2023 and 2024, via the SCC and the UDEPP programmes, three sector counsellors (energy, agriculture, and water/climate) were deployed to Kyiv. In 2025, a sector counsellor is expected to be deployed to Ukraine within the health sector. An important focus in all four sectors is to support the Ukrainian government in the upcoming reconstruction phase and to ensure that the regulatory framework promotes sustainable development. Additionally, focus is on alignment with the EU, especially in terms of adapting to EU legislation. Dependent on Ukrainian needs and Danish sector expertise, there is a possibility to establish one more position as SSC Counsellor anchored with another Danish public agency.

Approx. annual budget: n/a as cost are covered as part of the overall Strategic Sector Cooperation.

5.4 The Investment Fund for Developing Countries and DSIF

The Investment Fund for Developing Countries (IFU) and DSIF contribute to private sector investments and public infrastructure investments respectively.

In 2023, the Investment Fund for Developing Countries (IFU) established a Ukraine investment facility to invest directly in companies in Ukraine in key sectors such as energy, agriculture, IT, and food. The facility is an instrument to facilitate private sector investments in Ukraine on commercial basis in a high-risk business environment. The investments are based on IFU's extensive experience in Ukraine with an active portfolio of about 17 investments, with an estimated DKK 600 million invested directly from IFU as well as additional private capital.

Likewise, Denmark has supported investments in public infrastructure projects through the Danida Sustainable Infrastructure Finance (DSIF), that is now a part of IFU. DSIF focuses on contributing to the establishment of sustainable and climate-relevant infrastructure through lenient loans. In the period of 2025-28, DSIF will contribute to the early reconstruction in such a way that the initiatives regarding water and energy supplies are planned to lay the groundwork for and not undermine more long-term sustainable solutions. Projects are put out to tender on market-based terms and will be implemented through the Nordic Environment Finance Corporation (NEFCO). NEFCO is an international financial institution (IFI) owned by the Nordic countries - for Denmark through the Ministry of Environment and Gender Equality. In Ukraine NEFCO is specialized in developing, financing, and implementing municipal sector projects, typically focusing on the Utilities Sector, such as District Heating, Wastewater, Water, Street lighting, waste, energy efficiency in public buildings and similar. NEFCO has historically implemented about 300 municipal sector projects and has currently (2024) 50 ongoing municipal sector projects, all focusing on creating a green and more resilient municipal sector.

Denmark will work with IFU and NEFCO to support access to the European Fund for Sustainable Development Plus (EFSD+) guarantees for Ukraine under the EU Ukraine Investment Framework (UIF), either through direct applications to UIF, or - as in the case of

IFU – via the guarantee frame that the UIF has awarded to The Association of European Development Finance Institutions, EDFI.

Approx. annual budget for IFU and DSIF: DKK 145 million.

5.5 Peace and Stabilisation Fund in Ukraine

The focus of the engagement under the Peace and Stabilisation Fund is to promote social cohesion in the frontline regions of Eastern and Southern Ukraine, including the implementation of a psychosocial initiative; capacity building of Ukrainian public authorities for the handling of abuse and war crimes, and the strengthening of the dialogue between citizens and local authorities. The efforts are implemented predominantly by international organisations and major Danish civil society organisations with established partnerships in the region, a presence in Ukraine and, when relevant, the other neighbourhood countries. There is synergy with both humanitarian assistance and reconstruction assistance.

Approx. annual budget: DKK 30 million.

5.6 The Neighbourhood Programme

The Neighbourhood programme will continue as an instrument for Danish partnerships with the Eastern Neighbourhood Countries. The programme was revised in 2023 with an annual budget of approx. DKK 350 million. Of this, DKK 100 million annually will be allocated to the new Ukraine Transition Program. The adjusted Neighbourhood Programme will, in addition to partnerships in Moldova and Georgia, continue with a number of solid regional projects which will include activities and partners from Ukraine. These include i) The New Democracy Fund, which provides support for civil society organisations in the six neighbourhood countries. The Fund is a flexible tool which under 'Fast Track' procedures can support civil society to address new challenges and emergencies; ii) The Copenhagen Pre-Accession Instrument (CPI) (see below 5.7); iii) European Endowment for Democracy's support for civil society organisations; and iv) Strategic secondments to multilateral organisations, especially the EU. Secondments are a strategic and flexible instrument to promote synergy and exchange of experience with key international organisations while also utilising particular Danish expertise and ensuring that Danish interests and priorities are promoted.

5.7 Pre-accession Support

EU enlargement has taken on a new impetus in the face of Russian aggression. As part of the Neighbourhood Programme, Denmark has established a bilateral instrument to assist EU candidate countries in reforms that will also support the enlargement process, building on the experience leading up to the 2004 enlargement. The Copenhagen Pre-Accession Instrument (CPI) will initially focus on Ukraine and Moldova. The instrument is designed to be flexible and agile, and will be operated under the broad objective of supporting the democratic reforms and sector legalisation which will accelerate the path towards EU membership of participating candidate countries.

5.8 Municipal Twinning

Another instrument, which in the future will be integrated under the new Ukraine Transition Programme, is the 'Municipal Twinning Cooperation Programme'. It was initiated in 2023 based on requests from Ukrainian partners. In Denmark the programme is anchored with the Danish National Association of Municipalities (KL). The twinning cooperation is based on needs and

priorities in selected Ukrainian municipalities and technical assistance is provided in areas agreed by the partners and includes the following municipalities in Denmark and Ukraine.

Aarhus	Lviv
Aalborg	Mykolaiv
Copenhagen	Kyiv
Ikast-Brande	Vozesensk in Mykolaiv Region
Odense	Kyiv and Mykolaiv
Vejle	Permovaisk in Mykolaiv Region
Guldborgsund	Dolyna in Ivano-Frankivsk Region Yasinia in Zakarpattia Region Novoseltsya in Chervivsti Region

5.9 Denmark’s contribution to EU Financial Support to Ukraine

Denmark contributed to the EU's macro-financial assistance to Ukraine for the years 2022 and 2023, with the aim of ensuring the Ukrainian government’s ability to continuously provide basic services to its citizens.

In 2024, the European Commission has established the *EU Ukraine Facility* amounting to EUR 50 billion to support development, reforms and modernization in Ukraine. The Ukraine Facility is financed by the EU budget, and the macro-financial assistance through the EU is based on requirements for reforms. Thus, there is close synergy between this overall EU macro-financial support and the reform efforts supported in the Danish Ukraine Transition Country Programme.

The Ukraine facility comprises three pillars: Pillar I entails both grants of EUR 5.27 and loans of EUR 33 billion. This stream of support aims at addressing the financial needs of the Ukrainian state to maintain macro-financial stability while support reforms and investments aimed at the recovery, reconstruction and modernisation of Ukraine. Funds under this Pillar of the Facility will be provided based on the successful implementation of the Ukraine Plan, with disbursements scheduled quarterly. Pillar II consists of a 'Ukraine investment framework' designed to attract and mobilise public and private investments for Ukraine's recovery and reconstruction, in support of the Ukraine Plan's implementation, including support for Ukraine’s private sector and SMEs. The Pillar II support and guarantees is based on a grant of EUR 6,97 billion. Pillar III, amounting to EUR 4.76 billion, focuses on providing technical assistance and support measures to facilitate Ukraine's alignment with EU laws and regulations.

