



MINISTRY OF FOREIGN AFFAIRS
OF DENMARK

MYKOLAIV- DENMARK PARTNERSHIP



Denmark shows solidarity with Ukraine through multifaceted and long-term support. Since the outbreak of the full-scale invasion in February 2022, Danish governmental support to civilian recovery and reconstruction efforts amounts to approx. EUR 414 million. In addition to Danish support on a national level, the Danish support has focused on the geographic area of Mykolaiv. This paper gives an overview of the Mykolaiv-Denmark Partnership – and how this model has been applied to enhance reconstruction efforts in the region and city of Mykolaiv. As of June 2024, the Danish Government has delivered approx. EUR 142.8 million which among others include social infrastructure, water, energy, psycho-social support to Mykolaiv.



WHY A PARTNERSHIP BETWEEN DENMARK AND MYKOLAIV?

The Mykolaiv-Denmark Partnership is a long-term collaboration based on a Ukrainian vision and Danish strengths and know-how. It is Mykolaiv's ambition to become a city known for 'a conducive business environment, dedicated efforts in the green transition, and with consolidated good governance within a decade.' The partnership is thus born out of a desire to respond swiftly to Ukraine's call for assistance and need to plan the short-term efforts to promote the long-term goals of building back better and greener in Mykolaiv. Hence, reconstruction support under the partnership is both addressing acute needs, early recovery as well as long term strategic reconstruction to enhance sustainable development.

At the request of President Zelensky in March 2022, Denmark took on a special role in the reconstruction of Mykolaiv. The rationale for choosing Mykolaiv, also known as 'the city of shipbuilders', is linked to Denmark's pre-war cooperation with a number of Mykolaiv-based shipbuilding companies. In June 2022, Denmark and Mykolaiv authorities presented a concept paper outlining the long-term collaboration between Denmark and Mykolaiv. The partnership covers immediate needs as well as long-term collaboration on green transition, infrastructure, transport, urban



In response to the immediate needs after the Russian attacks in 2022, Denmark provided 100,000 m² of plywood to the City Council of Mykolaiv to close off missing windows and doors that was blown out by bomb blasts in the early days of the invasion.

planning, the maritime sector, investments in the private sector (SMEs); good governance and transparency, the enhancement of youth engagement as well as private sector investments.

The region of Mykolaiv in Southern Ukraine has been massively affected by the Russian full-scale aggression since 2022. The city of Mykolaiv is strategically important due to its access to the sea and as a key financial capital in the south of Ukraine. Nearly encircled during the first days of the war

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and stopped the advancing of the enemy troops. Mykolaiv is among the regions in Ukraine that have been hardest hit by the destruction and in all of Mykolaiv, there are damaged or destroyed buildings and infrastructure. Attacks are still happening and air alerts sound over the city several times a day.

Because of the dire situation in Mykolaiv, the partnership particularly focused on immediate needs in the beginning. As an example, Denmark has provided specific and targeted efforts in regards to winterization, i.e. through the provision of repair kits for buildings destroyed by Russian attacks, reverse osmosis water treatment plants fitted with pipes and water pumps as well as critical needs in the energy sector.

In March 2023, the partnership was institutionalized in the form of a Memorandum of Understanding and a Steering Committee was established to approve and oversee proposed engagements. The Steering Committee meets 2-3 times a year and is co-chaired at ministerial level by Denmark and Ukraine. Mykolaiv is represented at the Oblast level by the Governor and the Regional Council in addition to the city level by the Mayor of Mykolaiv.

Possible projects presented to the Steering Committee are chosen based on the needs

identified by the regional and local authorities in Mykolaiv.

Denmark is supporting early recovery and reconstruction focusing on four strategic priority areas¹:

- *Social infrastructure, such as schools, kindergartens, and hospitals, including provision of machinery, materials, and equipment for reconstruction, as well as public transport*
- *Water supply and sanitation*
- *Energy supply (electricity and district heating)*
- *Agriculture, restoration of local production, incl. equipment and buildings*

To strengthen strategic visioning to build back better and greener, Mykolaiv city has been supported to develop a masterplan as a long-term plan for the reconstruction and development of the infrastructure of Mykolaiv city. As part of the masterplan, Danish technical assistance focuses on the reconstruction of water, waste and energy in Mykolaiv city, thus helping to ensure a strategic approach to rebuilding of critical energy infrastructure, as well as synergy and coordination between the short and long-term efforts. The masterplan will be presented in June 2024.

