

**Revised Strategic Framework:
Denmark's partnership with the Eastern
Neighbourhood Countries 2023-26
November 2023**

The previous version from January 2022 may be found at um.dk: [Strategic-Framework-Denmarks-partnership-with-the-Eastern-Neighbourhood-Countries-20222026.pdf](#)

Map of the six neighbourhood countries:



Content

1. Introduction	5
2. Analysis of the context, challenges, and risks	8
2.1 Introduction	8
2.2 Ukraine	8
2.3 Moldova	10
2.4 Georgia	11
2.5 Belarus	12
2.6 Armenia	13
2.7 Azerbaijan	14
2.8 Risks	14
3. The Danish efforts and results so far	16
3.1. Efforts so far	16
3.2 Achieved results	19
4. Strategic goals for the Danish partnerships with the Neighbourhood Countries	20
4.1 Supporting conflict management, building-up resilience, and addressing the urgent and humanitarian needs of the people and reconstruction	22
4.2 Supporting reforms and EU accession: Promoting the development of democratic institutions and processes	24
4.3 Supporting sustainable and just growth, the green transition and increased energy independence	26
5. Danish development policy programmes and instruments	28
5.1 Neighbourhood Programme	29
5.2 Humanitarian Assistance, Ukraine	29
5.3 Reconstruction assistance, Ukraine	30
5.4 Macro-financial support, Ukraine	30
5.5 Danida Sustainable Infrastructure Finance and Investment Fund for Developing Countries	31
5.6 Peace and Stabilisation Fund, Ukraine and the additional neighbourhood countries	31
5.7 Cooperation with public authorities	32
5.8 Partnerships with Danish civil society organisations	32
5.9 Multilateral support	33
5.10 Non-state efforts	33
6. Coordination and synergy	34
6.1 Overall coordination: National ownership and international coordination	34
6.1.1 Coordination of the efforts in Ukraine	34

6.2 Coordination of Danish efforts.....	36
7. Monitoring of the Strategic Framework.....	37
8. Neighbourhood Programme 2022-2026	38
8.1 Overall strategy and priorities, geographical focus and modalities	38
8.2 Ukraine effort	41
8.2.1 Support reform and EU accession: Promoting the development of democratic institutions.....	41
8.2.2 Sustainable and just growth, a green transition, and social dialogue.....	44
8.3 Georgian efforts	46
8.3.1. Supporting reforms and EU accession: Promoting the development of democratic institutions.....	46
8.3.2 Sustainable growth and a green transition	48
8.4 Moldova efforts	49
8.4.1 Support reform and approaching the EU: Promote the development of democratic institutions.....	49
8.4.2 Energy security and just green transition.....	51
8.5 Regional efforts, including Belarus, Armenia and Azerbaijan	52
8.6 Strategic secondments.....	53
8.7 Budget.....	53

1. Introduction

Three decades after the EU's six eastern neighbouring countries - Ukraine, Moldova, Belarus, Georgia, Armenia, and Azerbaijan (hereafter the "neighbourhood countries") - gained their independence, their integration in the European community of shared values remains an unfinished project. In large parts of the populations, there has been a strong will to advance towards the EU and a sense of normative values that have driven several popular protest movements over the past two decades. At the same time, the territorial sovereignty and stability of the countries has been threatened by Russia, who invaded Georgia in 2008 and Ukraine in 2014, followed by a full invasion in 2022 - and who has a military presence in the breakaway region of Transnistria in Moldova.

Since the independence of these countries, Denmark has been an active and strong voice in the work for the effective use of the EU's instruments in the support for the region, not least within the framework of the EU's Eastern Partnership. At the same time, in recent decades, Denmark has supported the reform processes of the neighbourhood countries and has entered into a large number of close partnerships with both public authorities and civil society - just as Denmark has also supported the capacity building of the Ukrainian defence with funds from the Peace and Stabilisation Fund.

Russia's brutal invasion of Ukraine on 24 February 2022 revealed Russia's territorial ambitions, which constitute a threat to the security of all of Europe. Ukraine's defence battle against Russia 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 ongoing war, Denmark has stood by Ukraine's side. Also, when it meant our financial support. From February 2022 to September 2023, Denmark has granted DKK 1.8 billion in development assistance for Ukraine. The government's goal is for Denmark to maintain its position amongst the largest contributors to Ukraine, relative to our size. The government's foreign and security policy strategy from May 2023 emphasises that Denmark must continue the significant and continuous support for Ukraine in four areas: i) Political support, ii) Military support, iii) Civil support, and IV) Support for businesses. The strategy also makes clear that Denmark must aid the other eastern neighbourhood countries. In 2022, Denmark opened an embassy in Georgia and also expanded the political consultations and partnerships with Moldova.

Since the start of the war, the Danish support for Ukraine has involved a wide range of actors. In addition to the Ministry of Foreign Affairs, a number of Danish ministries and agencies have been involved and have contributed within their fields. This also applies to private enterprises and foundations which have contributed through donations and pro bono services and/or have entered into public-private partnerships. At the same time, both large and small Danish civil society organisations, together with a large number of popular initiatives, have contributed to a significant humanitarian effort. A number of Danish municipalities have also entered into friendship-city agreements with cities in Ukraine.

The Strategic Framework – is the cornerstone for all of Denmark’s development cooperation and partnerships with the neighbourhood countries

The Strategic Framework for Denmark's partnership with the Neighbourhood Countries 2022-26 was presented in January 2022. The goal was to "expand Denmark's partnership with the countries of the neighbouring area, with the overall vision of promoting the countries' anchoring in the European community of shared, as well as strengthening their stability, progress, and resilience". The vision and the objectives were primarily supported by the Neighbourhood Programme with a grant of DKK 160 billion annually.

In 2023, DKK 1.2 billion was budgeted for development assistance to Ukraine and the neighbourhood countries through the Ukraine Foundation's civil support, an amount that is expected to be increased to DKK 1.5 billion in 2024. At the same time, the Neighbourhood Programme is being supplemented by a range of new instruments, including reconstruction assistance, macro-finance support, and humanitarian aid. Thus, on this basis - and in light of the altered context throughout the region - there is a need to revise and update the Strategic Framework. This has been done on the basis of the government's new foreign and security policy strategy from May 2023 as well as the development policy strategy, *The World We Share*, that establishes frameworks and goals for Danish development cooperation.

Chapters 1 through 7 of the Strategic Framework define the goals and priorities for the overall Danish development cooperation with Ukraine and the neighbourhood countries. The initiatives include a number of development policy instruments and programmes, including the Neighbourhood Programme, humanitarian aid, reconstruction assistance to Ukraine as well as the Assistance to Public Authorities, to name a few¹. In addition, Denmark contributes to multilateral partnerships, including the EU, where Denmark, among other contributions, supports the EU's initiatives in Ukraine and the neighbourhood countries who will come to play a crucial role. All of the Danish initiatives are carried out with regard to the overall objectives and principles set out in *The World We Share*, the Danish development policy strategy². For several of the instruments, specific strategies and priorities³ have also been set out. Particularly relevant to the Strategic Framework is the *Strategy note for Danish aid to early reconstruction in Mykolaiv/Ukraine 2023-24 (May 2023)*, which identifies the goals and priorities for the biggest economic Danish initiative in the region and describes the risks involved in implementing reconstruction assistance.

Chapter 8 of the Strategic Framework presents the objectives and principles specific to the Neighbourhood Programme – as well as the Neighbourhood Programme’s programmatic focus areas going forward.

In addition, the intention is that the Strategic Framework in its entirety is to contribute to creating a starting point for continuing the mobilisation of private contributions, encourage private-public cooperation as well as to provide inspiration for broad international cooperation and partnerships between civil society, citizens, and businesses with regard to Ukraine and the

¹ cf. chapter 5 and table 1 for a complete summary.

² Just as the Ministry of Foreign Affairs' 'How To Notes' create the framework for the concrete programming, cf. How to notes for the implementation of the Danish Strategy for Development Cooperation (um.dk)

³ cf. www.um.dk and www.um.dk

neighbourhood countries and in Denmark. The Strategic Framework is thus intended to contribute to creating synergy with other public and private initiatives.

As can be seen from the above, 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. They are not included as a part of this Strategic Framework because the government's overall strategy and efforts regarding Ukraine and the eastern neighbourhood countries have recently been described in the government's foreign and security policy strategy from May 2023⁴ as well as the Ukraine Fund in March 2023.⁵

Strategic objectives

During the period 2023-26, Denmark will expand its partnership with Ukraine and the neighbourhood countries with **the overall vision** of ensuring their resilience and the emergency needs of the people as well as their anchoring in the European community of shared values and strengthening their stability and progress. In this way, the countries are also supported in their advance toward the EU and their path to 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:

- **Conflict management, building resilience, and responding to the emergency and humanitarian needs of the people and reconstruction.**
- **Reform and EU accession: Promoting the development of democratic institutions and processes.**
- **Sustainable and just growth, a green transition, and increased energy independence.**

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

Geographically, Denmark will focus particularly on its cooperation with Ukraine, Moldova and Georgia, who have all applied for EU membership and begun undertaking systematic reforms to promote their advancement towards the EU and NATO. In these countries, bilateral assistance cooperation/initiatives are being established under the Neighbourhood Programme. However, the EU and Denmark's shared goal is for a long-term political association and economic integration with all the EU's eastern neighbourhood countries. Therefore, the Neighbourhood Programme will have the broader goal of establishing regional networks and supporting the promotion of democracy and human rights - including support for civil society organisations - in all six neighbourhood countries.

⁴ [Udenrigs- og sikkerhedspolitisk strategi 2023 \(um.dk\)](#)

⁵ Description of the Ukraine Fund is, respectively, its military, civilian, and commercial tracks can be found here: [Regeringen indgår bred aftale om at etablere en milliardstor Ukraine-fond i 2023 \(fm.dk\)](#)

2. Analysis of the context, challenges, and risks

2.1 Introduction

When the six Eastern neighbourhood countries - Ukraine, Moldova, Georgia, Belarus, Armenia, and Azerbaijan - regained their independence 30 years ago, they had little or no experience in being independent states. They therefore needed to acquire the formal competences and institutions that characterise independent states, and this was challenging. The transition to a market economy in the 1990s was thus largely characterised by arbitrary or imported legislation and the rapid privatisation of the state-owned enterprises and values, which created the basis for inequality, corruption, and the concentration of power with oligarchs. The inequalities and the oligarch systems that developed in the majority of these countries continue to present a major challenge and make the development of democratic institutions and well-functioning free markets difficult.

At the same time, since independence the countries have had to develop a national sovereignty, including the ability and capacity to protect their territorial integrity and society from unwanted external influences. The relationship with Russia constituted and continues to constitute a central political challenge for all of the countries. In Georgia in 2008, for the first time following the fall of the Berlin Wall, Russia used military power outside of Russia. In 2014, Russia annexed Crimea, and today, there are unresolved armed conflicts in Ukraine, Georgia, Moldova, Armenia, and Azerbaijan, all involving a Russian dimension. The countries are also challenged by Russian attempts at political interference, influence campaigns, and destructive cyber-attacks.

The neighbourhood countries – despite a relatively large proportion of women in the labour market and in educational institutions in several of the countries – are culturally characterised by deep-rooted patriarchal attitudes and discriminatory stereotypes regarding gender roles and responsibilities in the family. These attitudes maintain many women's subordination in the family and limit their participation in the labour market and their influence in society in general. Homophobia is widespread in large parts of the population and the pressure on sexual minorities is increasing. LGBTQ+ rights are presented as antithetical to traditional and religious values supported by influence campaigns from Russia regarding the West's "moral decay" and degeneration.

Thus, the six countries share a number of common features but each has also gone through their own development. In the following sections, this map is described with a focus on the opportunities and challenges it provides to promote democratic development and sustainable, economic development, including increased affiliation to and integration with the EU, as well as the further development of their partnership with Denmark.

2.2 Ukraine

With Russia's invasion of Ukraine on 24 February 2022, the European security situation has changed, and the need for and importance of support and assistance to Ukraine have increased significantly. The war, which since 2014 has created serious issues for Ukraine's societal development and which threatens the country's independent existence, is now creating challenges for many aid efforts and therefore demand completely new and acute reconstruction and humanitarian aid efforts.

Geographically, Ukraine is the largest country in Europe after Russia and has a population of 42 million people. Since the invasion in 2022, however, over 6 million people have fled the country,

more than 5 million people live today as internally displaced, and millions live in areas controlled by Russia. In the time following the fall of the Berlin Wall, Ukraine has evolved into a parliamentary democracy with regular free elections and the peaceful transfer of power. The extensive corruption and weak political party structures have, in recent decades, led to great political and economic tension in society, including two revolutions. The latest, the Maidan Revolution in 2013-2014, was triggered when the then president refused to sign the association agreement with the EU.

During the swells of the Maidan Revolution, Russia annexed the Crimean Peninsula in March 2014 through military force and supported the rebels in eastern Ukraine, especially in Donbas. This has influenced the country both in the domestic arena as well as in terms of foreign policy and has led up to Russia's new invasion of Ukraine in February 2022. The invasion was initiated with the goal of removing the government in Kyiv, slowing the country's advance towards the EU and NATO, and locking Ukraine in a Russian sphere of interest. Following a failed attempt to take Kyiv in the early weeks of the war, the fighting has since consolidated on a front line in eastern and southern Ukraine and the Black Sea.

The war poses a constant threat to the entire Ukrainian society, as Russia daily attacks civilian targets in Ukraine by missile and drone attacks. The bombings make the reconstruction efforts difficult due to the risk of renewed destruction. The war thus poses an existential threat to Ukraine and not only creates serious human consequences, but also great economic and developmental consequences.

The Ukrainian defence has been reformed and significantly improved since 2014, which has contributed to a competent and resilient opposition to the Russian invasion of 2022 to the surprise of most of the world. The military, however, is struggling with difficult conditions and an exhausting war, creating an emergency and a long-term need for extensive military donations. The war has created a strong national feeling and has strengthened the cohesion in the country, but it has also created a situation where a large part of the primarily male-dominated workforce has been mobilised for the war effort. Families have been divided, and many revenue bases have collapsed.