5.10 Danish contributions through multilateral organisations

Denmark is amongst the largest donors to the UN development system globally²¹ and among the largest overall state donors of core support to UN-partners such as UNDP, UNHCR, IOM, and UNICEF, whom have all provided very significant assistance to Ukraine and the other neighbourhood countries in 2022 and 2023. Under the leadership of the UN Resident Coordinator in Kyiv, the 'UN Country Team' (UNCT) composed of 21 UN-entities manages a strategic framework of USD 2.15 billion, for implementation under the UN Transitional Framework (2022-

²¹ The UN’s development system includes over approx. 45 organisations that, under mandate from the UN’s General Assembly and the Economic and Social Council (ECOSOC), work with development initiatives. Overall, Denmark is the eighth largest country donor to UNDS (2021 data), and is currently part of the long-term core-financing of 15 of the UNDS’ units.

2024) with the priorities of 1) Saving Lives, 2) Community Recovery and Nexus Approaches, and 3) Strengthening Systems.²² Denmark is the 5th largest donor to the UNCT in Ukraine²³.

Denmark also contributes to the EU's assistance as well as the World Bank and other development banks' activities in Ukraine. Following Russia's invasion in 2022, Denmark was among the first contributors to the World Bank "Financing of Recovery from Economic Emergency" (FREE) with DKK 150 million to sustain critical government services at national and local level. Through the World Bank Public Expenditures for Administrative Capacity Endurance (PEACE) Facility, Denmark also guarantees a loan to Ukraine of up to EUR 30 million plus accrued interest, also supporting social services and salaries to public sector employees. Since February 2022, the World Bank has mobilized over USD 50 billion in financial support to Ukraine, of which over USD 39 billion has been disbursed to date.²⁴ For example, the World Bank Group's International Finance Corporation (IFC), which as of June 2023 had a long-term committed investment portfolio of USD 372 million with Danish Partners spread across several sectors and regions. In 2023, Denmark supported the establishment of a World Bank Crisis Facility (under International Development Association, IDA20) with DKK 57 million to Ukraine. Denmark supports education in Ukraine through core contributions to Global Partnership for Education (GPE) and Education Cannot Wait (ECW), annually DKK 250 million and DKK 85 million respectively.

5.11 Partnerships with Danish civil society organisations

Denmark supports the efforts of Danish civil society organisations in Ukraine through a number of schemes. For example, the MFA has strategic partnership agreements with 18 Danish civil society organisations, several of which have initiatives/projects in Ukraine and the EU's Eastern neighbourhood countries. In addition, Denmark supports a number of organisations providing financing to CSOs such as: CISU (Civil Society in Development), the Danish Youth Joint Council (DUF), Disabled People's Organisations Denmark (DPOD), and the Centre for Church based Development Cooperation (CKU). These funds support partnerships between small and medium-sized Danish civil society organisations and local civil society organisations. Several efforts in Ukraine and the EU's Eastern neighbourhood countries are supported through these funding schemes. In addition to these mechanisms, the MFA periodically announces thematic Calls for Proposals through which Danish civil society organisations can apply for funding for projects supporting civil society in Ukraine.

EIFO, Danish foundations, private companies, and civil society

5.12 Denmark's Export and Investment Fund (EIFO)

To mobilise private sector financing in Ukraine the Danish government has allocated funds to reduce risks of investments and trade with Ukrainian partners. Among other, the Danish government has allocated a total of approx. EUR 88 million to facilitate a state funded loan and guarantee scheme of approx. EUR 237 million under Denmark's Export and Investment Fund (EIFO). The funds are allocated to de-risk trade and investments with both private Ukrainian buyers as well as public Ukrainian buyers. With the funds EIFO provides financing on commercial and semi-commercial terms for export to and investments in Ukraine to rebuild

²² United Nations Transitional Framework 2022-2024 [Ukraine | UNCT Overview | UNSDG Data Portal](#)

²³ USD 27.2 mio. equivalent to 4.45 pct. of the available UN funding in-country 1.05bn. required resources. [Ukraine | Funding | UNSDG Data Portal](#).

²⁴ Data last updated on October 18 2024 [World Bank Group Financing Support Mobilization to Ukraine](#)

critical infrastructure and to develop the private sector and the economy of Ukraine. EIFO has already issued a range of loans and guarantees in Ukraine. In addition, the Danish government has allocated approx. EUR 115 million under the Ukraine Fund to facilitate a state guarantee to EIFO of approx. EUR 382 million for a wind project in Ukraine.

5.13 Support from philanthropy foundations and private companies

Private companies and philanthropic foundations have provided significant donations and support to Ukraine. This includes both *in-kind* donations as well as small and large donations to both Danish and international humanitarian organisations. They have also provided donations to and cooperated directly with local authorities. The dialogue with companies and foundations regarding their potential future engagements will be strengthened, including with a view to ensure synergy with the reconstruction efforts as well as other civilian efforts. In the Danish Ministry of Foreign Affairs' planning of specific projects and agreements with e.g. international organisations, the aim will be to ensure that contributions through the Ministry of Foreign Affairs can be complemented and coordinated with private contributions or initiatives. The intention is to reduce the transaction costs and, as far as possible, ensure coordination and synergy between all Danish support.

5.14 Civil society organisations and initiatives, fundraising, and donations

In addition to funds received as part of the Danish development cooperation, the Danish civil society organisations also provide assistance financed through their own fundraising channels. With these funds, Danish civil society organisations have played a significant role in the humanitarian support for Ukraine. The support has included efforts from large humanitarian organisations that amount to hundreds of millions of DKK as well as small efforts, and support channelled through smaller Danish organisations to specific partners in, especially, Ukraine.

6. Coordination and synergy

It is crucial that the comprehensive international assistance to Ukraine, including the Danish support, partnerships and projects, are anchored in solid national ownership, both at the national and local levels. With the numerous initiatives and programmes, including a large number of Danish supported activities and project, the issue of both ownership and coordination constitutes a specific challenge, which is to be addressed carefully and systematically.

Denmark will seek to contribute to strengthening national ownership and capacities to prioritize, plan, and implement development programmes and projects as well as contributing to international and national coordination to enhance synergy and effectiveness.

In the below section both national and international coordination is described as well as the forum and instruments by which coordination and synergy of the specific Danish programmes and projects are sought to be ensured.

6.1 Overall coordination: national ownership and international coordination

Alignment with government policies, EU Enlargement Package and the Ukrainian Government's 'Ukraine Plan'

All Danish support will be aligned with Ukraine's policies and priorities. The EU accession process and the EU Enlargement Package²⁵ will, as mentioned above, be a core instrument in the reform process in Ukraine. The Ukrainian Government's 'Ukraine Plan' provides for the implementation of reforms that will lay the foundation for further economic recovery and development as well as the EU accession process. The Plan is developed in 2024²⁶ by the Cabinet of Ministers of Ukraine under the coordination of the Ministry of Economy, and involved consultations with the private sector, civil society, think tanks, MPs, and representatives of the regions.

The reforms in the Ukraine Plan are divided into three main blocks: basic reforms, economic reforms, and key sectors. The plan also has three cross-cutting areas, with specific measures in all chapters. These are green transition, digital transformation, and European integration. Moreover, fight against corruption is highlighted as a key crosscutting priority.

The Ukraine Plan will provide the framework for the European Union's 'Ukraine Facility', EU's financial assistance programme for Ukraine. During the period of 2024-2027, EUR 50 billion from the EU will be allocated to finance the state budget, stimulate investment, and provide technical support in the implementation of the program.

National Donor coordination

The donor coordination at the national level includes, in part, the Ukrainian cabinet, line ministries, and the Ministry for Restoration, under which the 'State Agency for Restoration', has been established. Regular meetings are held with a circle of international donors and 18 sectoral working groups have been established. The Danish embassy participates in the sector groups relevant to the Danish assistance. In the energy sector, which has been a particular focus since Russia started its systematic attacks on the Ukrainian energy infrastructure, international coordination has been led by the Ukrainian Minister for Energy and the EU Commissioner for Energy. The Danish Ministry of Foreign Affairs and the Danish embassy as well as the Ministry of Climate, Energy Utilities and the Danish Energy Agency also participate.