1 As in accordance with the Strategic Framework for Danish support for reconstruction in Mykolaiv/Ukraine, April 2023

In the implementation of all projects within the Mykolaiv-Denmark Partnership, emphasis is placed on transparency and accountability based on Mykolaiv's status as an Integrity City as part of the EU/Danish funded EU Anti-Corruption Initiative (EUACI). EUACI plays a pivotal role in ensuring the sustainable institutional development of anti-corruption institutions in Ukraine on national, regional and local level. With the help of EUACI, the city administration of Mykolaiv is updating

procedures and processes by conducting a sectoral assessment of corruption risks, on the basis of which the Integrity City Plan will be developed and implemented. Priority areas include public procurement, housing policy, communal property management, investment and economic development, etc. The initiative also works on involving citizens in the decision-making process. The aim is to develop best practices for Mykolaiv's reconstruction that can be applied in other cities in Ukraine.



Through UNOPS, Denmark is providing electricity generators and heating devices to people living in Mykolaiv city and oblast.



Furthermore, through UNOPS, Denmark has funded 13 mobile heating boilers for the city of Mykolaiv and funded repairs to Mykolaiv's existing central heating system (IOM).



THE MULTILEVEL AND WHOLE OF SOCIETY APPROACH

Denmark's support to reconstruction is based on close, continuous dialogue with Ukrainian authorities at local, regional and national levels, as well as civil society and private stakeholders. This approach allows for broad based ownership and needs-analysis and facilitates necessary adaption in correspondence with changes in the security situation and overall development.

To facilitate a multilevel and holistic partnership, Denmark has established an Embassy Office in Mykolaiv to ensure day-to-day

contact with local and regional authorities. The office helps to ensure efficient implementation and monitoring of the Danish efforts as well as contact to Danish businesses and partners. Furthermore, the Embassy Office ensures regular coordination with the national level to ensure that the Mykolaiv-Denmark Partnership aligns with national priorities. The geographic focus and close partnership with Ukrainian authorities has also ensured an enhanced visibility of the direct results of the Danish efforts in Ukraine as well as in Denmark.



Through International Organization for Migration (IOM) and Danish Refugee Council (DRC), Denmark has supported the construction of a large number of temporary water treatment plants fitted with many kilometers of pipes and water pumps at strategic and accessible locations to provide people with sufficient and safe drinking water since the oblast was cut off from the main water systems and sources. The interim water treatment systems work through so-called reverse osmosis and a process that is taking salt out of the water currently sourced from the estuary.

Furthermore, Denmark supports larger water projects through European Bank for Reconstruction and Development (EBRD), Danida Sustainable Infrastructure Finance (DSIF) and Nordic Environment Finance Corporation (NEFCO) for instance to support longer-term reestablishment of the water-intake for the city and through different Danish stakeholders, Denmark supports capacity development of the communal water company, Mykolaiv Vodokanal.

The Mykolaiv-Denmark Partnership constitutes 60 % of Danish development assistance to Ukraine. The remaining 40 % of Danish reconstruction support is going to country wide initiatives i.e. via UN's Ukraine Community Recovery Fund or the Ukraine Energy Support Fund. The Mykolaiv-Denmark Partnership remains a cornerstone of the Danish civil support to Ukraine and plays into a larger picture of Danish civil support to Ukraine. The geographical approach allows for a consistent and targeted engagement of the Danish private sector, civil society organisations and the newly establish municipal twinning.

PRIVATE SECTOR

Denmark's Ukraine Fund has allocated EUR 554 million to finance the rebuilding of critical infrastructure and development of the private sector and the economy of Ukraine. This is carried out and administered by the Danish Export and Investment fund, EIFO. EIFO provides financing on commercial and semi-commercial terms for Danish private sector export and investment in Ukraine. At present EIFO has chosen 23 projects all over Ukraine of which 10 have been issued as loans and guarantees, while the remaining 17 projects are under due diligence analysis, hereof have 8 been credit approved. To the Mykolaiv based agricultural company, Nibulon, for example, EIFO has just issued a loan of EUR 12.8 million for an agricultural project.

CIVIL SOCIETY

Danish civil society organisations (CSO) are among Denmark's main implementing

partners in Mykolaiv. They play a big part in the reconstruction efforts and are engaged in a variety of sectors focusing amongst other things on water and energy supply, social infrastructure, strengthening of local Ukrainian civil society organisations, mental health and psycho social support. Recently, three Danish CSO's received a grant on mine action, which will contribute to the long term reconstruction efforts creating employment and suitable conditions for the return of displaced citizens to the city and region. The main Danish CSO partners have physical presence in Mykolaiv and Ukraine, which gives them critical knowledge and awareness about the context. Furthermore, they have clear guidelines and substantial in-house competence and expertise in the different sectors that they are work in. This ensures quality and trust in the project implementation.