Many of the challenges that characterised the country prior to the invasion persist. Widespread corruption still poses a major problem for many Ukrainians in their daily life and for the quality and the extent of the public authorities' ability to perform their tasks. 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 is aware of this, and in the Ukrainian population there is considerable opposition to corruption and the influence of oligarchs. A very active civil society is a useful tool in the fight against corruption. If the current situation is not used as an opportunity to end corruption, it will damage societal cohesion and stability in Ukraine.

At the same time, Ukraine's state formation, democracy, and economy are still being challenged by a deeply-rooted oligarch system, where a great amount of assets are concentrated in a relatively small number of oligarchs that are systemically connected to some officials, politicians, judges, and the media through corruption and nepotism. The oligarch system increases economic and social inequality and undermines the rule of law, while also making it difficult to attract foreign investment.

In recent years, the Ukrainian population's anti-corruption resilience as well as the opposition to oligarchs have grown significantly, which, among other things, contributed to President Zelensky being elected in 2019. Due to his background outside of the political system, there were high expectations that he could deliver a breakaway from the political elite and their close connections with the oligarch system.

In 2021, the 'de-oligarchisation' was introduced. The law prescribed the establishment of a special institution to identify individual oligarchs by way of a wealth test and then limit their influence on society, political groups, and the government. The law has meant that more of the oligarchs have since then sold their media empires. However, full implementation of the law continues to be blocked by the state of war, which sets restrictions on public registers, including the planned, but not yet launched, oligarch register. However, Russia's invasion of Ukraine has led to several oligarchs losing great fortunes as a result of the deteriorating economic situation, including the devastation of the Ukrainian industrial and agricultural production.

European and transatlantic aspirations

Since the Maidan Revolution in 2013-14, Ukraine has steered a clear European course with strong Euro-Atlantic aspirations. It is the current government's stated goal to achieve full membership in both the EU and NATO. Therefore, with the invasion as a catalyst, Ukraine applied for EU membership together with Georgia and Moldova in 2022. In this context, the country was awarded candidate status subject to the fulfilment of seven conditions. These conditions constitute both an incentive structure as well as a concrete lever for the reform work and the development of the country's democracy. The conditions address the most pressing challenges for Ukraine, including corruption, the need for reforming the justice system as well as greater involvement in and the inclusion of civil society and political pluralism.

2.3 Moldova

As a frontline state bordering the EU, Moldova represents a major geopolitical interest than its size initially suggests. In addition, Moldova is one of the neighbourhood countries that has been most affected by the war in Ukraine. Since the outbreak of the war, Moldova has taken in hundreds of thousands of refugees from Ukraine, many of whom have remained in the country. This has put a country that is already poor and fragile under pressure. The Moldavian state is facing significant challenges and is threatened by questions of identity, autonomy, and geopolitical orientation, which is instrumentalised by the foreign influence from, especially, pro-Russian forces. These challenges have only become more significant since the invasion, as the pro-European Moldovan government has unequivocally chosen sides to the advantage of Ukraine. However, there continues to be internal tensions in Moldova, including those related to the break-away region of Transnistria, which is influenced by a large number of Russian-speaking people and a considerable dependence on Russian support. Additionally, Turkish actively supports the Turkish-speaking Gagauzian minority that wants additional autonomy. An idea of Moldova's unification with Romania is a subject of ongoing public debate. However, this is not supported by the majority of people.

Since the conclusion of the association and free-trade agreement with the EU in 2014, Moldova has had EU integration as an official goal, although there has been varying levels political will to achieve this in the past years, as the country's economy and democratic institutions are dominated by oligarchs and structural corruption. Several of Moldova's oligarchs have close relationships with President Putin and seek to undermine Moldova's EU-oriented reform

processes. In the presidential election in 2020, the reform-oriented former Prime Minister Maia Sandu won. She advocates for strong ties to the EU and her key issue is to combat corruption, the abuse of power, and the oligarch system. In 2022, Moldova applied for EU membership with Ukraine and Georgia and was awarded candidate status in June of the same year. EU accession is the current government's greatest priority, and President Sandu is going all in with regard to drawing up, adopting, and carrying out a number of quite extensive law agendas with a target of ensuring that Moldova can fulfil the nine recommendations set out by the European Commission prior to the opening of possible EU-accession negotiations. This marks the beginning of a value-based split and a statement of democratic progress, where the nine recommendations act as a lever for the work on reforms. However, Sandu's reform agenda faces several challenges posed by the oligarchic forces that seek to maintain Moldova outside of the EU's influence. In this regard, the Sandu government banned the pro-Russian opposition party Shor by law, a party that is led by the oligarch Ilan Shor, who, from his exile in Israel, is a driving force behind the destabilising forces in the country. In April 2023, Ilan Shor was sentenced to 15 years in prison in absentia for extensive money laundering and corruption. He is also included on both the US' and the EU's sanctions lists and also poses a concrete threat to Moldova's democratic development.

Moldova's economy has been severely affected by the war. The EU has therefore increased its support to the country by, among other things, adopting a trade liberalisation package on agricultural products. The service sector constitutes an increasing proportion of the economy, due to, among other things, low wages that have made the country an interesting market for outsourcing for companies in the EU. Before the war, trade with the EU made up about 55% of Moldova's total trade – this was helped by a comprehensive free trade agreement. Moldova's working population is falling steadily, as many people search for work within the EU. Money transfers from Moldovans abroad make up 10% of the country's GDP. Since the outbreak of the war, Moldova has been affected by rising inflation, an energy crisis, and extensive disinformation campaigns aimed especially at the segment of the population that follows the Russian-language media. As a consequence, in 2022, Moldova banned Russian-language media. The country's GDP fell by 6% in 2022.

So far, Moldova has been dependent on Russian gas as well as energy from a power plant in Transnistria, which has historically made the country deeply dependent on Russia. But the war in Ukraine has opened up new opportunities to ensure energy independence, and there are good opportunities for increased cooperation regarding the energy agenda, for example with regard to energy efficiency and diversification.

2.4 Georgia

With a strong focus on EU accession, Georgia has carried out substantial reforms and has significantly reduced the level of corruption in the country. Georgia has taken many steps towards breaking away from old structures and constructing a competitive market economy. On the Transparency International's Corruption Perception Index 2022, Georgia ranks 41st (together with the Czech Republic, Italy, and Slovenia), and ahead of all the other EU candidate countries. Tourism constitutes an increasing proportion of the economy. The same goes for the transport sector, where Georgia's ambition is to strengthen its position as a transit country. Georgia has a great potential for increased production of renewable energy, and, in the long term, the export of green energy to surrounding countries and Europe.

War in Ukraine, EU accession, and a fragile democracy

In the wake of Russia's invasion of Ukraine, Georgia applied for EU membership in 2022 together with Moldova and Ukraine. However, Georgia's long-standing Western orientation and its reform willingness have been threatened externally by Russia's aggressive behaviour in the region and internally by political crises and recent worrying signs from the government. Georgia is in a perennial political crisis with deep political polarisation and distrust between the government and the opposition, which at times boycotted the work in parliament. The opposition continues to appear internally divided, without a unifying leader. Thus, there is some way to go in terms of building stable and independent state institutions and a peaceful democracy free of political revenge between changing governments. However, with the prospect of possible EU membership, Georgia has been given a strong incentive to boost the reform process and advance towards the EU. Still, the population's support for EU membership is historically high at 89%. The war in Ukraine as well as Georgia's continued territorial conflict with Russia poses a significant challenge and contributes to Georgia's fragile security politics. Georgia considers its fate to be intertwined with that of Ukraine, and there is a fear that the outcome of the war will also be crucial to Georgia's future. However, Georgia is being criticised for profiting from the EU sanctions against Russia as Georgian exports to Russia have increased.

Conflict with Russia and the Loss of Abkhazia and the Tskhinvali region/South Ossetia

Russia's de facto occupation and increasing annexation of the Georgian regions Abkhazia and the Tskhinvali region/South Ossetia, which makes up 20% of Georgia's territory, presents a significant challenge to Georgia's security. In order to counter Georgia's attempts to regain control of the regions, which have been controlled by Russian-backed separatists since the early 1990s, Russia launched a military attack that moved far into Tbilisi-controlled territory. The attacks only stopped when an EU-mediated ceasefire agreement was concluded. Since then, Russia has, in violation of the ceasefire agreement, illegally maintained its military bases in the two de facto Russian regions and exercises effective control over them. Georgia has, both before and after the war, attempted to chart a pro-Western course, in terms of security and defence policy, and the objective to acquire NATO membership is a national top priority. Georgia is one of NATO's closest operational partners with the status of "Enhanced Opportunity Partner", and in 2008, NATO placed Georgia's membership in sight with a Membership Action Plan as an integral part of the process. With the current cooperation, work is taking place to reform Georgia's defence so that it lives up to NATO standards.

2.5 Belarus

Belarus is under a centralised authoritarian rule and is one of Russia's closest allies in the war in Ukraine. The country served as a mobilisation area prior to the invasion in February 2022, and missile attacks have been carried out by Belarus. In addition, Russian soldiers and weapons are still present in Belarus. Since 1994, the country has been led by President Aleksandr Lukashenko, who has only achieved very limited reforms since the Soviet era. The president and his administration exercise strong power in the country without any meaningful parliamentary control. The popular protests in the wake of the August 2020 presidential election were remarkable in size and boldness in a country without a tradition of broad political participation.

The state plays a key role in the country's state capitalist economy, where most of the workforce are state employees, and state-owned companies make up 80% of the country's industry. The country succeeded in building a well-functioning, competitive, and flourishing IT sector, which has, however, suffered from the unrest in 2020, and subsequently some parts of the sector left

the country and relocated to neighbouring countries. Belarus has traditionally refined Russian crude oil for further export in the EU with significant profits.

The mass demonstrations following the presidential election in 2020 were a landmark for Belarus. Large parts of the Belarusian population considered themselves actors of change for the first time, with the opportunity to influence the country's future. The authoritarian regime tried to suppress the civilian revival with widespread use of torture and arbitrary imprisonments. Several activists and protesters had to flee the country and continue their work in exile due to the risk of persecution.

Lukashenko's striking loss of large parts of the population's support helped to increase the dependence on Russia, which will continue to play a crucial role in the country's political future. This development has been reinforced during the war in Ukraine, where Russia has tightened its grip on Belarus to such an extent that, in many areas, the country's policies are now heavily controlled by Moscow.

Following obvious electoral fraud and the authorities' harsh-handed suppression of protesters after the 2020 election, the EU and several other countries added additional persons, units, and sectors to the sanctions against Belarus. The persecution has meant that a large group of people who actively supported the country's democratic movements and independent media have fled from Belarus, and increasingly must continue their work from abroad. This also applies to the Belarusian opposition politician Sviatlana Tsikhaneska, who had to flee in the wake of the 2020 election and has since served as the focal point of the pro-democratic movement from his exile in Lithuania.

2.6 Armenia

Armenia is the smallest of the six Eastern neighbourhood countries. The resurgence of the war against Azerbaijan in the region of Nagorno-Karabakh in 2020 resulted in a military defeat for Armenia. After a nine-month blockade in September 2023, Azerbaijan took the remaining part of Nagorno-Karabakh and thousands of Armenian inhabitants fled to Armenia.

As a counterbalance to the conflicting relationship with its neighbouring countries, Azerbaijan and Turkey, Armenia has traditionally had a close relationship with Russia. Armenia is thus highly dependent on Russian investment, trade, and gas, and is a member of both the Eurasian Economic Union and the military security alliance with Russia (CSTO). However, the trend in Nagorno-Karabakh has left cracks with CSTO, and with Azerbaijan taking Nagorno-Karabakh, the Russian security guarantees showed to be worthless. Whether this will cause Armenia to resign from CSTO and search for new security guarantees is too early to say. Already back in 2020, Armenia expressed a desire for foreign policy diversification, and the country has sought to build broader cooperation with other actors, including the EU, with which a comprehensive and expanded partnership agreement was concluded in 2017. An influential diaspora is important for these efforts. The diaspora is estimated to amount to 9 million, almost three times as many as Armenia's population of 3 million. The Velvet Revolution in 2018 - driven by popular protests and a burgeoning civil society - broke with decades of a one-party government and started a democratic transition from a presidential to a parliamentary form of governance and several reforms. This has strengthened civil society and the human rights situation. The Velvet Revolution gave renewed hope for Armenia's value-based approach to the EU. In addition, Armenia is often criticised for facilitating the circumvention of EU sanctions against Russia.

Armenia is challenged by a polarised media landscape where the state-owned media completely refrains from criticising the government. Violence against journalists remains unpunished, and political as well as financial interests have a great impact on most media platforms. Armenian civil society is active and helped by an increasing number of independent online media outlets and social media platforms. Since the war with Azerbaijan in 2020, there has been increasing pressure, attacks, and disinformation campaigns aimed at civil society to challenge its credibility. In addition, both widespread corruption and a lack of equality continue to present significant challenges for the society.

2.7 Azerbaijan

Azerbaijan has an authoritarian government with power centralised around the president. The stability across clan structures is ensured through the use of revenue from the country's significant oil and gas resources. However, the country's great wealth does not benefit the majority of its 10 million people, and civic rights, the independent media, and the opposition face difficult conditions.

The conflict with Armenia regarding Nagorno-Karabakh has been central to Azerbaijan's political agenda since its independence. The battles for Nagorno-Karabakh are considered to be a national victory that, in 2020 gave President Alijev unprecedented popularity with the people. Incited by this, fighting re-emerged in the region in 2022, and in September 2023 Azerbaijan definitively took the region. Consequently, a very large part of the Armenian minority is considered to have left Nagorno-Karabakh.

Azerbaijan is closely allied with Turkey, which provided important military assistance in the fighting for Nagorno-Karabakh in 2020. Azerbaijan has a complex but also pragmatic relationship with neighbouring Russia, which constitutes its largest bilateral trading partner. In addition, Azerbaijan is often criticised for facilitating the circumvention of EU sanctions against Russia. The relationship with the EU and the US, respectively, is primarily commercial. Azerbaijan has not sought to enter into a partnership agreement with the EU, but has, however, entered into new gas agreements with the EU following Russia's invasion of Ukraine. Azerbaijan is one of Europe's largest producers of oil and gas, which makes up 90% of the country's exports and one-third of its GDP. The energy sector lacks transparency and is dominated by state-owned companies.