Overall international donor coordination

In order to coordinate efforts from a donor perspective, the G7+ countries and the EU have launched the 'Ukraine Donor Platform' (UDP) with the participation of international financial institutions and the largest bilateral donors. Denmark has been a member since September 2024. The platform meets at high level twice a year and is supported by a secretariat hosted by the EU Commission. Denmark is in the process of seconding an expert to the Ukraine Donor Platform and one additional secondment to support the sector working groups in Ukraine and enhance the coordination between the UDP and the coordination structures in Ukraine.

The Ukraine Service under the Commission's Directorate for the EU's Eastern and Southern Neighbourhood, DG NEAR, is tasked with coordinating the massive EU-assistance to Ukraine and Denmark has seconded two employees to the Service, to strengthen this effort and continue close collaboration with Ukrainian partners.

²⁵ [Ukraine Report 2024 - European Commission](#)

²⁶ [Ukraine Facility Plan](#)

6.2 Management of Ukraine-Danish Partnership. Ukrainian-Danish Steering group

The Danish supported programmes and projects are prioritized and formulated following dialogue and consultations with the Ukrainian government as well as regional and local parties in Mykolaiv through the steering committee for Denmark's cooperation with Mykolaiv, where both national and local authorities participate. In the committee, the overall strategic choices for the Ukrainian-Danish cooperation are discussed, and decisions are made on priorities and projects. This enhances national ownership and coordination with central and local authorities in Ukraine. Through the participation of the Ukrainian Ministry of Restoration, it also ensures that the specific Danish projects align with national, Ukrainian priorities and are being coordinated with other programmes – just as the very active participation of the local authorities in Mykolaiv ensures that this is also the case at local level. All Danish efforts are based on national priorities and plans, and where feasible focusing on areas with special Danish technical expertise.

Danish assistance includes significant support to civil society, where a number of networks and coalitions have been established with a view to promoting civil society's dialogue and advisory role vis-à-vis the government and the authorities. Denmark will seek to support these efforts, just as Denmark continues to mobilise and strengthen regional civil society organisations. Denmark has an ongoing dialogue with key players in civil society as well as a coordination role regarding the individual engagement to enhance synergy.

6.3 Coordination of Danish efforts

With the many Danish stakeholders involved in Ukraine and programmes that are funded with Danish support, Denmark has a special responsibility to ensure coordination, complementary efforts, and avoiding inappropriate overlaps. This takes place in the following forums:

- *The Sounding Board for the Ukraine Fund*

The Minister for Foreign Affairs and the Minister for Industry, Business and Financial Affairs, co-chairs a meeting 1-2 times a year with representatives from civil society, business organisations, private companies, and foundations to discuss progress and coordination in relation to the Ukraine Fund's civilian (development policy) and business tracks.

- *Contact Forum for Ukraine*

The Contact Forum for Ukraine convenes Danish civil society organisations, representatives from business organisations, and foundations who want to support Ukraine together with the Danish embassy in Kyiv and the Ministry of Foreign Affairs. The Forum enables information sharing, exchanges of experience, and practical network cooperation.

- *Inter-Ministerial Authority Group for the Reconstruction of Ukraine/Mykolaiv*

Ministries and agencies with an interest in the reconstruction efforts and aid to Ukraine meet regularly with a view to ensuring coordination, prioritisation, and the mobilisation of resources, including the contribution of Danish professional insight and expertise across ministries and agencies.

- *The Danish embassy in Kyiv, including the embassy office in Mykolaiv*

The embassy in Kyiv is the central point of contact between Denmark and Danish authorities and national partners, just as the embassy assists Danish civil society organisations, companies,

and foundations to the extent possible. Through this, de facto and operational coordination is ensured in relation to frameworks and overall established lines in the other forums. In Mykolaiv, The Danish embassy office is strengthening coordination of the extensive Danish efforts here and overseeing monitoring of activities.

- *Partner forum for the international and Danish core implementing partners*

In addition to the above, a partner forum for the implementing partners, including Danish civil society organisation, of the programme will be established, which is to oversee the implementation of the Ukraine Transition Country Programme. The meetings will facilitate an exchange of knowledge and experience with a view to ensuring the necessary adaptation of activities while also being an opportunity to coordinate in relation to focus areas and national partners.

- *Ukraine Investment Forum*

Under the business track of the Ukraine Fund, the Ukraine Investment Forum has been established. The purpose of the Forum is to share information about opportunities and projects that relate to Ukraine in order to help Danish companies in how they can meaningfully engage with Ukrainian partners in connection with the reconstruction of Ukraine. Participants in the Ukraine Investment Forum include IFU, DSIF, and EIFO.

7. Monitoring of the Strategic Framework

In close cooperation with the Danish embassy in Kyiv and relevant departments, the Ministry of Foreign Affairs' Office for the European Neighbourhood will follow developments in Ukraine, risks, and progress achieved in relation to the strategic goals and subgoals described above. The overall follow-up on Danish-Ukraine Partnership will take place in the Steering Committee for the Ukraine-Mykolaiv-Denmark Partnership. Likewise, monitoring of overall progress of the development in Ukraine will be followed by the EU and discussions in the 'Ukraine Donor Platform', where Denmark is a member.

The ongoing monitoring of the implementation of the Strategic Framework will include dialogue with partners in Ukraine, the international implementing partners as well as Danish stakeholders with activities and partnerships in Ukraine. Based on the description of possible scenarios (above section 2.2), the implementation and the choice of modalities will stress upon continuously adaptation to developments in context, results achieved, as well as learning and experience in relation to the approaches and strategies chosen for the individual efforts. There will also be an ongoing exchange of experience with the EU and G7+, multilateral partners, and other EU member states with activities in Ukraine through existing donor platforms and groups in addition to bilateral exchange.

Monitoring at the programme level will take place in accordance with the Danish Ministry of Foreign Affairs' Aid Management Guidelines, where the responsible units in the Ministry of Foreign Affairs will be responsible for programme follow-up, in close consultation with the Danish embassy in Kyiv. An adaptive and learning-oriented approach requires close and ongoing monitoring. In the formulation of the individual initiatives, emphasis will be placed on the establishment of mechanisms to allow for quick adjustments of activities to achieve the best results in a presumably changing context. In Mykolaiv, monitoring and follow-up on projects will

be carried out by the Danish Embassy Office. Ongoing reporting and dialogue in the form of half-yearly follow-up/steering group meetings will be supplemented with technical reviews and mid-term reviews of specific programmes/projects. In case project visits and on-the-spot supervision in Ukraine become difficult due to hostilities, this may be compensated through the use of more frequent online dialogue – just as workshops and experience-gathering events can be planned away from the frontline areas or in neighbouring countries.

8. Ukraine Transition Country Programme July 2025 – June 2028

While the previous chapters have dealt with the overall Danish development cooperation with Ukraine, and the various instruments and programmes applied, this chapter will describe the specific goals and priorities for one of the main development policy instruments being used in Ukraine, namely the Ukraine Transition Country Programme 2025-2028. The programme has an expected budget for the three years July 2025 – June 2028 of approx. DKK 2,800 million.

8.1 Overall strategy and priorities, geographical focus, and modalities

The new country programme for Ukraine is planned as a three-year transition programme, with the overall aim to address the urgent needs facing Ukraine after Russia's full-scale invasion and at the same time assist Ukraine in preparing for the post-war rebuilding and reform process which will support EU-accession.