MUNICIPAL TWINNING

At the March 2023 Mykolaiv-Denmark Partnership Steering Committee meeting it was decided to establish a facility for twinning cooperation between Ukrainian and Danish municipalities. This led to the approval of the 'Municipal Twinning Cooperation Programme – Ukraine and Denmark'. The objective of the programme is to contribute to the reconstruction and future development of Mykolaiv and other Ukrainian cities by enhancing the capacity of authorities to respond to needs and rights of citizens. Mykolaiv (and Voznesensk city in Mykolaiv region), Lviv and Kyiv are currently involved in the programme



together with their partners from six Danish municipalities. The programme runs from 2024-2027 and is managed by the National Association of Municipalities (KL) which has approved 11 twinning cooperation partnerships since January 2024. The approved partnerships encompass amongst others cooperation on energy efficiency; water management; digitalization of administrative services for citizens; development of urban coastal and harbour areas; business development; youth democracy integration; and rehabilitation of patients with amputations and neurological disorders.

CULTURE AND YOUTH

As part of the effort to make Mykolaiv more livable for families and young people, Denmark implements a diverse range of cultural activities. Events have included a collective bike ride gathering several hundred citizens and local representatives, as well as a cultural festival for children offering theatre and creative interactive workshops for locals and IDPs. And in order to empower the youth of Mykolaiv, a branch of the Ukrainian-Danish Youth House has opened in the city.

SUPPORT VIA TRUSTED INTERNATIONAL AND DANISH PARTNERS

The Danish government implements all development and reconstruction support via trusted international and Danish partners that have strong procurement and due diligence processes in place. All programmes approved in the Steering Committee are implemented through international organisations and Danish non-governmental organisations that are physically present in the region and with a strong capacity to fully implement the Mykolaiv-Denmark partnership. This includes UNDP, UNOPS, IOM, EBRD and EIB as well as major Danish civil society and humanitarian organisation.

Denmark is not alone in providing assistance to Mykolaiv. Denmark - in collaboration with

international partners – supports reconstruction and development offices in the city and regional administration in order to strengthen the authorities in Mykolaiv in their coordination of aid and the many reconstruction projects.

Denmark remains committed to ensuring aid effectiveness and state level coordination and priority setting. The partnership has shown to be compatible with these objectives, while also promoting local ownership and influence as well as rapid delivery of assistance. Moreover, it provides the point of departure for a holistic approach, mobilizing not only government, but private sector, civil society and municipal twinning.



Through UNDP, Denmark supports training programmes for partial vocational qualifications for tractor drivers (Kazanka), renewable energy service electricians (Mykolaiv), and plasterers (Voznesensk) in Mykolaiv Oblast. The programme responded to the needs of the labour market to ensure economic recovery in territories affected by the Russian full scale aggression. Professions were chosen based on employers' recommendations and attendees subsequently received jobs in their profession. In addition, local businesses provided their staff for hands-on training. Together with Denmark, UNDP also purchased essential equipment and consumables. For example, solar batteries and a portable power station were purchased for the electricians, a concrete mixer and various tools were delivered to practise plasterer skills, and an agricultural enterprise providing equipment for practical training of tractor drivers received tractor tyres.

LOOKING FORWARD

The Mykolaiv-Denmark Partnership has been created as a long-term cooperation between Denmark and Mykolaiv. Thus, the Mykolaiv-Denmark Partnership makes for a positive environment to initiate pilot projects where it is demonstrated how green solutions and public-private partnerships – with the strongest possible participation of Ukrainian private sector, civil society and municipalities - can be scaled to the rest of the country. The focus on anti-corruption measures as supported through EUACI is an example of a model to replicate in other cities of Ukraine. A Danish funded Recovery and Development Office, which features advanced facilities and expert advisors, to provide vital support for the community's recovery and development is another example of this. Pilot tested in Mykolaiv, there are now a number of Recovery and Development Offices also in Kharkiv, Sumy, Chernihiv and Dnipro (supporting Luhansk and Donetsk oblasts).

Denmark continues to be a proud patron and partner of Mykolaiv. The Danish Embassy and the Danish Embassy Office in Mykolaiv will continue to enhance dialogue and Denmark will continue to work on initiatives that involves a wide range of government, private sector, civil society and municipalities.



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JUNE 2024

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Design: Kontrapunkt

The publicationen can be downloaded via:
www.um.dk/da

Text can be quoted freely.

ISBN: 978-87-94339-49-0



www.um.dk/da