Currently, there is very limited much will in Azerbaijan to approach the EU. However, there are opportunities to strengthen financial and energy cooperation - as well as in a longer perspective to seek to develop interpersonal contacts and civil society cooperation.

2.8 Risks

In order to achieve the strategic goals, it is crucial that there are partners in the neighbourhood countries who have the political will and ability to consolidate the integration of the countries in the European community of shared values and to encourage strengthened democratisation, stability, and resilience.

With regard to Ukraine - but also the other five neighbourhood countries - the outcome of the war against Russia is crucial to the countries' advance towards the EU and the shared European values. Furthermore, democratisation and stability are threatened by the political and economic forces that encourage and benefit from continued corruption and/or close economic and political relations with Russia.

In a positive scenario, a peace agreement is soon reached between Russia and Ukraine, in which there is agreement regarding the territorial borders, and Russia's military capacity to threaten Ukraine and the other neighbourhood countries is significantly reduced or recedes completely. In that scenario, Russia's influence and the influence within the neighbourhood region will be significantly reduced, which could, among other things, cause Armenia to seek to strengthen its cooperation with the EU - and for Belarus to eventually have an opportunity to pursue its own path. Alliances will form in Ukraine, Moldova, Georgia, and perhaps Armenia, between reform-friendly actors in government/parliament, civil society, and the private sector that will enable an accelerated advance towards the EU and the development of well-functioning democratic institutions without Russian interference. This way, Ukraine, Moldova and Georgia will continue the process towards the EU. In such a scenario, Danish assistance can be further adjusted to promote reform implementation, including through partnerships between government, civil society, and the private sector.

In a middle scenario, Ukraine and Russia continue the war. A peace agreement or ceasefire may be concluded within 1-3 years, and the pressure on the neighbourhood countries is reduced, which provides stability for development and reconstruction. In this scenario, Ukraine's, Moldova's, and Georgia's orientation towards the US and the EU will be maintained, but Russia will continue to be a significant negative player in the region. Pressure will exist for new reforms and EU accession that can help consolidate the democratic developments. At the same time, there will be resistance from pro-Russian forces and internal spoilers that, together with external influence campaigns, will seek to undermine the reform agenda. Thus, periods of either a lack of development or direct setbacks may arise where, for example, the scope of civil society or the media is reduced. This requires that Danish efforts be continuously adapted to fit the developments and the true political will and ability in the individual areas of cooperation - both in the event of a setbacks or new opportunities for the implementation of reforms. The ongoing adaptation could also lead to a change in development partners, including special adjustments regarding the balance between state and non-governmental partners, respectively.

In a negative scenario, Ukraine and Russia will be locked in a prolonged conflict and war, where the prospect of a peace agreement is not immediately realistic. Russia gains the upper hand in a conflict that continues and moves back and forth between a high- and low-intensity. The US reduces its support, while the EU is split internally on its handling of the conflict, which is why military support and financial assistance falls drastically. It makes a real reconstruction effort impossible, and there is an extensive backlash against the reform process in Ukraine and Georgia as well as, possibly, Moldova, where governments actually give up the ambition of EU accession and participation and moves away from the community of shared values, while old and possibly new oligarchs are (back) in power. In such a negative scenario, Danish support will have to be adapted to prioritise, for example, more broad-spectrum support for the capacity building of civil society organisations and other non-state actors as well as humanitarian and stabilisation efforts.

In Belarus, allied with Russia in the war in Ukraine, support for civil society is severely limited due to persecution and repression, which makes it impossible for cooperation between local civil society organisations and external actors. Therefore, the efforts will need to be adapted and focused on the pro-democratic forces outside the country as well as on initiatives that help document the negative steps and crimes taking place in the country.

In Armenia, the defeat of Nagorno-Karabakh and the perhaps 100,000 refugees will contribute to instability, but possibly also to a new advancement towards the West, and in Azerbaijan, the

concentration of power is strengthened around the president. Denmark's efforts in these countries will therefore have to be adapted to the circumstances, both in the event of new opportunities (especially in Armenia) or changes that prevent the continuation of previous partnerships.

The above risks and scenarios illustrate that efforts in the Eastern neighbourhood countries require a continuous analysis and assessment of the context and possible new challenges/opportunities. Chapter 5 describes how such an analysis will take place as part of the monitoring of the Strategic Framework.

3. The Danish efforts and results so far

3.1. Efforts so far

Prior to 2022

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 attack against Georgia in 2008 and the military annexation of Crimea in 2014 and the military intervention in Donbas further increased the geopolitical significance of the Eastern neighbourhood. Denmark has worked for an active and ambitious EU agenda towards 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. The major Ukraine Reform Conference was carried out in 2018 with Denmark as the host.

Denmark has had a number of bilateral programmes since the countries' independence in the early 1990s. Since 2005, the efforts have been gathered under the 'Neighbourhood Programme', which has supported projects and civil society activities in all six neighbourhood countries. The latest phase of the neighbourhood programme 2017-21 was geographically focused on Ukraine and Georgia with two thematic areas of action: I) Democracy and human rights and II) Sustainable and inclusive economic growth. In the wake of the protest movements in Belarus in the autumn of 2020, the Danish Democracy Fund was established, which enables partnerships and the involvement of civil society organisations in all six neighbourhood countries.

The neighbourhood programme has been supplemented by a number of other Danish-supported efforts. Under the Peace and Stabilisation Fund, a civil component has helped to promote the social cohesion of Eastern Ukraine. In addition, a large number of Danish civil society commitments and humanitarian efforts have been implemented. Also, investments in the private sector are channelled through the Industrialisation Fund for Developing Countries (especially Ukraine) and investments in public infrastructure projects through the financing instrument Danida Sustainable Infrastructure Finance (Ukraine).

A large number of multilateral organisations that receive support from Denmark have worked in the neighbourhood countries. This applies to, among others, the EU, UN organisations, the European Bank for Reconstruction and Development, the OSCE, and the Council of Europe.

Efforts since 2022

Since the Russian full-scale invasion of Ukraine, Danish support for the country has increased and a number of new instruments have been implemented. In 2022 and 2023, Denmark provided significant humanitarian support targeted towards the most vulnerable and exposed people. The support has been provided through Danish humanitarian partners such as the UN, the Red Cross movement, and Danish civil society organisations and their local partners. At the same time, Denmark has also contributed to the distinctive macro-finance to Ukraine since the outbreak of the war. The activities under the Peace and Stabilisation Fund continue to focus on the areas close to the front of eastern Ukraine. In this region, a particular focus is on the localisation, prevention, and building resilience in the population in line with the principles of the humanitarian-development-peace (HDP) nexus approach. This is done by ensuring coherence, complementarity, and cooperation between the implementing parties, as well as ensuring that efforts are made with initiatives that both address the short-term needs, but at the same time having the long-term and sustainable development in mind - also with regard to creating resilience and social cohesion going forward.

From the middle of 2022, there has also been a focus on reconstruction. In July 2022, Ukraine presented a first plan for reconstruction, with the aim of rebuilding the country better and greener. However, the immediate focus was on early reconstruction and the acute re-establishment of the energy and water supply, as well as the need for housing and buildings. From the autumn of 2022, a special focus was on re-establishing the energy infrastructure due to the targeted Russian attacks.

At the request of President Zelensky, Denmark has taken on a special role in the reconstruction of the city and the region of Mykolaiv in Southern Ukraine. A concept paper has been prepared for this collaboration that identifies areas of cooperation where Denmark can contribute with special know-how. In continuation of the overall national priorities, the Danish efforts in 2022 immediately focused on the emergency 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 heat supply. In 2023, the efforts continued in close cooperation with the authorities in the city and region of Mykolaiv, and in May that year, a strategy for Danish assistance for early reconstruction in Ukraine/Mykolaiv 2023-24 was prepared, which set out the goals and priorities for the efforts. The Danish assistance to Mykolaiv is coordinated in the Steering Committee for the Mykolaiv-Denmark Partnership under the direction of Denmark's Minister for Development Cooperation and the global climate policy and Ukraine's Deputy Prime Minister and the Minister for Reconstruction. In addition, representatives of the authorities in Mykolaiv, the embassy in Kyiv, and the Ministry of Foreign Affairs will participate. The steering committee establishes the overall principles for the Danish-Ukrainian cooperation and individual efforts are discussed and decided. The steering committee meets 2-4 times a year, and between the meetings, coordination takes place at the technical level between the Danish Embassy and the Ukrainian authorities involved. Emphasis is placed on 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. As part of the reconstruction assistance, funds were channelled through the Danida Sustainable Infrastructure Finance (DSIF) and the Investment Fund for Developing countries (IFU) - just as the Danish-supported Nordic Green Development Bank (NEFCO) has a significant portfolio in Ukraine.

With regard to for the overall energy supply, Denmark has had a collaboration with government authorities in Ukraine since 2014, where the focus has been on long-term planning and modelling, the integration of renewable energy, energy efficiency, and district heating. Following the invasion, the programme went over to focussing on short-term technical assistance and donations in the first year. Among other things, 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. The more long-term tracks within the collaboration have now been resumed, where there will be a special focus on integration into European electricity markets, energy efficiency in industry, and examining pilot projects within district heating. In addition, the collaboration was expanded in April 2023 with a fifth track that deals with the development of land and offshore wind in Ukraine.

In 2022, considerable macro-finance support was also provided for Ukraine through the World Bank and the EU. Finally, the efforts within the Neighbourhood Programme have been continued and expanded. The Programme's focus on supporting democratic reforms and public authorities, as well as on promoting a strong and independent civil society, has only become more relevant following the Russian invasion. If peace is to be achieved, strong democratic institutions and a solid civil society are required. And if Ukraine, Moldova, and Georgia are to achieve EU membership, extensive structural reforms are needed to live up to the EU membership conditions. In Ukraine, the Neighbourhood Programme's activities have been adjusted to the new situation, and especially in the first months, the support was channelled to emergency efforts in order to contribute to the survival of the institutions and adapting to the new situation. It included personnel safety equipment, temporarily moving the archives and equipment to Kyiv. At the same time, a decision has been made to increase the efforts in Georgia, where a Danish embassy was opened in 2023. In Moldova, where Denmark only had partnerships in terms regional activities in the past years, Denmark has decided to strengthen the effort, which entails a bilateral partnership with Moldova, in line with Georgia. The initiatives already launched in Moldova have particularly focused on the media and resilience when it comes to society's coherence in relation to disinformation and impact campaigns - but also covered a broader strengthening of civil society. Finally, the regional efforts under the New Democracy Fund are to continue, notably the Fund's pool for 'Fast Track' applications were used extensively following the invasion in 2022.

In March 2023, the Danish government presented the Ukraine Foundation as a framework for the overall Danish support for Ukraine and the Eastern neighbouring countries. The Ukraine Fund consists of three legs: military support, civil support, and business support.⁶ The civilian support includes Danish development cooperation. Thus, in the field of development, there is no talk of new mechanisms or special funding, but a description of the very significant efforts that it has been decided to finance through Danish development cooperation. Chapter 5 presents a comprehensive description of these initiatives.

The Danish focus has been on ensuring the international and national coordination of the efforts. While coordination in the humanitarian area was operational early under the well-established cluster system, there have been challenges in regard to the coordination of the broader reconstruction assistance. In the energy sector, Denmark was, as mentioned, the first contributor to the Ukraine Energy Support Fund and from the beginning, Denmark has

⁶ Description of the military, civil, and business-wise leg can be found here: [Regeringen indgår bred aftale om at etablere en milliardstor Ukrainefond i 2023 \(fm.dk\)](#).

participated in the regular coordination meetings led by the Ukrainian Ministry of Energy. In the EU, Denmark has advocated for the establishment of a solid mechanism for coordinating the broader reconstruction and reform assistance, but it was only in the autumn of 2023 that this began to take shape in the form of the G7-EU's *'Multi-Donor Coordination Platform for Ukraine'* (see section 6.1.1 below). At the same time, Denmark has contributed to strengthening the EU's new Ukraine-Service through two secondments.

3.2 Achieved results

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 - has provided Danish clout and international recognition. Through the focus on Ukraine as a foreign policy priority country with regular bilateral ministerial talks and visits, a significant Neighbourhood Programme and the active use of the 'Friends of Ukraine' circle in the EU, Denmark and Ukraine have built mutual trust and interests. The close Danish bilateral relationship with Ukraine has meant that Denmark has been well-positioned to have an open dialogue about the need to maintain the country's reform course. In parallel, the initiatives have covered specific technical support for Ukraine's anti-corruption institutions, support for central decentralisation reform and the twinning collaboration within the energy sector, where since 2014, there has been a collaboration regarding the integration of renewable energy and energy efficiency, as well as support for civil society and investigative journalism. This has been combined with political and technical support to the EU's policy dialogue and ongoing pressure on Ukraine to live up to the demands regarding transparency and the rule of law.

Already back in 2005, Danish civil society organisations established partnerships with civil society actors in the other neighbourhood countries, Belarus, Moldova, and Georgia, as well as individual projects with partners in Armenia and Azerbaijan. Denmark's resolute reaction to the abuses of peaceful protesters in Belarus has sparked broad acknowledgement. The leading Danish role in establishing the "International Accountability Platform for Belarus" has, in a parallel use of foreign and development policy tools, ensured that the documentation of human rights offenses in Belarus is verified and stored for later prosecution.

In 2016, the Neighbourhood Programme (2008-2015) was evaluated. The evaluation found that the programme well captured the challenges within the region and the needs of the target group, and was in accordance with the priorities of the partners and the EU objectives. The evaluation found that the programme complemented the wider EU programmes and as a result, combined with continuous support in multiple phases, the Neighbourhood Programme had contributed to promoting local processes of change. However, the evaluation also pointed out that a lack of multi-year and specific strategies limited the effect of the Programme. Based on the recommendations from the evaluations, the Programme for 2017-21 was thus redefined such that the efforts in the Western Balkans were phased out and the number of bilateral cooperation countries were reduced from seven to two.

In 2019, the Neighbourhood Programme was subject to a mid-term review that concluded 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 were included

in the relaunch of the Neighbourhood Programme in 2020 and have formed the basis for determining the overall benchmarks for the Neighbourhood Programme 2022-26, as described in chapter 8 below.