Based on the priorities of the Ukrainian government, the programme will seek to address specific sub-goals within all the three strategic goals described in the above Chapter 4. The aim is to complement and, where possible, to create synergy with the other instruments and private initiatives described in the above Chapter 5.

8.1.1 Overall principles

With reference to the overall strategic goals and sub-goals in chapter 4, the Ukraine Transition Country Programme – and the specific sector focus areas outlined in the below chapters 8.2 – 8.4 – will be designed, developed and organised based on the below overall principles:

- Strengthened national ownership. The Transition Country Programme shall contribute to strengthening national ownership at all levels - including civil society. This will be included as a specific objective for all projects – the programme as a whole and its projects will be developed, monitored and adjusted in close dialogue and consultation with national stakeholders, nationally and locally – including civil society actors. In the above chapter 6.2, the overall role of the Ukrainian-Danish Steering group has been described and in the below section 8.1.2 consideration on implementation modalities are outlined.
- Enhanced coordination. The above chapter 6 outlines the need and instruments for coordination of the extensive international support for Ukraine to avoid unintended overlap, duplication and the provision of overall strategic direction. The Transition Country Programme will contribute to strengthen the national as well as local capacity to coordinate the efforts. In the EU and other international fora Denmark will work for and support solid international coordination mechanisms. In the above Chapter 6 the overall

coordination structures and Danish participation and contributions has been described. In the below chapters 8.2 specific contributions to building capacity for coordination are outlined.

- Flexibility. One of Denmark's strengths has been the ability to continuously adapt assistance in close collaboration with national and local authorities and partners. This flexibility must be maintained while addressing both the acute support and long-term goals of reform, EU accession, just growth, and green transition. This will be reflected in the specific design of all projects which will allow for a considerable adaptability, to be able to respond to changing needs and new developments on the ground in Ukraine. Moreover, the programme and projects should be able to adapt to other up-coming development engagements. To support flexibility the budget of the Ukraine Transition Country Programme will include considerable unallocated funds.
- Balanced support to authorities and civil society. Historically civil society has played an important role in Ukraine. It is important to further develop democratic practises, organisation and active citizenship – and civil society has an important role to play in providing accountability and opportunities for all citizens to actively take part in the development of the society. Thus, while authorities at national and local level will be main partners in large parts of the programme, projects and interventions will attempt to ensure strengthening of civil society as well. These efforts will among others be carried out through collaboration between Danish civil society organisations, that will share their experiences and contribute to the establishment of strong international networks and the promotion of European exchange and solidarity.
- Human rights-based approach. All initiatives must be implemented using a human rights-based approach with focus on public participation, strengthening of actors involved, promotion of gender and equality, accountability, transparency and non-discrimination.
- Focus on how the country programme can support the development of the private sector, including the agricultural sector. Denmark has been innovative and leading when it comes to financial instruments (incl. the use of guarantees) and will continue to focus on supporting and creating synergies to Danish initiatives supporting private sector development – including trade and private investments.
- Mobilizing whole of Denmark. In partnership with Ukraine, competencies across Danish authorities, including municipalities, civil society, private companies and philanthropic foundations, can be drawn upon, while at the same time involving Danish stakeholders and civil society broadly. Both a '*whole of government*' and '*whole of Denmark*' approach is strived for.
- Mitigation of risks. The effort in Ukraine will come with a significant risk due to the ongoing war and instability, as well as lack of personnel and national capacity. Simultaneously, widespread corruption remains a serious risk. These are risks, that Denmark will be willing to take, but it will require continuous monitoring and assessment of progress. The implementation through strong implementing partners with proven control systems, along with close monitoring and dialogue – as well as Danish support to anti-corruption measures – will help mitigate risks.

8.1.2 Implementation modality

Due to the on-going war and the considerable influx of international assistance the capacity of Ukrainian authorities at all levels are challenged. Thus, the choice of implementing partners will have to be seen in light of their actual capacity to manage assistance and the existence of proven control systems. When Denmark embarked on providing assistance for early recovery in 2022, the Ukrainian partners explicitly requested that Danish support was not given directly to the authorities.

Thus, since mid-2022 Denmark has worked through a number of international or Danish organisations based on an assessment of their proven capacity to provide urgent and flexible assistance, their presence and local partnerships (and ability to consult and coordinate with the local stakeholders), as well as the existence of well-proven control systems. The partners include UN-organisations, IFI's and Danish civil society organisations. The practice of implementing through strong international and Danish partners will be continued in the Ukraine Transition Country Programme and partners will be selected based on an assessment of set criteria. However, opportunities for direct financing to Ukrainian entities may be explored during the programme phase, based on solid analysis and assessment of capacities. Due to overlapping timelines, a number of existing partnerships will be continued into the Ukraine Transition Programme. Prolongation of these will be based on the described partner assessments. As for the below '*Focus-area 3. Reforms and EU-accession: consolidation and development of democratic institutions and processes*', activities will (for the first period of the Ukraine Transition Programme) be made up by the ongoing projects under the present Neighbourhood Programme 2022-2026. Extension of activities for 2027 and 2028, and possible new partner selection will be programmed in 2026.

However, the longer-term objective is, that projects shall be implemented directly by the relevant Ukrainian authorities and institutions at national or local level. Thus, as outlined in the below section 8.2.1, further developing capacity of Ukrainian partners to take over the implementation will be an important part of the Ukraine Transition Country Programme. These activities will be targeting national as well as local including Mykolaiv authorities. In cooperation with other international partners Denmark will ensure, where appropriate, that systems and transparent procedures for procurement, monitoring and financial control are in place, as well as initiate and support national implementation mechanisms. Moreover, all projects will be developed to ensure that implementing partners consult closely with national and local partners, ensuring that these are properly involved in implementation, monitoring and the necessary adjustments of activities.

8.1.3 Geographical prioritization.

Due to the Ukrainian request for Denmark to play a special role in Mykolaiv, the Ukraine Transition Country Programme will continue to prioritize partnership with Mykolaiv city and oblast. Thus, approx. 60 % of the Ukraine Transition Country Programme will be reserved for Mykolaiv.

8.1.4 Sector focus areas and sub-areas

In alignment with the three strategic goals and sub-goals outlined in chapter 4, the Ukraine Transition Country Programme will address three focus areas and a number of sub-areas. These are selected based on i) the priorities defined during consultations and dialogue with the Ukrainian partners, ii) the overall Ukrainian objectives and priorities defined in the Ukraine Plan, iii) the identified urgent needs for restoration outlined in the Gaps analyses, iv) assessment of Danish capacities and core competencies, and v) the lessons learnt during the last years of close Ukraine-Denmark Partnership.

The three focus areas and sub-areas, are described in the below sections 8.2 - 8.4

8.2 Focus area 1: Strengthening of resilience and cohesion, and addressing the urgent needs of populations, including support for early recovery and transition.

Activities under focus area 1, will include the following sub-areas:

- Strengthening capacity to meet the urgent needs and to plan for building back better and greener – including an extension of the Mykolaiv-Denmark Partnership.
- Reconstruction of social infrastructure, including educational facilities, shelters, hospitals, residential areas etc. to provide basic living conditions for citizens in Mykolaiv
- Reconstruction of electricity, heat- and water supply - Mykolaiv
- Support to health and rehabilitation, with focus on mental health support programmes targeting people traumatised by war, including veterans, IDPs, children/youth and people suffering for GBV.

8.2.1 Strengthening capacity to meet the urgent needs and to plan for building back better and greener – including an extension of the Mykolaiv-Denmark Partnership.

Two and a half years after the Russian full-scale attack on Ukraine, national capacity for addressing the immense urgent needs of the population and ensure restoration of the most critical infrastructure and supply is under pressure. Thus, the Ukraine Transition Country Programme will attempt to assist the Ukrainian authorities in developing and strengthening its planning and implementation capacity. This will include needs and gap analyses as well as targeted capacity building and support for development of appropriate systems and procedures. Transparent procurement systems will be core in ensuring well-functioning implementation, but so will monitoring and financial control. The cooperation with the State Agency for reconstruction will be continued and implementation capacity will also be among the issues in the strategic sector cooperation, where the Ukraine Transition Country Programme might contribute to targeted add-on activities. Moreover, assistance will be provided to the State Emergency Service of Ukraine. Support will be provided through the Danish Emergency Management Agency (DEMA) and might include both training and targeted delivery of new equipment.

Mykolaiv-Denmark Partnership

As described above, Denmark has taken on a special responsibility in Mykolaiv. The assistance to Mykolaiv is carried out within the long-term objective of rebuilding 'better and greener', as

formulated in the partnership agreement between Mykolaiv and Denmark in 2022 (see the draft Concept Note for the Mykolaiv-Denmark Partnership, June 2022²⁷). The objectives of strengthening both green transition and good local governance - including anti-corruption measures - are thus at the centre of the cooperation, which has been formulated with a 10 years perspective.

Due to the massive Russian destructions in Mykolaiv and other adjacent areas, including continued attacks on vital infrastructure, the immediate objective of the partnership has been to address the population's immediate needs for water, energy supply and emergency repairs, and the rehabilitation of housing and social infrastructure.

At the same time, however, Danish support will address capacity development of authorities in Mykolaiv, aiming at strengthening the authorities' capacities to identify, prioritise and plan implementation of assistance projects, capacity to coordinate the many incoming development projects, maintain projects, as well as to enhance good local governance including ensuring transparent and inclusive processes; and in the medium term, to making the authorities and supply companies able to take over responsibility of implementation of projects and programmes. Simultaneously, it is important to develop procedures, which enable the involvement of local contractors in restoration and reconstruction activities.

Decision on specific activities will be made in dialogue with the Mykolaiv authorities, based on updated needs analyses, but are expected to include:

- Continued support for the existing Mykolaiv-EUACI partnerships, and EUACI's support to advising on integrity and transparency measures, including in procurement and internal control, and integrity assessments of public enterprises and strengthening corporate governance structures.
- Continued support and strengthening of the Mykolaiv authorities project management units, including the 'Offices of Recovery and Development', aiming at enhancing capacity to analyse needs, coordinate efforts and plan for reconstruction as well as for communicating and co-operating productively with regional and national authorities. This should aim at bringing local- and regional-level development projects in alignment with national development planning.
- Assistance to the development of optimised and communicated tender procedures to ensure extensive involvement of local contractors in construction and renovation projects.
- Public information in Mykolaiv about humanitarian assistance/development assistance for enhanced accountability and visibility will be continued.
- Support for enhanced CSO – Mykolaiv authority dialogue, including enhanced capacity among CSOs to engage in such dialogue as well as authorities' understanding of how to engage productively with civil society actors and enhance citizen engagement.

8.2.2 Reconstruction of social infrastructure, including educational facilities, shelters, hospitals, residential areas etc. to provide basic living conditions for citizens in Mykolaiv

²⁷ See 'Ukraine Recovery. Mykolaiv-Danish Partnership. Draft Concept Note'. June 2022

Urgent and immediate support for reconstruction of social infrastructure is needed to ensure basic living conditions for citizens – and IDPs - in Mykolaiv. The Ukraine Transition Country Programme will continue and further develop the activities carried out in Mykolaiv since 2022.

Assistance will be continued based on needs and priorities of the local authorities, and, to the extent possible, in dialogue with end-users to ensure the efforts are timely and answer to the actual needs on the ground. In prioritization of activities an important criterion will be to target the most vulnerable (including IDP's, people with disabilities, children, single parents, and veterans). Also, activities should take into account recent demographic and economic developments to ensure alignment with the local and regional authorities' view of the region's future composition.

Based on the above, activities will be identified within the following areas:

- Restoration of schools/classrooms, kindergartens, bomb shelters and health facilities – and electricity, heat and water supply to the same facilities, to the extent possible based on renewable or energy-efficient solutions
- Restoration of housing and residential areas – supporting energy-efficient solutions and encouraging private investments in these.
- Provision of more extensive and higher quality public transportation, which is critical for supporting the labour market and making Mykolaiv more liveable to citizens.
- Encouraging better waste management and waste sorting practices to mitigate a deteriorating waste situation in local areas.

Measure to involve local contractors and enhance employment opportunities for local workforce (including veterans, women and people with disabilities) will be made.

8.2.3 Reconstruction of electricity, heat- and water supply - Mykolaiv

The targeted and systematic Russian destruction of basic supply makes imminent restoration necessary. Denmark will continue its support to both electricity, heat- and water supply in Mykolaiv. Identification of needs and prioritisation will be made based on a close dialogue with the Ukrainian authorities, including Mykolaiv region and city. In prioritization of activities an important criterion will be targeting the most vulnerable (including IDP's, people with disabilities, children and single parents) as well as the functioning of critical infrastructure and industry. This should also include considerations of financially sound tariff structures for public utilities and incentives for better governance in public utility companies.

Among possible activities are:

- Energy: Segmented heat/electrical energy generation. Technologies should be diversified and to the extent possible include co-generation, wind and solar sources as well as solid fuel solutions for electricity/heating (straw, pellets, and other bio-mass products) in line with the recommendations outlined by the Ukraine-Denmark Energy Project Partnership (UDEPP). Infrastructure resilience and energy supply should be ensured, while running costs and maintenance costs should also reflect the cities' financial circumstances and the financial viability of public utility companies.

- Water supply: Restored stable and safe drinking water supply and reduction of non-revenue water. Projects should seek to restore safe drinking water supply to Mykolaiv city and reduce non-revenue water through a variety of technological solutions, including but not limited to pipe replacement, water measurement tools, new boreholes, pumps and water treatment facilities.
- Waste water treatment: Modernising existing sewage facilities and providing more ecologically sound and energy-efficient solutions for treating waste water.

Measures to involve local contractors and employment of local workforce (including veterans, women and people with disabilities) will be made.

8.2.4 Support to health and rehabilitation, with focus on mental health support programmes targeting people traumatised by war, including veterans, IDPs, children/youth and people suffering for SGBV.

Russia's war of aggression and continued attacks, including shelling and missile attack on civilian areas have resulted in a large number of people suffering from mental and physical trauma. This results in human suffering, and undermines economic development by reducing Ukraine's human capital. Thus, restoration of the health system is an important priority in the Ukraine Plan for economic restoration. The Danish Ministry of the Interior and Health has signed an MoU and entered a Strategic Sector Collaboration (SSC) with the Ukrainian Ministry of Health, and from 2025 an SSC Adviser on health will be seconded to the Danish Embassy in Kyiv. Prioritized areas of cooperation include capacity building on antimicrobial resistance and regulation of pharmaceuticals and medical devices.