Since 2022

The extensive Danish assistance to Ukraine since the invasion in 2022 has been widely recognised, and Denmark has established close cooperation and partnerships with the Ukrainian authorities. As one of the few countries, Denmark accepted the invitation to have a special responsibility as a "champion" for one of the Ukraine's 21 regions. Since the summer of 2022, Denmark has established a very close collaboration with the authorities in Mykolaiv, and - despite the fact that Denmark has not yet succeeded in establishing international coordination mechanisms - has provided early reconstruction assistance that has been continuously coordinated with the very specific needs of Mykolaiv. At the same time, Denmark has contributed to the coordination between the many different actors in Mykolaiv. In Ukraine, Denmark has been recognised and praised for its swift and flexible efforts, adapted to local needs. The support is visible and has contributed to the necessary basic reconstruction of buildings, as well as the maintenance of the water and the heating supply. Ad hoc coordination, which was established to support the interplay between the various Danish and international aid channels in Mykolaiv in 2022, will be replaced by a Danish-financed local coordination unit within the local authorities and includes the necessary technical experts by 2023. A model that the Ukrainian reconstruction ministry has an ambition to spread throughout the whole country. In addition, a Danish embassy office in Mykolaiv - with a Danish-seconded diplomat - will strengthen the coordination between local, Danish, and other international partners.

The cooperation between authorities regarding the energy transition shifted its focus to more short-term technical assistance regarding the recovery and access to power and heating during the winter season as well as donations of relevant energy equipment. In 2023, the collaboration has also begun to focus on the long-term tracks again.

Under the Neighbourhood Programme, special initiatives within the anti-corruption sector have played an important role. The Danish-led EU anti-corruption programme has assisted in ensuring that the national anti-corruption institutions have been able to continue their efforts, and the programme has provided technical assistance to the preparation of the Ukrainian government's plans for a strengthened effort against corruption, including within the reconstruction process. Meanwhile, the programme has supported civil society organisations and investigative journalists, and the programme has been able to provide important technical analyses of the consequences of various initiatives and bills.

4. Strategic goals for the Danish partnerships with the Neighbourhood Countries

The **overall vision** for Denmark's partnership with Ukraine and the neighbourhood countries is to ensure their resilience and to address the urgent needs of the people, EU accession and an anchoring in the European shared values, as well as to strengthen the countries' stability and progress. This also strengthens their path to EU membership. The three goals of the original Strategic Framework from January 2022 have been maintained, however, the original third goal

of “*Supporting peace and stability*” has been adapted to the current context and has been rephrased to the goal of supporting conflict management, resilience, addressing urgent needs as well as supporting the reconstruction process.

Three strategic goals will thus define the priorities and direction for development cooperation with the region in the period 2023-26. The Danish initiatives will support:

- Conflict management, building resilience, and addressing the urgent and humanitarian needs of the people, as well as reconstruction.
- Reform and EU accession: Promoting the development of democratic institutions and processes.
- Sustainable and just growth, a green transition, and increased energy independence.

As described in Chapter 2, the six neighbourhood countries are in very different places when it comes to their will and their ability to carry out democratic reforms their anchoring in the European shared values; and their political association as well as economic integration with the EU. The Danish priorities and specific objectives in this strategy must be read currently in relation to Ukraine, Moldova, and Georgia, which have applied for membership to the EU. The Danish aid cooperation will, therefore, as stated in Chapters 5, 6 and 8, particularly target these three countries. However, as mentioned in the introduction, the EU's and Denmark's goal is that long-term democratisation will occur throughout the region and with that, political association and economic integration with all of the EU's six eastern neighbourhood countries. Since 2020, the opposition in Belarus has expressed a strong aspiration for democratic development in the country, and Armenia, with the "Velvet Revolution" in 2018, opened up a democratisation of the political system and increased dialogue and cooperation with the EU. Thus, the Strategic Framework's objectives apply to the entire region, and - especially through the regional part of the Neighbourhood Programme - Denmark will also seek partnerships with civil society organisations, and in the long term, with government authorities in Armenia, Azerbaijan, and Belarus to the extent that partners in these countries express a willingness to cooperate and form partnerships.

4.1 Supporting conflict management, building resilience, and addressing the urgent and humanitarian needs of the people and reconstruction

Strategic goal: Support the country's resilience by ensuring that the most vulnerable people's urgent and humanitarian needs are met as well as the states' options for addressing the basic needs of the people for health and education – as well as contributing to ensuring that Ukraine and Mykolaiv are reconstructed better and greener – and becomes more accessible and inclusive – while local communities in Ukraine and the neighbourhood countries are strengthened in handling conflict prevention and conflict resolution.



SDG 3 (Health and well-being), 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)

- *The most vulnerable people, including refugees and the internally displaced, are ensured basic humanitarian needs*

Based on the humanitarian principles, Denmark will contribute to the emergency and humanitarian efforts. Aid will continue to be provided on the basis of a needs-based approach, focusing on life-saving efforts and the protection of the most vulnerable groups. 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, who also have rich expertise in regard to mine clearance, which will be a central focus area for many years to come. Denmark will continue to work to promote nexus approaches focusing on coherent, sustainable and long-term efforts. Denmark's efforts in Ukraine will be in line with - and seek to promote - the holistic and integrated Humanitarian, Development and Peace Nexus Approach (HDP Nexus Approach). The purpose of this is to focus more on the location, prevention and resilience in the population and society to deal with shocks caused by the ongoing conflict. The HDP approach is not about merging activities, but rather about avoiding working in silos by strengthening coherence, complementarity, and cooperation between actors operating within the pillars (H, D, P). This includes coordination, programming, and the financing of humanitarian, development, and peace efforts based on joint contexts and conflict analyses.

- *The Ukrainian government continues 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. The support must include, among other things, contributions to the state's budget so that the Ukrainian government can 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.

- *Ukraine and Mykolaiv are rebuilt better and greener, 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. The goal of the Danish early reconstruction assistance to Ukraine in 2023-24 is to help create a basis for life for the Ukrainian citizens through the re-establishment of the necessary basic social infrastructure as well as the improvement of the energy and water supply, a sustainable water supply, and a clean environment. The goal is for the immediate re-establishment of the necessary basic infrastructure to be planned so that it supports the future sustainable reconstruction and long-term green energy transition, including energy efficiency and promoting the use of renewable energy. Additionally, the aim is also for the reconstruction process be organised 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 agriculture sector. Denmark will contribute to the establishment of mechanisms and procedures that are to ensure transparency in the reconstruction efforts and that promote broad popular participation, democratic control, and good local governance. With the view of ensuring that new infrastructure is established such that it ensures access for people with disabilities - where possible - it should ensure that representative organisations regarding people living with disabilities are involved in all relevant decision-making processes.

- *Local conflict management with a focus on broad participation by the local population, including women, the internally displaced, and veterans.*

Denmark will continue to contribute to tangible initiatives in order to strengthen both local civil society and local authorities, 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 promote long-term conflict management and stability.

Locally-anchored and lasting peace requires the meaningful inclusion of the local population, including especially women and young people, in the peace and security initiatives. In cooperation with multilateral partners, Denmark will contribute to supporting the countries in living up to the UN Security Council's resolution 2250 regarding young people, peace and security, in part through capacity building.

Denmark will continue to support the EU's civil and military CSDP missions⁷, for example through EUAM in Ukraine, EUMM in Georgia as well as the two new civilian missions in Armenia and Moldova - both politically, financially as well as via personnel contributions.

⁷ CSDP, Common Security and Defence Policy

4.2 Supporting reforms and EU accession: Promoting the development of democratic institutions and processes

Strategic goal: Supporting reforms and the strengthening of the countries' democratic institutions and processes so that they can meet the EU criteria for joining- including upholding human rights, an effective three-part state division of power, and a strong independent control body, where a politically engaged population, an organised and independent civil society as well as an independent media can hold the 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'.

- *Reforms and the strengthening of democratic institutions*

Denmark will support the countries' reforms towards a strengthening of the democratic institutions with a focus on democratic control and an independent judiciary. These are reforms that the countries are also elaborately planning on living up to in order to meet the conditions of EU membership (EU acquis) and EU accession. The effort is the basis for creating economic growth and is crucial in order for the countries to become members of the EU - or to enter into association agreements. A special Danish focus will continue to be decentralisation, where both political and financial responsibility are delegated to the municipalities and local authorities. This creates both 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. Central to democratic reforms are the protection of human rights, including the freedom of religion and speech.

Denmark will – where there is a need and a desire for it – seek to make the knowledge and competences available.

- *Fighting corruption and strengthening democratic accountability institutions*

A special Danish focus area in relation to the reform agenda will continue to be on combatting and preventing corruption. Corruption undermines both economic development and the necessary democratic reforms. This is also crucial to the countries' aspirations for EU membership. Combatting corruption will be both a specific focus area and a cross-cutting theme in the partnerships.

As much as possible, Denmark will contribute to strengthening the democratic accountability institutions, such as anti-corruption institutions, parliamentary committees, and ombudsman/human rights institutions. Denmark will emphasise the importance of effective and independent courts and support international efforts to promote reforms in the countries' legal sectors. When a country in the neighbourhood region tries to build democratic institutions - including municipalities and decentralised administrations - Denmark will seek to contribute with experience and active partnerships and an exchange of experience - bilaterally or through Danish contributions to multilateral organisations and programmes.

As part of Ukraine's reform efforts, Denmark has built a strong international profile, especially in the area of anti-corruption. The reform work and the fight against corruption requires a long, tough haul, which Denmark, together with the leadership of the EU's anti-corruption programme, is well-placed to assist with in the future. The Danish bilateral efforts in the anti-corruption area are supported by Danish support for international anti-corruption organisations and programmes.

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

Denmark will, through the Neighbourhood Programme, including the New Democracy Fund, and reconstruction assistance as well as through strategic partnership agreements and project grants to Danish and international NGOs, contribute to consolidating and developing a diverse, democratic, and membership-based civil society. There will be a special focus on organising and involving young people. Civil society is a cornerstone of a democratic society and can - under the right conditions - contribute to creating change, innovation, development of communities, and to shaping the leaders of tomorrow. A strong and well-functioning civil society can hold the authorities accountable and, by virtue of their local anchoring, reach far into society. Many civil society organisations possess a deep knowledge within their field and can create access to important networks and contacts. A strong and well-functioning civil society is crucial to 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 World Goals. An active civil society and the mobilisation of democratic youth organisations can help to stabilise the region and make it resilient to anti-democratic influences. In addition, efforts to strengthen civil society will take place through partnerships with multilateral organisations and in close cooperation with other leading donors, including the Nordic countries.

In Ukraine, civil society actors have played an important role in the emergency humanitarian efforts - just as they are also involved in the early reconstruction efforts and the psychosocial support for the internally displaced as well as victims of war crimes and human rights violations. 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 the accountability in the use of reconstruction funds.

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

Freedom of expression and ensuring an independent and pluralistic media is a key element in the development of democracy - and is a necessary condition for the 'checks and balances' to be established, as well as the dialogue between the public authorities, citizens, and civil society. Through the Neighbourhood Programme, Denmark will support the development of independent

media and investigative journalism in the neighbourhood countries and seek to promote partnerships with the media in Denmark and in the region.

Denmark will work to ensure that new technologies support democratic institutions and contribute to an open public debate and the free expression of opinion - as well as for citizens to have the opportunities and tools for a healthy digital life, so that social media creates understanding rather than division. In the neighbourhood countries, a particular focus is on influence campaigns and disinformation which undermines the development of a free and independent flow of information. In this connection, Denmark wants to continue to contribute to building new alliances - also with the tech industry - in the fight against disinformation while maintaining the open, global, and free internet. Along with the Neighbourhood Programme, 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 will be coordinated with Danish support for strengthening civil society and partnerships with international multilateral organisations and international NGOs within the field.

- *Promoting equality and an inclusive society with respect for diversity*

Denmark will contribute to the work for rights and equality, with a special focus on women's rights, gender equality, and young women. Denmark will continue to focus on gender and women's issues as well as on ensuring marginalised groups, including people living with disabilities, are included in Danish-supported efforts, where relevant. Denmark will seek to strengthen women's organisations and organisations working for gender equality and inclusion, including organisations representing marginalised population groups and organisations promoting people living with disabilities. In addition, Denmark will also contribute to strengthening relevant public authorities working for policy development and legislation in this area. This is an effort that is closely related to the reform work necessary to live up to the conditions of EU membership.

4.3 Supporting sustainable and just growth, the green transition and increased energy independence

Strategic goal: Supporting sustainable and just growth through a green transition and a well-functioning labour market.



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' and SDG 17 'Partnership for Sustainable Development'.

- *Sustainable and just economic growth, EU-integration, market liberalisation and social dialogue*

Denmark will contribute to economic growth by supporting the necessary reforms that can create the framework conditions for sustainable and just growth, driven by the private sector. Structural reforms are important in order to live up to EU membership conditions and, among other things, ensure the rule of law and combatting corruption. The economic integration of the neighbourhood countries with the EU must help to 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 Corporate Social Responsibility (CSR), societal and social responsibility, 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 in order to create a framework for social dialogue and a well-functioning labour market based on democratically organised labour market organisations.

Ukraine is in a very special situation. Macro-financial assistance contributes to the continuation of the public sector, however, private investment and increased domestic demand are needed to create growth. Reconstruction assistance must be organised to create Ukrainian jobs and support the local business community. 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 projects⁸.

- *The green transition and energy independence: Promoting energy efficiency, and renewable energy*

The conversion to green energy does not have to happen at the expense of economic growth. Fossil fuels and ineffective energy systems contribute to high energy costs and the dependence on Russian gas and oil, and also contribute to the climate crisis. Therefore, there is a great demand for both energy efficiency and renewable energy - areas where Denmark has recognised expertise - with regard to know-how and technical solutions, legislation, and frameworks, as well as national planning tools and profiling.

Denmark will support the national authorities responsible for energy transition and planning, and, where possible, promote twinning between Danish energy authorities and experts in Denmark and the neighbourhood countries. For example, the collaboration will include energy efficiency and integration into European electricity markets and, wherever possible, will include specific demonstrations and pilot projects. In Ukraine, Denmark will also support specific energy projects as part of the reconstruction assistance through Danida Sustainable Infrastructure Finance.

- *Climate and green transition*

Denmark will support the wider climate agenda and the green transition. Here, too, Denmark has recognised expertise - both with regard to know-how and technical solutions, legislation and frameworks and national planning tools. The work includes, for example, safeguarding the

⁸ The final example can be financed through the Danish business support through the Ministry of Industry, Business and Financial Affairs.

environment, drinking water, wastewater treatment, and sustainable agricultural and food production. This can be done by accelerating sustainable development through knowledge transfer and by building capacity in Ukraine on framework conditions within the environment and water sectors. The collaboration may include support for public authorities through twinning and government cooperation, as well as specific investment projects through, among other things, Danida Sustainable Infrastructure Finance, NEFCO, and the Investment Fund for developing countries. Finally, through the neighbourhood programme, Denmark will support cooperation with civil society organisations focusing on the green transition, which can support long-term local ownership and climate ambitions in the countries and promote future partnerships.

5. Danish development policy programmes and instruments

Denmark will contribute to achieving the three strategic goals for the Danish development cooperation with Ukraine and the neighbourhood countries through a number of different instruments and programmes, most important of which are shown in Table 1 in the section below. The individual initiatives will be presented, after which the question of coordination between them will be reviewed. Some of the initiatives are described. Chapter 8 contains a separate and detailed description of the neighbourhood programme.

Table 1: Danish assistance to Ukraine and the Eastern Neighbourhood Countries 2023-26, presented by the development policy instruments and programmes, stating budget numbers in the government's financial bill for 2024.

		Strategic goal		
		Goal 1: Conflict, urgent needs, reconstruction	Goal 2: Reform, EU and promoting democratic institutions	Goal 3: Growth, green transition and energy
1	Instruments and programmes that are used specifically in Ukraine and the neighbourhood countries			
	Neighbourhood Programme Ukraine, Moldova, and Georgia		X	X
	Reconstruction aid, Ukraine	X	X	X
	Humanitarian aid, Ukraine	X		
	Microfinancial support, Ukraine	X	X	
	DSIF and IFU, Ukraine	X		X
	Peace and Stabilisation Fund	X	X	
2	Crosscutting instruments ⁹			
	Cooperation between authorities	X	X	X
	Partnership with Danish civil society organisations	X	X	
	Multilateral support	X	X	X

⁹ These instruments are financed by the general development work. The portion that goes to the Neighbourhood Programme varies and is determined by the organisations' ongoing priorities /needs assessment.

3	Non-state initiatives ¹⁰			
	Private foundations and businesses	X		X
	Civil society, fundraising and donations	X	X	
	Cooperation with twinning municipalities	X	X	

5.1 Neighbourhood Programme

The Neighbourhood Programme Focuses on strategic goals 2 and 3 to support: "Reform and EU accession: promoting the development of democratic institutions and processes," and "Sustainable growth, the green transition, and social dialogue". The programme includes partnerships with Ukraine, Moldova and Georgia and a regional initiative that includes support for, among other things, civil society organisations in Belarus, Armenia and Azerbaijan. The Neighbourhood Programme 2023-26 is described in more detail in chapter 8. The programme was established in 2005 and includes a wide range of partnerships with both authorities and civil society. There is considerable synergy and close coordination with initiatives under the reconstruction assistance, the Peace and Stabilisation Fund, and the cooperation between public authorities, as well as with the Danish multilateral assistance and assistance through Danish civil society organisations.

The annual budget numbers for the neighbourhood programme are shown below. In total, a budget of DKK 1,303 million is expected for the period 2023-2026.

BUDGET ¹¹	2023	Expected annually 2024-26
	DKK 235 million	DKK 356 million

5.2 Humanitarian Assistance, Ukraine

Since Russia's attack on Ukraine, Denmark has been a significant humanitarian donor to Ukraine¹². The humanitarian assistance is provided based on the humanitarian principles and on a needs-based approach, with a focus on life-saving efforts and the protection of the most vulnerable groups, including in frontline regions, where the needs are most severe. Humanitarian initiatives range from basic relief - such as cash-based support, winter assistance, and securing access to basic necessities and services - to the protection of displaced people, children and vulnerable families, mental health and psychosocial support. Finally, support is also given to humanitarian mine clearance. The humanitarian initiatives are delivered through 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 also complement Danish efforts by providing relief close to the frontline, where the security challenges are most severe and where alternative means of assistance are limited as it is difficult to operate in these areas.

¹⁰ A budget statement for future possible contributions and donations – or the activities of the friendship municipalities does not exist. With regard to municipal twinning, with a focus on strengthening Ukraine's municipalities, this is also financed through the Reconstruction assistance.

¹¹ Based on the Finance Act for 2023 and the government's budget proposal for 2024

¹² For an overview of the overall humanitarian to Ukraine, cf. [Ukraine 2023 | Financial Tracking Service \(unocha.org\)](https://unocha.org)

Budget numbers for humanitarian funds allocated under the Ukraine Fund are only guidelines. The actual amounts may be higher. The humanitarian assistance is provided as needed.

BUDGET ¹³	2023	2024
	DKK 145 million	DKK 250 million

5.3 Reconstruction assistance, Ukraine

This assistance supports reconstruction in Ukraine under the guidelines of the country's national reconstruction plan. The focus in 2023 and 2024 is on the re-establishment of basic infrastructure and the repairing of housing, schools etc. Efforts are sought to be organised in such a way as to create the tracks for the future green transition and sustainable reconstruction. A strategy note for early reconstruction assistance 2023-24 was prepared in May 2023. Reconstruction assistance is implemented predominantly by international organisations and major Danish civil society organisations with already established partnerships and a presence in Ukraine and Mykolaiv. There is focus on ensuring that reconstruction must be organised so that it contributes to Ukrainian economic growth, local inclusive employment and the revitalisation of businesses. Special efforts include support for Ukrainian civil society organisations in order to ensure that reconstruction in Ukraine is guided by the needs analyses of local partners and is locally rooted in municipalities and civil society in Ukraine. Thus, efforts must promote diverse participation, efficiency, transparency, and accountability. Another effort focuses on promoting twinning and capacity building between Danish and Ukrainian municipalities, including Mykolaiv. There will, especially in cooperation with civil society and municipalities, be emphasis on psychosocial initiatives. There is considerable synergy and close coordination with the efforts within the Neighbourhood Programme, the Peace and Stabilisation Fund, DSIF/IFU as well as in cooperation with public authorities and parts of the multilateral assistance.

BUDGET ¹⁴	2023	Expected annually 2024-26
	DKK 600	631

5.4 Macro-financial support, 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. The European Commission has proposed that a new so-called EU Ukraine Facility be established for 2024-27 in order to provide both loans and grants. The macro-financial assistance through the EU is based on requirements for reforms. Thus, there is synergy with this initiative and the reform efforts in the Neighbourhood Programme - just as the macro-financial support strengthens the commitment and participation of the Ukrainian authorities in all other partnerships and engagements.

¹³ Budget numbers from the Ukrainein Fund 2024 based on the Finance Act for 2023 and the government's budget proposal for 2024.

¹⁴ Budget numbers from FA23 and BPL24. Notice that, with the mention of 'Reconstruction assistance' for 2023, the amount of DKK 770 billion has been used, as the assistance through DSIF and IFU (Ch. 5.5) have been included.

It is not yet clear what the cost of the Danish contribution to the upcoming macro-financial support will be. As per 2022, Denmark's expected expenditure to the macro-financial EU support amounts to, DKK 113 million per year in the years 2023-2026.

5.5 Danida Sustainable Infrastructure Finance and Investment Fund for Developing Countries

Danida Sustainable Infrastructure Finance (DSIF) focuses on contributing to the establishment of sustainable and climate-relevant infrastructure through lenient loans. In the period of 2023-24, DSIF will contribute to the early reconstruction, though in such a way that the initiatives regarding water and energy supplies are planned so that they can lay the groundwork, and not undermine more long-term sustainable solutions. This will be done with the Nordic Environment Finance Corporation (NEFCO). Projects are put to tender on market-based terms.

In 2023, the Investment Fund for developing countries (IFU) established a Ukraine investment facility with contributions of DKK 110 million from the development cooperation and approximately DKK 40 million in the form of unused funds from previous facilities that will contribute to local investments, job creation, increased export and growth for the private sector in the country. The investment facility is expected to invest directly in companies in Ukraine in key sectors such as energy, agriculture, IT and food. The investments are based on IFU's extensive experience in Ukraine with an active portfolio of about 14 investments, with an estimated DKK 380 million invested directly from IFU as well as additional private capital. IFU expects the facility to be fully invested by the end of 2024.

There is synergy between the reconstruction efforts and the Danish business-oriented measures in connection with the reconstruction of Ukraine.

BUDGET	2023	Expected annually 2024-26
	DKK 60 million (DSIF) DKK 100 million (IFU)	DKK 100 million (DSIF)

5.6 Peace and Stabilisation Fund, Ukraine and the additional neighbourhood countries

The focus is on promoting 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. In addition, initiatives in other Eastern neighbourhood countries are supported in order to promote peace and stabilisation. 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.

BUDGET	2023	Expected annually 2024-26
	DKK 50 million	DKK 50 million

5.7 Cooperation with public authorities

Cooperation with public authorities must contribute to ensuring that the authorities in the partner countries can develop, implement, and enforce productive framework conditions for the green transition and selected development priorities in sectors where Danish authorities have comparative strengths. In 2023, 11 Danish authorities, globally, established sector cooperation with relevant authorities in 18 countries. In total, 62 sector advisers have been seconded globally.

In 2023, under the programme, an energy adviser was deployed to Kyiv and in 2024 two more sector advisers are expected to be deployed to Ukraine within the environment, water and agriculture sectors. An important focus in all three of these sectors is to support the Ukrainian government in the upcoming reconstruction phase and ensuring that the regulatory framework promotes the green transition which will be of high importance in terms of adapting to EU legislation. With regard to the environment and water sectors, Denmark is already a close partner to Ukraine, and especially for the city of Mykolaiv, in terms of emergency assistance that ensures basic water supply and wastewater management. In connection with this, the cooperation with public authorities must support Ukraine's green transition with regard to water, by promoting regulation and implementation measures that create an effective framework for the green transition and investment in the water sector. Cooperation with public authorities with regard to food is expected to target reconstruction as well as the green transition that is significant for EU membership. In the dialogue with the Ukrainian authorities, a number of possible issues for cooperation with public authorities have been brought into play, including food security, animal welfare, the development of livestock production, including animal health and antimicrobial resistance (AMR).

There is synergy with the reconstruction assistance, the Neighbourhood Programme, as well as with the efforts through the DSIF and IFU.

5.8 Partnerships with Danish civil society organisations

Denmark supports the efforts of Danish civil society organisations in Ukraine and the EU's Eastern neighbourhood countries through a number of schemes. For example, strategic partnership agreements have been concluded 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 funding organisations: CISU (Civil Society in Development), the Danish Youth Joint Council (DUF), Danish Disability Organisations (DH), and the Centre for Church Development Cooperation (CKU). The funds support partnerships between small and medium-sized Danish civil society organisations and civil society organisations in developing countries. Several efforts in Ukraine and the EU's Eastern neighbourhood countries are supported through these funding schemes. This is expected to continue in 2023-26. The funds, especially following the invasion, are supplemented by the Ministry of Foreign Affairs' specific funds for Ukraine and the neighbourhood countries.

There is significant synergy and coordination with the efforts under the Neighbourhood Programme, humanitarian aid, and the reconstruction efforts.

5.9 Multilateral support

Denmark is amongst the largest overall contributors to UN organisations¹⁵ and provides core contributions to organisations such as UNDP, UNHCR, IOM and UNICEF, who all, in 2022 and 2023, have provided very significant assistance to Ukraine and the other neighbourhood countries. Therefore, in all of the six countries, there are so-called "UN Country Teams" that, under the leadership of a Resident Coordinator, coordinate the UN's overall activities. Denmark also contributes to the EU's assistance as well as the World Bank and the other development banks' activities. Appropriations are provided with the aim of supporting the overall strategic objectives and efforts of the organisations. Within this framework, the organisations themselves will be able to make geographical priorities - and a very large number of the organisations are working in Ukraine and the neighbourhood countries.

There is synergy with all parts of the Danish efforts and the multilateral assistance is complemented by bilateral efforts through several of the multilateral organisations, including both the Neighbourhood Programme, humanitarian aid, and the reconstruction assistance, as well as efforts under the Peace and Stabilisation Fund.

5.10 Non-state efforts

In addition to efforts and partnerships financed by the Danish state as described above, considerable assistance is also provided through Danish non-state efforts. This includes:

- Support from civil society organisations in Denmark

The Danish civil society organisations also provide – in addition to funds received as part of the Danish development cooperation – 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.

- Private companies and foundations

Private companies and philanthropic foundations have provided significant donations and support. Both *in-kind* donations as well as small and very large donations to both Danish and international humanitarian organisations. They have also provided donations and cooperation directly to local authorities. A dialogue has been initiated with companies and foundations regarding their potential future engagements, and how 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, there will be an aim 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 initiatives.

- Friendship municipalities

¹⁵ The UN's development system includes over approx. 45 organisations that, under a mandate from the UN's General Assembly and the Economic and Social Council (ECOSOC) works with development work. Denmark overall, the 8th to the biggest country donor to UNDS (2021 data), and currently part of the long-term core-financing of 15 of the UNDS' unit.

A number of Danish municipalities have entered into friendship agreements with Ukrainian cities, which includes reciprocal visits, and relief efforts based on voluntary donations, and collections in the municipalities. This work is complemented by twinning cooperation and the Danish municipalities' contributions to capacity building funded through the reconstruction assistance.

There is considerable synergy between the non-state initiatives to all parts of the state efforts. Therefore, as will be stated in Chapter 6 below, efforts are made to involve the non-state actors in coordinating the overall Danish efforts in Ukraine and the neighbourhood countries.

6. Coordination and synergy

6.1 Overall coordination: National ownership and international coordination

It is crucial that partnerships and initiatives take place on the basis of the priorities and the development plans of the local authorities and the national development plans. Denmark will strengthen and further develop the dialogue and consultations with national actors to ensure national ownership. In regard to both Georgia and Moldova, annual political consultations are carried out where the framework for the overall partnership with Denmark is discussed. In regard to Ukraine, the very close political dialogue is continued between the Danish and the Ukrainian governments, which includes meetings and visits - also from a number of departmental ministers.