In dialogue with the Ukrainian authorities, Danish efforts under the Ukraine Transition Country Programme will - in addition to the specific support for restoration of health facilities in Mykolaiv - primarily be focused on assistance on mental health. Denmark has established expertise in addressing trauma and mental health and initiated a number of projects and programmes in cooperation with Ukrainian partners. The Ukraine Transition Country Programme will continue the support for specific mental health efforts. The activities will target the most vulnerable, including IDPs, veterans, survivors of SGBV and people with disabilities. A specific effort will be done to offer support for young people and children. Activities might, based on updated analysis of needs, include:

- Provision of tailored training, mentorship and support to Social Protection Department (SPD) staff" including psychological first aid and trauma informed care, working with protection violations and their families.
- Training of CSOs, volunteers and staff on the provision of MHPSS and rehabilitation support with an additional focus on capacity-building at veterans' centers
- Assistance to CSOs to provide basic psychosocial support
- Targeted assistance to survivors of SGBV

In addition, the Municipal Twinning includes collaboration on rehabilitation on the many wounded, who might also have suffered permanent physical injuries during the war. Possibilities of a similar cooperation between Danish and Ukrainian hospitals are being considered.

8.3 Focus area 2: Energy security, green transition and just growth creation of jobs

Activities under focus area 2, will include the following sub-areas:

- To contribute to reconstruction of energy supply, green transition and energy security
- To contribute to strengthening the framework conditions for economic development and sustainable growth – a well-functioning labour market with a democratic, labour market institutions, and social dialogue
- To contribute to restoration of the private sector, including enhance agricultural production.

8.3.1 *To contribute to reconstruction of energy supply, green transition and energy security*

Russia's war of aggression and the systematic attacks on the Ukrainian energy infrastructure have dramatically undermined the Ukrainian energy security at the national level. Thus, support for rehabilitation and reconstruction of energy infrastructure, have been high on the Ukrainian agenda. From the very beginning of the war the Danish Ministry of Foreign Affairs, the Danish Ministry of Climate, Energy and Utilities, and the Danish Energy Agency have had a close dialogue with the Ukrainian Ministry of Energy on how to address the challenges and Denmark was the first contributor to the *Energy Community*, which now serves as a coordination mechanism for the important support for the Ukrainian energy sector, and in total, DK has supported with approximately DKK 537 million to the Ukrainian energy sector since the Russian full-scale invasion. At the same time, Ukraine seeks to promote a green energy transition that can contribute to long-term energy security and promote energy independence. These ambitions include both increased energy efficiency and the increased use of renewable energy.

The Transition Country Programme will continue the efforts addressing the urgent needs for rehabilitation of key energy infrastructure and at the same time support Ukraine's green energy transition in order to contribute to Ukraine's realisation of its NDC goals and its increased energy security and energy independence. The Ukrainian government has recently approved different strategies that set ambitious goals for the decarbonisation of the Ukrainian energy sector, e.g. the Energy Strategy of Ukraine 2050²⁸ as well as the National Renewable Action Plan until 2030²⁹. The former sets indicative targets for future development of renewable energy (RE) and the latter highlights onshore wind energy, biogas and integration of renewables as focus areas – all of which are addressed by the Ukrainian-Danish Energy Partnership (UDEPP).

The UDEPP partnership has existed since 2014 with an aim of assisting the creation of the framework for a future energy sector with the utilisation of renewable energy, promotion of energy efficiency, and introduction of more modernised district heating systems. In April 2023, a Memorandum of Understanding was signed regarding special Danish support to the further development of wind energy production, including both on and off-shore wind turbines. This was also supplemented by the signing of a Letter of Intent in Kyiv in April 2024 by the Ministry of

²⁸<https://www.pnnl.gov/sites/default/files/media/file/Ukraine%20NZW%20COP28%20report%202023.pdf>

²⁹<https://www.kmu.gov.ua/npas/pro-zatverdzhennia-natsionalnoho-planu-dii-z-vidnovliuvanoi-enerhetyky-na-p-a761>

Energy and the Danish Ministry of Climate, Energy and Utilities regarding bilateral cooperation on biogas. The UDEPP programme will continue with a focus on the long-term green transition, while also when relevant and possible addressing more immediate needs. The programme has six areas that are aligned with Danish core competencies as well as Ukrainian demand-driven requests: long-term energy planning, integration of renewables, energy efficiency in buildings and industry, district heating, onshore wind and biomethane/biogas.

Support for increased energy efficiency, could also imply support to strengthened governance and anti-corruption measures of the National Decarbonization Fund built and administered by the UDEPP-partner State Agency for Energy Efficiency. The purpose of the Fund is to issue green certificates and facilitate attractive loans for energy efficiency projects, particularly in industry and public buildings.

It is expected to continue the UDEPP partnership throughout the Ukraine Transition Country programme.

In synergy with the UDEPP programme long-term capacity building and advice, the following Danish initiatives will be considered with funding outside the Ukraine Transition Country programme:

- A pilot project on biogas in the form of a Public-Private Partnership (PPP) between a Danish and Ukrainian biogas company.
- Support for the establishment of an international wind investment alliance (e.g., *Alliance for Investment in Wind Energy in Ukraine*), bringing together Ukrainian wind energy stakeholders, international manufacturers and investors with the shared goal of deploying of e.g. 5 GW of new wind capacity. The initiative might also explore the possibility of similar guarantees for new wind projects and/or insurance or compensation mechanisms in case of war-related damages or, in the worst case, asset losses due to hostile occupation.

8.3.2 To contribute to the strengthening of the framework conditions for economic development and sustainable growth – a well-functioning labour market with a democratic, labour market institutions, and social dialogue

A main challenge for Ukraine is to create economic growth and employment that can strengthen the country's resilience and help the general population resume a normal life after the war has ended.

The Ukraine Transition Country Programme will support this goal by supporting reforms that can create the framework conditions for sustainable and just growth. A main focus is on combatting corruption and support for decentralisation, that devolves resources to the municipalities and towns (as will be described in below chapter 8.4). Another is a well-functioning labour market. Areas, which are also important when it comes to living up to the conditions for EU membership.

The Ukrainian labour market is still struggling with structures and a culture created during Soviet times; desire for state control (since partly replaced by oligarchs' massive influence) and bureaucratically-driven unions with underdeveloped membership democracy and influence. On the employer's side, new employer organisations are struggling to create an active and democratic membership base and to ensure that the organisations are heard in relation to the government institutions and the powerful oligarch interests.

Denmark will - in collaboration with Danish Labour Market and Employers Organisations - support capacity development and the involvement in international networks in order to strengthen the labour market organisations, and help facilitate three-party social dialogue, that can contribute to developing a well-functioning, flexible and inclusive labour market, where young people, women, and veterans, including people with disabilities, find job opportunities.

At the same time the Ukraine Transition Country Programme will support mobility of the Ukrainian Labour market by contributing to development of targeted skill training and capacity building of the labour force to match the current job opportunities and needs in the coming years, including focus on providing job opportunities for women, and veterans, people with disabilities, elderly people with residual working capacities.

On short term basis skills training and reskilling is highly needed to support the exchange of male workforce, subscribed for the army with women, youth, elderly people with residual working capacities, PWDs and war veterans, who - with necessary training - can take over jobs. Sectors include construction (which is lacking more than 50% of workforce), agriculture and food sector, metallurgy, mining etc.

On the longer-term vocational training is needed in order to adapt a lot of the changes, which will be introduced in the EU accession process. The need is big both in the farming and the food processing industry, where new regulations and guidelines will be introduced to improve food, safety, animal health & welfare, environmental & climate impact of the food production.

8.3.3 To contribute to restoration of the private sector, including enhance agricultural production.

Development of a revitalized private sector - including a strong agricultural sector – is key for Ukraine's growth, job creation and long-term economic sustainability. Thus, Ukraine needs private investments and a market that furthers national and local private sector development. Furthermore, private sector development needs to be ready for competition at the EU market, as per the economic Copenhagen criteria not to lose out on business once included in the EU.