The broad political dialogue is supplemented by technical dialogue regarding the Danish efforts in the field of development - where priorities and focus areas are adapted to the national development plans and needs.

The sector-specific coordination of assistance takes place in the countries in sector-specific donor groups, which are usually led by the relevant national departmental minister. Denmark works to strengthen this nationally-led coordination effort. At the same time, it is essential to ensure that civil society efforts are integrated into the handling of the countries' challenges and priorities, and they are also included in consultative processes.

6.1.1 Coordination of the efforts in Ukraine

Ukraine faces a particular challenge in terms of coordinating and establishing national plans for the extensive assistance that comes into the country in the form of both macro-financing, reform and reconstruction assistance as well as humanitarian efforts - as well as the future assistance that the country can expect to receive in relation to possible EU accession.

Ukraine is working on drawing up an overall plan that defines the goals and focus areas for both economic growth and capacity building and reforms, including reforms relating to EU membership. It is intended that the plan should be indicative for the EU, the EU member states, and international donors.

The donor coordination at the national level includes, in part, the Ukrainian cabinet, line ministries and the new Ministry for Restoration, under which a new agency for reconstruction, the "State Agency for Restoration", has been established. Regular meetings are held with a circle of international donors. The Danish embassy participates in relevant sector-specific donor coordination groups. In the energy sector, which has been a particular focus since Russia started its systematic attacks on the Ukrainian energy infrastructure, there has been international coordination led by the Ukrainian energy minister and the EU energy commissioner. 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 participated.

At an annual international Ukraine conference – established with a focus on reform, but in 2022 and 2023 carried out with a focus on reconstruction – the overall strategic priorities are presented and discussed. Denmark hosted it in 2018 and has participated actively since.

In order to coordinate efforts from a donor perspective, the G7 countries and the EU have launched the 'Multi-Agency Donor Coordination Platform for Ukraine' with the participation of international financial institutions. The platform is supported by a secretariat with the participation of G7 countries and the EU Commission and initially focused on the overall financial assistance needs.

Denmark has seconded two employees to the Ukraine Service, under the Commission's Directorate for the EU's Eastern and Southern Neighbourhood, DG NEAR. The Ukraine Service is tasked with coordinating the EU's assistance to Ukraine. To that end, the Commission has put forward proposals for a Ukraine facility that includes both loans and grants to Ukraine for the period 2024-27, worth a total of EUR 50 billion. According to the proposal, the facility will support essential public services, reforms, private sector promotion and Ukraine's advancement towards EU membership. The funds of the Ukraine facility are expected to be used in accordance with the above-mentioned Ukrainian plan.

The Danish effort is organised 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 ensures national ownership and coordination with central and local authorities in Ukraine. Through the participation of the Ukrainian Ministry of Restoration, it is also ensured that the specific Danish projects align with national, Ukrainian priorities as well as 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 planned based on the national priorities and needs, special Danish technical expertise, and following coordination with both national and international coordination mechanisms and in close dialogue with prominent national and international actors in the area in question. In preparation for possible Danish efforts, consultations will therefore take place with other actors in the field along an assessment of whether a Danish contribution/project provides added value compared to the efforts of other actors. Danish efforts will also be combined with the business leg under the Ukraine Fund, so that there is as much synergy as possible between the civilian and business efforts.

On the ground, coordination is ensured through the selection of implementing partners. An operational coordination is ensured by carrying out projects through multilateral and international partners, as well as Danish organisations, that already have a presence and ongoing activities in Ukraine and are carrying out similar efforts with other international and national partners. In this context, it is also essential to ensure that local civil society is included and consulted in the decision-making processes.

Danish assistance includes significant aid to civil society where a number of networks have been established with a view to promote civil society's dialogue and advisory role vis-à-vis the government and the authorities. Denmark will seek to support these, just as Denmark continues to support the regional CSO hubs. Denmark has an ongoing dialogue with key players in civil society - as well as an operative coordination regarding the individual efforts.

6.2 Coordination of Danish efforts

With the many Danish actors and programmes that are initiated 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, the Minister for Industry, Business and Financial Affairs, the Minister for Development Cooperation and Global Climate Policy meet 2-3 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, private companies, and representatives from business organisations and foundations who want to support Ukraine together with the Danish embassy in Kyiv and Ministry of Foreign Affairs. There is information sharing, exchanges of experience and practical network cooperation.

- *Country-specific meetings for individual neighbourhood countries*

As necessary, the Danish Ministry of Foreign Affairs and the embassies convene the circle of Danish civilian actors who work in a single country, e.g. Belarus and Georgia to exchange knowledge and experience, with the aim of strengthening efforts and carrying out necessary coordination.

- *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 embassies in Tbilisi and Kyiv, including the embassy office in Mykolaiv*

The embassies in Kyiv and Tbilisi are central points of contact between Denmark and Danish authorities and national partners, just as the embassies assist Danish civil society organisations, companies, and foundations to the extent possible. Through this, the de facto and operational coordination is ensured in relation to frameworks and overall established lines in the other forums. The establishment of the Danish embassy office in Mykolaiv will also strengthen the possibilities for the operative coordination of the extensive Danish efforts here.

- *Partner forum for the international and Danish core partners who oversee the implementation of the Danish aid*

In addition to the above, a partner forum for international and Danish core partners will be established in Ukraine, Georgia, and Moldova, respectively, which oversees the implementation of the Neighbourhood Programme, and, in Ukraine, also the reconstruction aid. 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 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. At the Ukraine Investment Forum, participants include IFU, DSIF and EIFO.

7. Monitoring of the Strategic Framework

In close cooperation with the relevant Danish missions and specialist offices, the Ministry of Foreign Affairs' Office for the European Neighbourhood will follow developments in the region, risks and progress achieved in relation to the goals and indicators set out in the Strategic Framework (see appendix 2). The monitoring of the Strategic Framework will include dialogue and ongoing contact with partners in neighbouring countries as well as Danish actors with Danish-supported activities and partnerships in the region. Based on the description of risks and possible scenarios (section 2.8), the implementation and the choice of modalities will emphasise ongoing adaptation based on developments in context/interests, 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 exchange of experience with multilateral partners, the EU and other EU member states with activities in the six neighbourhood countries.

As part of monitoring and learning, the Neighbourhood Programme will establish a small component for investigation/research through an external research unit. The focus will basically be on reform processes and anti-corruption in societies dominated by oligarch-based systems. Investigation/research must complement the planned technical programmatic monitoring and learning, and thereby contribute to the necessary adjustment of the Neighbourhood Programme's strategy and approach.

Monitoring at the programme level will take place in accordance with the Danish Ministry of Foreign Affairs' Aid Management Guidelines, where the responsible unit in the Ministry of Foreign Affairs, in close consultation with the Danish missions, will be responsible for programme follow-up. An adaptive and learning approach requires close and ongoing monitoring. In the programme formulation, emphasis will be on establishing the necessary mechanisms to follow programme development for each programme and to learn from it in relation to both context and risks as well as results and effects. 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. There will also be an opportunity to have a new independent evaluation of Denmark's support for the Eastern neighbourhood countries carried out within the coming years. Project visits and on-the-spot supervision can be difficult in Ukraine due to the hostilities

during periods of difficult accessibility. This may be compensated through the use of more frequent online meetings and close dialogue – just as workshops and experience-gathering events can be planned away from the frontline areas or in neighbouring countries.

8. Neighbourhood Programme 2022-2026

While the previous chapters dealt with the overall Danish development cooperation with Ukraine and the other neighbourhood countries, this chapter describes the specific goals and priorities for one of the development policy instruments being used in the region, namely the Neighbourhood Programme. The programme has an expected budget for the four years 2023-2026 of DKK 1,303 million.

8.1 Overall strategy and priorities, geographical focus and modalities

The programme funds in the Neighbourhood Programme are primarily aimed at two of the strategic goals: i) Support reform and EU accession: Promote the development of democratic institutions and processes, and ii) Support sustainable and just growth, a green transition and increased energy independence.

The developments since February 2022 have - as described above - had a severe impact on the neighbourhood countries and has resulted in great human suffering. In relation to the overall objectives of Denmark's partnership with the countries, on the one hand it has contributed to a strengthened desire for further advancement towards and membership of the EU, expressed as a will for rapidly implemented reforms, and on the other hand, it has also revealed a severe territorial and geopolitical threat in the form of invasion, interference, and influence campaigns that both threaten the cohesion as well as the economic and social development.

In light of this, the revision of the Neighbourhood Programme will place particular emphasis on the following:

- Focus on supporting the countries' desire for reforms, as well as the aspiration to live up to the EU's membership conditions (EU *acquis*). This means the continuation and strengthening of existing partnerships with the authorities in areas where Denmark has special expertise, and opportunities for new twinning and cooperation with public authorities will be investigated.
- The partnership and efforts with Georgia will be strengthened (budget increased from 30 million in 2022 to an expected DKK 60 million annually as of 2024) and a new bilateral partnership will be established with Moldova (expected budget DKK 50 million annually). Through, among other things, regional funds and the New Democracy Fund, actors in the other countries will be supported, for example in Armenia, which since 2021 has looked more towards Europe, and the Belarusian civil society organisations that are fighting for democratic reforms.
- National ownership and the dialogue with national actors will seek to be strengthened. The increased political cooperation and the close dialogue must be carried over into the development track. In connection with the reconstruction aid in Ukraine, a steering committee has been established with political participation from both Denmark and Ukraine, which has strengthened ownership and dialogue. Denmark will further develop and continue such an approach. The specific efforts are always organised based on the priorities of the national and local authorities – and in close dialogue with them.

- Efforts against corruption will be continued and strengthened. The corruption that characterises several of the countries undermines both economic development and the strengthening of democracy, and also challenges EU membership. There is a growing broad popular demand in the countries to get rid of corruption. Danish support for the fight against corruption is also seen as important to ensure continued broad support in Denmark for the significant financial support for Ukraine and the neighbourhood countries. Combatting corruption will be both a specific focus area and a cross-cutting theme in the partnerships.

- As part of the support for independent pluralistic media, there will be a focus on digital resilience. Resilience to disinformation and advocacy campaigns will also be addressed across efforts.

- Strengthened coordination. The considerable aid to Ukraine and neighbourhood countries means that there is a need for solid coordination, both nationally, locally, and internationally. In the partner countries, Denmark will contribute to strengthening the national capacity to coordinate efforts, just as Denmark, in the EU and international forums, will continue to work for solid international coordination under national leadership from the recipient country.

- Flexibility. Developments in the countries – including Russia's warfare – are continuously creating new challenges. It is therefore crucial that the effort is planned such that it can be adapted to new needs and opportunities as well as the experience gained on an ongoing basis - in close cooperation with the national authorities and partners. This also includes the adjustment between countries in relation to opportunities and needs.

- Risk management. The effort – especially in Ukraine – will take place with a significant risk, due to the ongoing hostilities and instability, lack of personnel, and the national capacity. It is a risk that Denmark must be prepared to take, but it requires solid follow-up, flexibility and an ongoing assessment of progress. Implementation through strong, international and Danish partners will - together with ongoing monitoring and dialogue with the partners - contribute to reducing the risks.

The following priorities will be maintained and continued:

- A balanced support for public authorities and civil society. It is important to promote democratic organisation and the opportunity for all citizens to take an active part in the development of the society. There will be special efforts to promote active citizenship for young people, women, and vulnerable people – including people living with disabilities and veterans. Danish civil society organisations will be important partners, as they can transfer their own experiences from civil society in Denmark and Europe and contribute to establishing strong international networks and promoting European exchange and solidarity. They will also be able to contribute to strengthening civil society's room for manoeuvre, which is under increasing pressure in many countries.

- Rights-based approach. All efforts must be carried out based on a rights-based approach with a focus on public participation, the strengthening of the actors involved, the promotion of equality - including the rights of sexual minorities, accountability, transparency, as well as non-discrimination.

- Mobilisation and organisation of young people in democratically managed and member-based associations with a view to supporting an active and sustainable civil society and democracy from below.
- Focus on an equal and green transition as part of a sustainable economic reconstruction and as a contribution to the climate agenda, innovation, and broad popular mobilisation.
- Strengthening of democratically founded and active trade unions and labour market organisations. In several countries, the trade unions play a key role in the development of society. Strong professional organisations on both the employee's and employer's side, respectively, create the basis for democratic societies and conflict resolution based on dialogue.

It is an independent goal to involve Danish actors – from both public authorities, civil society, the media, and the private sector – in the cooperation, with the aim of contributing to building Danish partnerships with the neighbourhood countries that go beyond the concrete engagements and projects. Through such an approach, Denmark strengthens its expertise and people-to-people relations, which ensures that Denmark can continue to expand cooperation and a presence in the six countries.

The Neighbourhood Programme will thus maintain an overall dual, long-term objective:

- to promote the countries' anchoring in the European community of shared values as well as to strengthen their stability, progress, and resilience and to contribute to the SDGs, and
- to promote opportunities for future cooperation between Denmark and the neighbourhood countries, which go beyond the individual project activities.

Geographically, the Neighbourhood Programme will consist of four pillars:

- Three partnership countries, Ukraine, Georgia, and Moldova, with targeted programmes.
- A regional effort that includes initiatives aimed at supporting democratic development and human rights in potentially all six neighbourhood countries.

Implementation modality

The organisation of the Neighbourhood Programme will take place with a view to ensuring that the programme can be continuously adapted to new challenges and new experience - while also ensuring sound administration. The programme will thus be established as a limited number of initiatives with a built-in flexibility. The majority of these will be implemented through strong multilateral partners or Danish civil society partners with experience from the region – largely based on existing partnerships and engagements. As a starting point, projects are sought to be organised as multi-country efforts, and where appropriate with a regional superstructure that ensures an exchange of experience across the countries. This applies, for example, to the cooperation with organisations such as the UNDP and UN Women, though such that the basis of the cooperation is always national efforts that are planned with – and implemented under the leadership of – national partners.

8.2 Ukraine effort

As described in the above chapter 5, Denmark provides extensive assistance to Ukraine, among other things, focused on reconstruction, humanitarian efforts, peace and stabilisation support, and cooperation between public authorities. Under the Neighbourhood Programme, this assistance is complemented with a focus on the strategic goals 2) Reform and EU accession: Promoting the development of democratic institutions and processes, and 3) Sustainable and just growth, a green transition, and increased energy independence.