A main issue for development of the private sector is to ensure that attention is paid to small and medium enterprises (SMEs) which constitute the backbone of the Ukrainian economy providing two-thirds of value added and more than 80 percent of jobs. Therefore, not least SME development can stimulate competition in the market, growth of competitiveness and innovative capacity of the economy, and contribute to the strengthening of the middle class in society.

Likewise, it is important to develop a framework for transition of many small farms from non-sustainable productions to sustainable food production units. A land reform is under implementation, and it is important to develop sustainable productions and workplaces in the rural areas. Value adding of raw materials and change to production of more valuable crops and products requires education and investments for small farmers and the development and support for making tools available for increased production value. At the same time sustainable production will require new methods to lower the environmental and climate impact of the production. The farmers are also expected to make a bigger contribution for production of bioenergy and improved water management.

An important contribution of the Ukraine Transition Country Programme to private sector development is the support for the overall Ukrainian reform efforts, not least combating of corruption and development of a well-functioning labour market. In addition, the Ukraine Transition Country Programme will explore ways of supporting restoration of the private sector and enhanced agricultural production and specific activities will be identified among the following possible intervention areas:

- strengthening the capacity of local authorities or associations to advise local Ukrainian companies on legal standards and requirements for national and international tenders and investments (including new EU standards and legislation).
- facilitating local Ukrainian companies' participation in tenders for local reconstruction projects and activities (possibly facilitation of contacts and information sharing with both national and international CSOs/humanitarian organisation and IFIs – and among them enhance understanding of challenges and bottlenecks when it come to the mobilisation of local (and national) Ukrainian SME.
- contributing to awareness-raising with regard to the challenges and needs of Ukrainian SMEs within specific sectors where Denmark is involved.
- Improved water management for irrigation, based on water supply in Mykolaiv region for irrigation systems.
- Support for developing a training program for authorities, farmers and food processors to understand new EU-regulation, and learn about how to manage agricultural and food business according to the new regulations. (Vertical integration of EU terminologies).

Finally, the Ukraine Transition Country Programme will continue support for demining. Thus, the programme will explore ways to complement the already Danish supported humanitarian and development oriented demining efforts with a focus at enhancing agricultural production. A holistic approach will be applied, targeting both production areas and transport corridors – and where demining of land, the insurance of environmentally safe production areas and re-establishing sustainable farming on the lands shall be prioritized. The possibility of economic viable models for demining will be further explored and new technologies to be developed and implemented in the demining process.

These efforts will be complemented by, among other things, the Danish efforts through DSIF and the IFU, rebuilding assistance and the Danish business support channelled through EIFO and the Danish Ministry of Industry, Business, and Financial Affairs and the Strategic Sector cooperation as well as the strategic sector advisors working out of the Danish Embassy in Kyiv.

8.4 Focus area 3: Reforms and EU-accession: consolidation and development of democratic institutions and processes:

Activities under focus area 3, will include the following sub-areas:

- Support reform and EU accession. National capacity building
- Fighting corruption and strengthening democratic control institutions
- Promoting decentralisation and local democracy
- Supporting a democratically organised civil society with a special focus on young people

- Supporting independent and critical media, including investigative journalism – as well as a special effort to combat disinformation.
- Human rights, gender equality and an inclusive society with respect for diversity - as well as combatting violence against women

8.4.1 Support reform and EU accession. National capacity building

Attention to Ukraine's reform agenda and EU accession process constitutes a cross cutting component in Denmark's cooperation with Ukraine. The Ukraine Transition Country Programme will – in close coordination with the EU and other actors – enter into a dialogue with the Ukrainians about Denmark's contribution to the reform agenda, based added value and special competencies in relation to the capacity building of national institutions. Through the regional Copenhagen Pre-Accession Instrument, support to legal- and administrative structures necessary for EU accession is planned for Ukraine. One project has so far been initiated, implemented by Lithuania and Denmark in partnership with the EU Delegation to Ukraine. Denmark and Ukraine have an existing Strategic Sector Cooperation in the energy field, agriculture and water/climate which will be extended to health in 2025. Strategic Sector Cooperation includes support to sectorial reforms according to the Ukraine Plan and the EU Acquis.

8.4.2 Fighting corruption and strengthening democratic control institutions

Corruption undermines economic development and democratic reforms. This is also central to Ukraine's desire for EU membership. The Ukrainian government has prepared a comprehensive anti-corruption strategy and established a number of state anti-corruption institutions. Popular support for the military, economic, and political assistance by international donors is continuously important. It is equally important for the Ukrainian government, at all levels, to show that it is fighting the comprehensive corruption practices.

Denmark co-finances and leads the EU's Anti-Corruption Initiative (EUACI), which provides capacity-building support to the Ukrainian anti-corruption institutions, including support based on international expertise and experience. EUACI also promotes transparency and accountability in the reconstruction process in partnership with the Ministry- and State Agency for Restoration and at local level through the regional offices of the State Agency of Restoration as well as the City of Mykolaiv. EUACI supports key civil society organisations and investigative journalists/media working in the fight against corruption as well as integrity and anti-corruption efforts in Integrity Cities (Mykolaiv, Zhytomyr, Chernivtsi, Chervonograd and Nikopol). The Program promotes anti-corruption reforms and assist in legislative work and in the EU accession preparations. Moreover, EUACI works to promote transparency in reconstruction aid together with national and local actors. In cooperation with international organisations, the EU, the OECD, and the Council of Europe, Denmark will also seek to link the anti-corruption efforts in Ukraine to the international and European fight against illegal capital transfers and money laundering.

8.4.3 Promoting decentralisation and local democracy

Ukraine's decentralisation reform, including the delegation of responsibilities and resources to Ukrainian municipalities and cities, has been highlighted as one of the most successful reforms implemented after 2014. The roll-out of the decentralisation reform has strengthened the Ukrainian municipalities and enabled them handle the challenges caused by the Russian invasion.

The regions and municipalities are envisaged to play a vital role in the recovery and reconstruction of the country, a task they are already engaged in, including both physical reconstruction and social services, hereby contributing to social cohesion and resilience of the Ukrainian society.

Denmark will support the further decentralisation reform process through a contribution to the EU's major decentralisation programme Ukraine – Local Empowerment, Accountability and Development Programme (ULEAD) and so-called Integrity Cities component, under the Danish-led EU anti-corruption programme, EUACI, which among other things have provided specific assistance to Mykolaiv.

Moreover, Denmark has since 2023 supported municipal twinning between selected Danish and Ukrainian municipalities based on local needs and the provision of technical assistance in areas agreed by the partners in each cooperation. The programme is running from 2023 to 2027 and is expected to be continued based on results achieved and lessons learnt.

8.4.4 Supporting a democratically organised civil society with a special focus on young people

Ukrainian civil society has played an important role in strengthening the resilience and survival of the country and its people during the Russian war of aggression. Civil society organisations have organised emergency humanitarian aid and contributed to programmes aimed at the most vulnerable people. Ukrainian civil society organisations are thus key partners in relation to both the humanitarian assistance and the reconstruction aid. At the same time, civil society organisations play a central role in building a democratic society with active citizenship holding national and local authorities accountable - where they, among other things, are helping to give a voice to vulnerable groups, including people living with disabilities, veterans, and internally displaced persons.

Under the Ukraine Transition Country Programme, support will also be provided to Ukrainian civil society organisations with a focus on their role as democratic actors. Civil society in Ukraine has traditionally been limited by a narrowly organised base, with a limited membership and dependent on donor funding. Denmark will seek to promote the growth of democratic and member-based Ukrainian civil society organisations, where voluntary work and membership quotas contribute to the sustainability of the organisations, including financial sustainability. In addition, it will also be looked into – to the extent possible – how to support more informal and ad-hoc based civil society activities on current issues that are increasingly emerging in Ukraine.