It is predominantly a matter of continuing the focus areas that were included in the original Strategic Framework from January 2022.

8.2.1 Support reform and EU accession: Promoting the development of democratic institutions and processes

- *Support reform and EU accession. National capacity building*

The Neighbourhood Programme will – in close coordination with the EU and other actors – enter into a dialogue with the Ukrainians about a possible Danish contribution, where Denmark has special competences in relation to the capacity building of national institutions with a view to implementing the necessary reforms. Denmark and Ukraine have an existing twinning cooperation in the energy field. It is planned to be expanded with cooperation on water/climate and agriculture - just as it will also be looked into as to whether there is a potential for twinning cooperation regarding the decentralisation reforms and the legislative framework conditions for it.

- *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. In the situation where both the population's support for the war and the military, economic, and political support of foreign countries are decisive, it is important for the Ukrainian government 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 based on international experts and experience. EUACI also supports key civil society organisations and investigative journalists/media working in the fight against corruption. EUACI also works to promote transparency in reconstruction aid in cooperation 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.

Parliament naturally plays an important role as a democratic control institution in relation to public authorities and government. In Ukraine, the party system remains weakly developed and has traditionally been dominated by strong party leaders/owners - and over the years it has often been publicly discussed how members of parliament are under the influence of oligarchs.

It is obvious that the parliament's role as a control function is undermined in this way. Denmark will, among other things, - through the ongoing EUACI partnership - seek to contribute to capacity building and access to expertise for parliamentary committees and groups that show a particular commitment to advancing the reform agenda. In addition, Denmark will seek to contribute to the development of democratically founded and member-based party organisations. This will be done through cooperation with the political youth organisations under the auspices of the Danish Youth Council and through cooperation with the European Endowment for Democracy as well as support for popular movements and civil society groups that want to develop parliamentary work.

- *Promoting decentralisation and local democracy*

Ukraine's decentralisation reform, including the delegation of the responsibilities, and resources to Ukrainian municipalities and cities, has been highlighted as one of the most successful reforms implemented after 2014. It has helped to promote local priorities and solutions, and to support local democracy and the participation of the citizens.

Denmark has supported the reform through the contribution to the EU's major decentralisation programme ULEAD as well as a pilot effort regarding an exchange of experience and twinning between Guldborgsund municipality in Denmark and a number of Western Ukrainian municipalities. This effort is complemented by the initiative in the Ukrainian so-called Integrity Cities, under the Danish-led EU anti-corruption programme, EUACI.

Initiatives will be sought to be continued and strengthened. In cooperation with the National Association of Municipalities (KL), an opportunity arose in connection with the reconstruction assistance for Danish municipalities to increase their cooperation with and provide support for the capacity building of Ukrainian municipalities. This twinning cooperation will be based on local needs and provide technical assistance in selected areas.

- *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 - where they, among other things, are helping to give specific vulnerable groups, including people living with disabilities, veterans, etc., a voice.

Under the Neighbourhood Programme, support will 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 support democratic and member-based Ukrainian civil society organisations, where voluntary work and membership quotas contribute to 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 - this is where a new organisational culture will be created. The effort will include continued support for the Ukrainian-Danish Youth House. 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.

This work is complemented by efforts through the Peace and Stabilization Programme aimed at strengthening civil society organisations in Eastern Ukraine, with a particular focus on women, youth and veterans.

- *Supporting independent and critical media, including investigative journalism – as well as a special effort to combat disinformation and strengthen the connection between digitisation and democratisation;*

The operation of independent media in Ukraine has been hampered by the fact that the largest Ukrainian media houses have been largely owned by oligarchs with the aim of serving their political and financial interests. Thus, there has not been a private media sector where competition was based purely on market forces. Among international donors, efforts are being made to seek to transform the former state radio into a modern public service channel. Denmark has sought to complement this by focusing its efforts on supporting smaller, independent and "upcoming" media and media professionals in order to help them create quality content and find sustainable financing models. It will be a priority to support media that reaches out to the regions. In addition, Denmark, in cooperation with media NGOs in Ukraine will focus on the agenda "democracy and digitalisation". It is an agenda that has played an important role in Ukraine for several years - negatively in the form of influence and disinformation campaigns, and positively in the work to utilise digitisation to create increased transparency in relation to public decision-making processes and property matters. Denmark will support the work to promote digitisation's positive opportunities for openness and democratisation and contribute to combatting the use of digitisation to restrict civil society and the spread of misinformation and disinformation.

- *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 equality, both bilaterally and through the EU and the UN. This will be done through technical advice and an international exchange of experience. Equality and gender issues will be 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 from below - and creating a broad mobilisation. The effort 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 war, 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 alternative gender identities is generally limited.

Expected outcomes of the Neighbourhood Programme's support to democracy and human rights in Ukraine:
<ul style="list-style-type: none"> - Ukraine's capacity to carry out reforms, especially related its aspirations of EU membership; - Ukraine's capacity to implement the country's anti-corruption strategy is strengthened – including strengthened resilience and capacity of the country's anti-corruption institutions in chosen 'integrity cities' and among actors in civil society as well as among investigative media and journalists; - Strengthened interplay between anti-corruption actors in the state, parliament, civil society, and the media; - Civil society organisations provide active support as well as opposition to the reform agenda – including youth organisations that work to strengthen the member organisation and internal democracy; - Independent pluralistic media – including investigative journalism - continues and develops; - Key Ukrainian actors, including media and civil society organisations, have strengthened autonomy and resilience in relation to disinformation and influence campaigns; - Initiatives to promote equality and an inclusive society with respect for diversity in the form of legislation - and women's and gender equality organisations are strengthened and mobilised to combat violence against women -

8.2.2 Sustainable and just growth, a green transition, and social dialogue

- *The framework conditions for economic development and sustainable growth – a well-functioning labour market with a democratic trade union movement, labour market institutions and social dialogue*

A main challenge for Ukraine is to create economic growth that can strengthen the country's resilience and help the general population resume a normal life after an end to the war. The goal is supported 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.

The Neighbourhood Programme will contribute to economic growth by supporting the necessary reforms that can create the framework conditions for sustainable and just growth. The focus will be on combatting corruption and a well-functioning labour market - reforms that are also important for wish of living up to 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 being heard in relation to the government institutions and the powerful oligarch interests. Denmark will - in collaboration with Danish Labour Market Organizations - support capacity development and the involvement in international networks in order to strengthen the trade union movement and labour market organisations that exhibit a willingness to organise themselves democratically and act as representatives of their members in tri-part dialogue. An important sub-goal in the light of the

war is to create a well-functioning and inclusive labour market, where young people, women, and veterans, including people with disabilities, find job opportunities.

The green transition and energy security: Promoting energy efficiency and renewable energy

Russia's war of attack and the systematic attacks on the Ukrainian energy infrastructure have dramatically undermined the Ukrainian energy security. In the short term, an important task is to ensure a basic energy supply. This work is supported by Denmark through, among other things, reconstruction assistance, which, as a sub-target, has just contributed to the re-establishment of the energy infrastructure. Based on a collaboration between the Danish Embassy in Kyiv, the Danish Ministry of Foreign Affairs, the Danish Ministry of Climate, Energy and Utilities, and the Danish Energy Agency, the Danish efforts have sought to promote better international coordination of the efforts. Thus, Denmark was also the first contributor to the *Energy Community*, which serves as a coordination mechanism for the important support for the Ukrainian energy sector. At the same time, Ukraine has an ambition that, as part of the reconstruction, there is a green energy transition that can contribute to greater energy security and promote energy dependence. This includes both increased energy efficiency and the increased use of renewable energy.

Under the Neighbourhood Programme, since 2014, Denmark has supported twinning cooperation between the Danish Energy Agency and Ukraine's Ministry of Energy with a view to contributing to overall planning and the creation of the framework for a future energy sector with the utilisation of renewable energy and the implementation of broad energy efficiency. In 2023, this work was strengthened with the secondment of a strategic energy sector adviser at the Danish Embassy in Kyiv, as part of the cooperation with authorities within the energy field. The long-term work continued, and by 2023, a Memorandum of Understanding was signed regarding special Danish support for wind energy, including both on- and off-shore wind turbines. Twinning cooperation in the energy field will be continued and adapted to the immediate needs. In the coming years, the work will be complemented by the support via reconstruction assistance, direct investments from the Investment Fund for Developing Countries (IFU), assistance and loans through Danida Sustainable Infrastructure Finance (DSIF), as well as the efforts of the EU and EU Member States within the same fields.

- *Climate and green transition*

Ukraine has clear goals regarding the climate and a green transition - including wanting to reduce CO2 emissions to contribute to the fight against climate change - as well as implementing climate adaptation measures, in the form of an energy efficient drinking water and wastewater management and circular economic principles.

These are areas where Denmark has recognised expertise – with regard to both know-how and technical solutions, legislation and frameworks as well as national planning tools. The efforts will be particularly supported through the cooperation between public authorities, where a new strategic sector adviser is planned to be seconded but also through the reconstruction assistance and specific projects financed through DSIF and IFU. Agriculture is crucial to the green transition and economic growth in Ukraine and is also a sector where Denmark has special skills and where there is extensive Danish-Ukrainian cooperation between private actors.

Expected outcomes of the Neighbourhood Programme's support to sustainable growth, the green transition, and social dialogue in Ukraine:
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<ul style="list-style-type: none"> • Representative and democratic labour market organisations on the employees' and employers' sides, work respectively to promote a more inclusive and well-functioning and inclusive labour market, where both young people, women, veterans, and people with disabilities find job opportunities; • The green transition: Energy efficiency has increased in specific projects, the total share of renewable energy has increased, and there has been a strengthened adjustment to the EU's energy market via capacity-enhanced Ukrainian institutions; • An efficient water and wastewater management solution and a sustainable environment • Ukraine's climate footprint is reduced according to the Paris Agreement (Nationally Determined Contributions); • A pilot project has been launched within the green transition and climate sector, where Danish knowhow supports Ukrainian objectives.

8.3 Georgian efforts

Denmark opened an embassy in Tbilisi in 2023 and decided to increase aid to the country. The effort will be planned in close consultation with the Georgian authorities and take place under the Neighbourhood Programme's two main themes. As described in the above chapter 5, Georgia has been a focus country for the previous phase of the Neighbourhood Programme, and it is therefore, to a large extent, a continuation of focus areas that were included in the original Strategic Framework from January 2022.

8.3.1. Supporting reforms and EU accession: Promoting the development of democratic institutions

The Georgian population's support for the country's desired EU membership is higher than in any EU Member State or candidate with up to 89 % support, since the association agreement with the EU came into force in 2016 and the introduction of visa-freedom in 2017. However, the pace of the reforms has slowed down. This is mainly due to the fact that the country has been experiencing a deep domestic political crisis, especially since 2021, with deep distrust between the government, the opposition, and civil society. The opposition accuses the government of stealing power and pursuing a pro-Russian policy led by the retired founder of the government party. Conversely, the government accuses the opposition and parts of civil society of radicalism, irresponsible boycotts of parliamentary work, and to discredit the government's efforts in terms of EU integration. However, the domestic political crisis does not change the fact that Georgia has undergone in-depth reforms in several areas and continues to score high on several reform parameters.

- *Supporting reform and EU accession. National capacity building*

Denmark will seek to support the reforms that Georgia needs to strengthen economic growth and sustainable development. This will also promote the possibility of living up to the conditions for EU membership (EU *acquis*). Danish efforts will be coordinated with EU assistance and efforts in this area and focused on special areas where Denmark has particular expertise. Such an area is e.g. decentralisation and the delegation of the responsibilities and decision-making powers to the municipalities. This partnership is a continuation of the efforts from 2017-2022 in collaboration with Georgia's Ministry of Regional Development through the UNDP. Another area includes the green transition and energy cooperation. See point 8.3.2 below.

Denmark will - where there is a need and desire for it - seek to make knowledge and expertise available to Georgia regarding EU membership and the conditions.

- *Fighting corruption and the strengthening of democratic control institutions*

A particular Danish focus area is the fight against corruption. Georgia has implemented far-reaching reforms early on in order to fight corruption and has come a long way in terms of streamlining public administration and, through one-stop shops and digital solutions, reduce the opportunities for corruption in the administration regarding citizens and businesses. Georgia is number 41 on Transparency International's Corruption Perceptions Index¹⁶. With regard to the aspiration of EU membership, there is still a need for reforms in selected areas. Danish aid will continue to handle anti-corruption as a specific focus area as well as a cross-cutting theme in the partnerships.

Where possible, Denmark contributes to the strengthening of the democratic control and accountability institutions and will specifically look into the possibility of continuing the long-standing support for the Georgian ombudsman institution.

- *Strengthening digital solutions – as well as combating the abuse of cyber-based solutions.*

Digitisation can help promote both efficiency and transparency - and can therefore play a special role in reforming the public sector, fighting corruption, and promoting citizen involvement.

At the same time, strengthened digitisation creates a need for IT/cyber security – both for public authorities, citizens, and companies. Digital awareness – including the critical use of the opportunities that digitisation brings – is an important part of promoting democratic institutions and freedom of expression, without external influence and interference.

Denmark will look into the possibilities for increasing the cooperation and partnership in this area.

- *Supporting a sustainable civil society with a special focus on young people and a democratic parliamentary culture.*

Civil society has played a central role in Georgia's development since independence. However, as in Ukraine, civil society in Georgia suffers from a limited membership base and donor dependency. Similarly, civil society organisations have also largely become actors in the polarised political situation, which, in some areas, limits the organisations' opportunities for cooperation. One important focus area will be the mobilisation and organisation of young people - with the aim of promoting a new and more dialogue-seeking political culture in civil society as well as in Georgia's parliamentary system. The Danish effort will be channelled through Danish civil society organisations, which can enter into twinning cooperation and, through the exchange of experience and mutual cooperation, contribute to strengthening the capacity of the Georgian partners at the same time as establishing ties between the people. A special focus should be on reaching young people in the regions outside of the cities, as the need for capacity building in the capital is clearly saturated.

¹⁶ In addition, Georgia is number 1 in 'Eastern Europe and Asia' according to World Justice Law index cf. [INDEX-2022-print-v7.indb \(worldjusticeproject.org\)](#)

- *Supporting independent and pluralistic media, including investigative journalism – with special focus on strengthening the connection between digitisation and democratisation*

The media in Georgia has become part of the political polarisation. Denmark will particularly focus bilateral efforts on supporting independent and pluralistic media and helping them to find financing models as well as creating quality content. In addition, Denmark will support the work to combat disinformation and influence campaigns and focus on the "democracy and digitalisation" agenda, which is very relevant in the form of influence and disinformation campaigns. The effort will, where possible, take place in a twinning cooperation with the Danish media and media organisations, with the aim of strengthening people-to-people contacts and networks.

- *Gender equality with a focus on women, security, and economic development*

Gender equality and gender issues will be cross-cutting themes in all Danish efforts.

In Georgia, security for women in the two de-facto Russian-occupied regions is a particular challenge. Denmark, in collaboration with UN Women, will therefore have a special focus on the capacity building of women's and youth organisations within peacebuilding and conflict management in relation to the two regions.

In addition, Denmark will also broadly support women's groups and civil society groups that work with equality, violence against women and gender issues. Alternative gender identities face difficult conditions, which has major consequences for the rights of LGBTQ+ people. The Danish effort will, among other things, be channelled through Danish women's organisations that can enter into twinning cooperation and through an exchange of experience.

<p>Expected outcomes of the Neighbourhood Programme's support to democracy and human in Georgia:</p> <ul style="list-style-type: none"> - Implementation of reforms for economic growth and sustainable development; - Strengthened capacity in national institutions – including in the areas of digitisation and digital awareness; - The civil society organisations provide active support and opposition in the reform agenda – including via youth organisations that work to strengthen member organisation and; - Independent and pluralistic media are part of the Georgian media scene; - Key Georgian media and civil society organisations have strengthened resilience and autonomy and are working to combat disinformation; - Women and gender-equality organisations take an active part in the debate on gender, equality, and diversity.

8.3.2 Sustainable growth and a green transition

- *The framework conditions for sustainable and just growth – a well-functioning labour market with a democratic trade union movement and labour market institutions*

The cornerstone for creating long-term sustainable and just growth in Georgia is the development of orderly market liberalisation – a part of the necessary reforms to live up to the EU's membership conditions. Georgia has several employers' and workers' organisations, which limits the organisations' influence on the authorities and overall undermines workers' rights. It also contributes to the polarisation of Georgian society and diminishes the role of labour market

organisations as reform actors. Denmark will seek to support a well-functioning and inclusive labour market with decent job opportunities. There will be a special focus on work environment and EU certification, for example, within construction standards and norms as well as the planning of vocational training.

- *Green energy transition and energy security: Promoting renewable energy and energy efficiency*

A green transition - not least in the energy sector - can create a basis for economic development and growth. In this context, Denmark has a special international position of strength. The transition of the energy sector also contributes to promoting energy security, which strengthens Georgia's national sovereignty and self-determination.

The Danish efforts will, among other things, include support for overall energy planning and legislation with the purpose of improving the utilisation of renewables as well as promoting energy efficiency.

These efforts are complemented by direct investments from the IFU and advice from the Danish Trade Council as well as the efforts of the EU and its member states in the same areas.

- *The green transition, climate and agriculture*

Denmark will support Georgian authorities that are active in the field of climate and the green transition - including handling climate-related challenges, climate adaptation, and biodiversity - which complements the existing cooperation between the Danish Emergency Management Agency and the Georgian authorities regarding crisis preparedness. The green initiatives will take place in areas where Georgia has the greatest needs and where Denmark has comparative advantages. Possibilities for cooperation within the agriculture sector will be explored.

Expected outcomes of the Neighbourhood Programme's support to sustainable growth, the green transition, and social dialogue in Georgia:
<ul style="list-style-type: none">- Green energy transition: Increased energy security by increasing the proportion of renewable energy and adaptation to the EU energy market via capacity-enhanced Georgian institutions;- Georgia's carbon footprint is reduced in accordance with the Paris Agreement (Nationally Determined Contributions);- Representative and democratic labour market organisations work to promote a more inclusive and well-functioning labour market with a particular focus on the working environment, EU certifications and vocational training.

8.4 Moldova efforts

In 2023, Denmark decided to increase the assistance to Moldova. The effort will be planned in close consultation with the Moldovan authorities and take place within the Neighbourhood Programme's two main themes.

8.4.1 Support reform and approaching the EU: Promote the development of democratic institutions

The Russian invasion of Ukraine has left a Moldova under pressure, but with its government determined to remain on a pro-European course, notably to make Moldova more strategically independent and improve the Moldovan economy through increased trade with the stable EU. At

the same time, the pro-European government wants to make up for the noticeable corruption, organised crime, and the historical oligarch system in the country. Moreover, there is a hope to further strengthen the freedom of information as well as the resilience towards the increasingly intense spread of Russian disinformation. Moldova has embarked on a comprehensive programme of designing, adopting, and implementing a number of reforms in a very large number of areas. Moldova's ambitions are particularly ambitious in relation to securing the rule of law as well as kick-starting the green transition and the strategic independence in the energy sector, in which Moldova considers itself the most vulnerable in relation to Russian attempts at destabilisation. In connection with the ambitious reform programmes, Moldova has expressed a significant aspiration to strengthen its national capacity and expertise in relation to both the preparation and implementation of the legislative framework.

- *Reforms and EU accession. Strengthening national capacity*

Denmark wants to support the ongoing reforms, which must ensure a bolstering of the democratic institutions. This will also help Moldova to – over time - being able to meet the conditions for the EU membership negotiations, which the country is so determinedly working towards. The Danish efforts will be coordinated with the EU's assistance and efforts in the area, just as the Danish support will be focused on the special areas in which Denmark has comparative advantages; including, for example, efforts regarding decentralisation and combatting disinformation. It is important for Denmark to support capacity building of the national institutions, where Moldova sees a particular need.

- *Supporting a resilient and sustainable civil society*

The pro-European government in Moldova has opened a window for increased inclusion of civil society in the democratic processes. Denmark wants to support this strengthening of a resilient civil society through a special focus on the youth. The effort will seek to strengthen the participation of all genders in the democratic process, just as it is aimed at increasing the resilience to adversities of a new, fluctuating political and social reality - especially after the Russian invasion of Ukraine.

- *Supporting independent and pluralistic media, including investigative journalism – with special efforts to strengthening the connection between digitisation and democratisation as well as combatting disinformation*

The media in Moldova is threatened by influence campaigns and political polarisation. Denmark will particularly focus on bilateral efforts by supporting media legislation that ensures an independent and a pluralistic media. Denmark will also support the independent and pluralistic media in finding funding models that will also provide opportunities to create quality content. In addition, Denmark will continue to focus on the "democracy and digitalisation" agenda. In Moldova, there is considerable focus on disinformation and influence campaigns. Denmark will seek to strengthen media awareness through an approach that is evidence-based, rights-based and conflict-sensitive while also seeking to promote source-critical media consumption.

The efforts will, when possible, take place in a twinning cooperation with Danish media and media organisations with the aim of strengthening people-to-people contacts and networks.

- *Promoting equality, inclusion and democratic participation*

Moldova has made progress in the field of gender equality, including regarding women's political representation. Today, approximately 40% of the Members of Parliament are women. At the same time, however, society is still characterised by traditional gender stereotypes, and women are generally underrepresented in the labour market. Violence against women is widespread and alternative gender identities face conditions, with major consequences for the rights of LGBTQ+ people. Equality and gender issues will be a cross-cutting themes in all Danish efforts. In addition, Denmark will seek to support women's groups and civil society groups that work with equality and gender issues.

<p>Expected outcomes of the Neighbourhood Programme support to reforms approaching the EU in Moldova:</p> <ul style="list-style-type: none"> - Strengthened national capacity regarding the continuation of reforms within special Danish areas of expertise. Will also strengthen the approach to the EU; - Strengthening the resilience and sustainability of civil society to ensure it is an active player in the reform agenda; - Women's and equality organisations take an active part in the debate on equality and diversity and work actively to give women a voice in the debate; - Independent and pluralistic media as part of the Moldovan media scene; - Strengthened capacity and resilience in government as well as among media and civil society organisations to resist disinformation and promote critical media consumption.
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8.4.2 Energy security and just green transition

Moldova has an objective of achieving climate neutrality by 2050 and reducing its greenhouse gas emissions by 30% by 2030. The current energy crisis and Russia's invasion of Ukraine have demonstrated the fragility of Moldova's energy system, which is heavily dependent on energy imports.

- *Supporting the country's energy independence, implementation of the European Green Deal and strengthening the capacity of national institutions*

Moldova has joined the goals of the EU's Green Deal through a national initiative called the "Green Agenda and Sustainable Connectivity". Through this initiative, significant progress has been made in terms of establishing the legislative framework for Moldova's energy security and green transition. Moldova has improved its institutional capacities and coordination mechanisms in the field, but there is still a need to strengthen the capacity of national institutions. Denmark will seek to support Moldova's continued legislative work as well as the implementation of new technologies, in particular energy efficiency and renewable energy, just as Denmark will explore the possibility of contributing to national capacity building.

- *Support effective integration of energy efficient solutions and sustainability*

Moldova wants to improve its energy independence, especially through the transfer of technologies and energy-efficient solutions. The current government is particularly focused on a green transition within construction, energy diversification, and strengthened energy grids. Denmark will seek to support Moldova in particular in the integration of energy efficiency and sustainability in public buildings and in residential areas. In close dialogue with Moldova, Denmark will seek to support the country's research and innovation in the field of energy and to promote increased awareness of and knowledge about sustainability. As far as possible,

Denmark also wants to contribute to cooperation between relevant stakeholders from the private sector, the academic world and the public sector, including Danish-Moldovan knowledge-sharing.

Expected outcomes of the Neighbourhood Programme’s support to sustainable growth and a just green transition in in Moldova:

- Moldova’s national energy authorities have increased their capacity to plan and implement a policy that ensures Moldova increased energy security and independence;
- Moldova has increased their capacity to integrating energy efficient solutions in the concrete implementation of the country’s energy policy.

8.5 Regional efforts, including Belarus, Armenia and Azerbaijan

Under the regional pillar of the Neighbourhood Programme, there is opportunity to implement efforts in all six neighbourhood countries, including Belarus, Armenia and Azerbaijan. The main efforts are made through the New Democracy Fund. These aim to strengthen civil society and the media as well as contributing to the formation of new networks and the promotion of learning and sharing lessons across the countries. The regional part of the New Democracy Fund is thematically focused on six themes: equality, youth, media, climate, culture, and the labour market. The selected themes each contribute in their own right to the fulfilment of the strategic goals in response to central challenges in the neighbourhood countries - and at the same time represent a potential for mobilising and strengthening a sustainable civil society with a view to promoting democracy through a bottom-up approach. Finally, the chosen themes provide opportunities for cooperation between civil society and the media in Denmark and the neighbourhood countries, thus creating a solid starting point for network formation and partnerships. Under the New Democracy Fund, there is also a pool scheme from which Danish civil society organisations, in collaboration with local Eastern Neighbourhood partners, can apply for support for projects in all six neighbouring countries. Sharing knowledge and lessons learnt as well as coordinating with Danish bilateral efforts, including the Neighbourhood Programme efforts in Ukraine, Moldova and Georgia, will be ensured.

Under the regional pillar, it will be possible to initiate limited bilateral partnership projects aimed at Belarus, Armenia and Azerbaijan based on new challenges, opportunities, and needs. These will build on the regional cooperation networks that already exist in the field of civil society and will include partners from all countries. The projects will be within the overall objectives of the Neighbourhood Programme, and will, as far as possible, be implemented through existing partners and the multi-country programmes implemented under the programme.

Expected outcomes of regional initiatives for supporting democracy and human rights

- Selected civil society organisations in the neighbourhood countries that work with equality, youth, media, culture, labour markets, environment and climate and receive support with a view to strengthening advocacy and democratic organisation;
- Civil society organisations, human rights defenders, artists, filmmakers, and journalists work proactively to counter restrictions and counter threats, as well as use new opportunities and new political openings;
- Regional cooperation and cross-thematic exchanges of experience as well as knowledge-sharing have been established between civil society organisations in the neighbourhood countries and Denmark;
- To the extent relevant, efforts are initiated in relation to Belarus, Armenia and Azerbaijan to address new needs or opportunities.

8.6 Strategic secondments

Denmark will continue to send Danish-seconded personnel to support development policy work in selected multilateral organisations, especially the EU. Secondments are a strategic and flexible instrument that helps to promote synergy and the exchange of experience with key international organisations while also highlighting particular Danish expertise, and ensuring that Danish interests and priorities are promoted.

The secondments through the Neighbourhood Programme are supplemented by secondments from the Deployment Facility for Peace and Democracy (UFD) under the Peace and Stabilisation Fund with the deployment of Danish advisers to, among other places, the EU Monitoring Mission in Georgia (EUMM), the EU Advisory Mission in Ukraine (EUAM), the EU Partnership Mission in Moldova (EUPM) and the EU Mission in Armenia (EUM). The purpose of the deployments is to provide support to the countries in the Neighbourhood Programme within selected strategic priorities (including legal-sector reforms, cyber support, support regarding gender, border surveillance and war investigations).

8.7 Budget

Table 2: Budget for the Neighbourhood Program 2023-26¹⁷

In the original Strategic Framework presented in January 2022, DKK 175 million was allocated annually for the Neighbourhood Programme, a total of DKK 875 million for the period 2022-2026. With the Finance Act 2023, the amount was raised to DKK 235 million DKK, and in the government's proposal for the Finance Act for 2024, it was raised to DKK 356 million - a level that is expected to be maintained throughout 2025-26. Altogether, this adds up to an expected budget of DKK 1,303 million for 2023-2026.

	Reforms, consolidation and development of democratic institutions and combatting of corruption (DKK million)	Sustainable growth, green transition, social dialogue (DKK million)	Expected 2023-26 (DKK million)
Programme funds			1,223
UKRAINE	265	100	365
GEORGIA	144	70	214
MOLDOVA	125	55	180
REGIONALLY (The New Democracy Fund, incl. Belarus and twinning cooperation)	300	20	320
Technical assistance, monitoring, communication, and analysis/research			24
Unallocated funds			120
Strategic secondments			80
Total			1,303

¹⁷ The amounts are only intended as a guideline and may change according to the situation and implementation of the specific programmes.