Special focus will be placed on mobilising and organising young people. Young people are tomorrow's leaders, voters, and political actors in general – it is mainly amongst younger people that a new organisational culture will be created. The Danish support will include a specific involvement of young people in Danish funded programmes where possible and relevant, and will also include continued support for the Ukrainian-Danish Youth House in Kyiv. The youth centre will function as a safe meeting place and, in a difficult time, be an inspiration for organising and involving young people. The house must also support and strengthen the 'youth infrastructure' created by the Ukrainian Ministry of Youth and Sports.

8.4.5 Supporting independent and critical media, including investigative journalism – as well as a special effort to combat disinformation.

Historically, the operation of independent media in Ukraine has been hampered by the fact that the largest Ukrainian media houses have generally been owned by oligarchs with the aim of serving their political and financial interests. Thus, there has not been a private media sector where competition has been based solely on market forces. Denmark has sought to support small and independent media organisations and professionals with a focus on strengthening the capacity of accurate and evidence-based media in Ukraine. Going forward, Denmark will continue to focus on developing the skills and knowledge of media actors in Ukraine in general, particularly within investigative journalism. Furthermore, Denmark will also focus on supporting Ukraine's EU accession, which entails equipping media partners with the skills and knowledge to align media laws, policies and practices to EU standards. Due to the context of the war, the protection of journalists has also become another highly important topic within the media sector in order to support a diverse media environment. Denmark will therefore contribute to ensuring that journalists and media professionals have access to psychosocial support services. Lastly, disinformation and foreign malign influence are cross-cutting issues regionally, and Denmark will continuously have a specific focus on countering disinformation campaigns and narratives as well as building resilience and media literacy.

8.4.6 Human rights, gender equality and an inclusive society with respect for diversity - as well as combatting violence against women

Denmark will support Ukraine's implementation of relevant legislation in the field of gender equality, both bilaterally and through the EU and the UN. This will be done through technical advice and an international exchange of experience. Promotion of gender equality is seen as a cross-cutting theme in all Danish efforts, and Denmark will seek to support women's groups and civil society groups that work with equality and gender issues with a view to strengthening the pressure for further equality from below - and to creating a broad mobilisation. Apart from the support to gender just legislation and policies, Danish support will also focus on the prevention and combat of gender-based violence, increase of women in leadership and politics as well as promotion of the rights of LGBT+ persons. The efforts will be coordinated with the initiatives under the Peace and Stabilisation Programme that target women in conflict areas.

In terms of gender equality, Ukraine has come a long way when it comes to legislation and formal equality in the labour market. At the same time, society is dominated by patriarchal structures and ways of thinking and gender stereotyped notions. Before the full-scale invasion, one in three women had experienced physical or sexual violence, and in the labour market, the wage gap between men and women had increased from 24% to 26% over the past five years. The level of respect in Ukraine for people with non-traditional identities is generally limited.

8.5 Budget

Indicative budget	Annual amount million kroner
<i>Ukraine Transition Country Programme, 2025-2028</i>	
1. Ukraine: Strengthening resilience and cohesion, and address the urgent needs of populations, including support for early recovery and transition.	[500]
1.1. Strengthening capacity to meet the urgent needs and build back better and greener (National and Mykolaiv)	[50]
1.2. Early reconstruction of social infrastructure and promotion of resilience (Mykolaiv)	[180]
1.3. Rehabilitation of energy, heat- and water supply (Mykolaiv)	[220]
1.4. Coherence mental health and SGBV (Mykolaiv and nationally)	[50]
2. Ukraine: Energy security, green transition and just growth	[135]
2.1. Renewable energy, incl. UDEEP – Ukrainian-Danish Energy Partnership (Mykolaiv and nationally)	[90]
2.2. Strengthening of agriculture and private sector (Mykolaiv and national)	[35]
2.3. Labour market, incl. technical education	[10]
3. Ukraine: Reform and EU accession: Consolidation and development of democratic institutions and processes	[100]
3.1. Anti-corruption	[20]
3.2. Support for decentralization, municipal twinning and independent control mechanisms	[40]
3.3. Human rights, civil society, media, equality, and inclusion	[40]
4. Ukraine: Unallocated funds, including support of donations and twinning to support points 1 and 2 above	[200]
Total	[935]
<i>Other instruments and programmes targeting Ukraine, million kroner (FLL25)</i>	
Danish humanitarian aid	205
Strategic sector cooperation/sector advisers (estimated amount) *	n/a
IFU and DSIF	145
Macro-financial support through the EU **	100
Danish private funds, donations from private businesses, and citizen initiatives	n/a
Efforts from Danish civil society partnerships financed by private donations and membership fees.	n/a
Total	450
<i>Regional initiatives that cover activities in both Ukraine, Moldova, and Georgia, as well as the other Neighbourhood Countries. (FLL25)</i>	
The Danish Peace and Stabilisation Fund	50
Reform initiatives in Moldova and Georgia (Neighbourhood Programme)	110
Pre-accession support, the New Democracy Fund and regional efforts, incl. Ukraine	146
Targeted human rights efforts	9
Total	315
TOTAL. UKRAINE AND EASTERN NEIGHBOURHOOD COUNTRIES	1.700

*) Is financed outside of the Ukraine Fund under FLL25 § 06.38.02.13

**) Denmark's contribution to the EU's macro-financial assistance to Ukraine, for the years 2022 and 2023, which ensured the Ukrainian government's ability to continue providing basic services to citizens.

Annexes

Annex 1 Key figures for Ukraine

Indicator	Value	Year	Source
Key Economic data			
Surface area (square km, thousands)	603.550 km ²	2021	WB WDI
Population	37 million	2023	WB WDI
Gross Domestic Product, GDP (Current US)	178.76 billion	2023	WB WDI
GDP Growth (annual pct.)	5.3 %	2023	WB WDI
GDP per capita (current USD)	5,181.363 USD	2023	WB WDI
'Ease of doing business' – index	No. 64 / 190	2020	WB WDI
General government final consumption expenditure (pct. of GDP)	41.7 pct.	2023	WB WDI
Tax revenue (pct. of GDP)	16.692 pct.	2022	WB WDI
Net ODA received per capita (current USD)	50.54 pct.	2021	WB WDI
Net ODA received pct. of GNI	16.9 pct.	2022	WB WDI
Current account balance, pct. of GDP	-5.4 pct.	2023	WB WDI
Total debt service (pct. of GNI)	7.2 pct.	2022	WB WDI
Inflation, consumer process (annual changes in pct.)	12.8 pct.	2023	WB WDI
Key Social data			
Population Growth (annual pct.)	-2,7 pct.	2023	WB WDI
Life expectancy at birth, total (years)	69 years	2022	WB WDI
Income share held by lowest 20 pct.	10.00 pct.	2020	WB WDI
Human Development Index	0,734	2022	UNDP
Key Environment data			
CO2 emissions (metric tons per capita)	3.75 MT pr. capita	2020	WB WDI
Renewable electricity output (pct. of total electricity output)	4.38 pct.	2015	WB WDI
Key Human Rights data			
Global Freedom Score, 0 - 100	49 (partly free)	2024	FH
Democracy, 0 – 7 points	3,36	2023	FH
Political Rights, 0 – 40 points	21	2024	FH
Civil rights, 0 – 60 points	28	2024	FH
Number of Human Rights Treaties Ratified (out of 18)	16	2024	OHCHR
Press Freedom, 0 (good situation) – 100 (very serious situation)	65	2024	RSF
Internet Freedom, 0 – 100	59 (partly free)	2023	FH
Corruption perception, 0 (highly corrupt) – 100 (very clean)	36	2023	TI