

Strong institutions—the key to Ukraine's EU membership and sustainable recovery

Why?

- EU integration, quality use of aid, and the implementation of the reconstruction and recovery agenda are major challenges for the institutions of a country at war and require strong public sector capacity. **The Ukrainian public expects rapid qualitative change**, and the failure to meet these expectations is a breeding ground for hostile propaganda and a prerequisite for declining trust in the institutions.
- Having gone through similar challenges and with this experience still fresh in our minds, Lithuania stands ready to **provide full support to** Ukraine in its EU accession negotiations, to help implement reforms and to strengthen Ukraine's public sector capacity.

Examples of existing work:

- National track: **strengthening the capacity of the Agency for Reconstruction and Infrastructure Development of Ukraine** in the areas of public procurement, internal control, and anti-corruption, and supporting the preparation of **technical public investment projects**.
- EU track: the Lithuanian authorities have implemented **14** Twinning projects in Ukraine (worth around EUR 19.4 million), with **the most significant reform assistance in the areas of border security and customs, the judiciary, food and veterinary services, and the strengthening of state institutions**.
- Multilateral track: at the initiative of Lithuania and Poland, an **OECD Office for Ukraine** opened up in Kyiv in March 2022 **to support the OECD Ukraine Country Programme**, which provides practical assistance to Ukraine in implementing the reform agenda (including in the areas of tax and financial management, competitiveness, public administration, and the fight against corruption) that is essential to the EU accession process.

Follow-up:

- Sharing experience of relevant reforms and EU accession, using national funds (Development Cooperation and Humanitarian Aid (DCHA) Fund), also the EU's (Ukraine's Pillar III, Twinning, TAIEX) and other international instruments. The MFA has established and will regularly update a list of Lithuania's areas of expertise and experts.
- Strengthening Ukraine's capacity to coordinate its support through sharing relevant experience, implementing jointly managed projects, and supporting the collection and dissemination of best practices within the donor community.

Flagship projects:

- The project "**Lithuania's Support for Ukraine's EU Integration**" provides support to Ukrainian institutions on issues related to Euro-integration, including the coordination and content of EU accession negotiations. It covers strategic consultations, assistance in preparing for reviews, and capacity building activities. The project will involve the identification of specific needs for further support and the development of a project concept for a future EU-funded EU integration support programme to be implemented by Lithuania from early 2025.

- **Create Ukraine** is an initiative modelled after the successful Create Lithuania programme. Create Ukraine aims to encourage the return of young Ukrainian professionals currently living abroad and to facilitate their successful integration into the Ukrainian public sector. EU and Lithuania-funded pilot phase of the project involves the selection of professionals who will strengthen the capacity of the Ministry of Economy of Ukraine and contribute to country's reconstruction and recovery.
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Safe and quality education

Why?

- During the COVID-19 pandemic and the outbreak of large-scale war, Ukraine's education system and learning processes were severely disrupted. **Distance learning and temporary occupation, hostilities, weather hazards, living in shelters, lack of electricity and deteriorating mental health** are just a few of the external factors that continue to affect the quality of children's learning and hinder their acquisition of necessary skills.
- It is reported that **one in seven schools in Ukraine is severely damaged or destroyed, and around 1.9 million students are unable to participate directly in the education process** due to the lack of shelters and the lack of a safe education process. The safe return of pupils to the classroom is a priority for Ukraine to ensure the quality of education and to reduce the backlog.

Examples of existing work:

- Since 2019, Lithuania has been directly implementing projects to rehabilitate Ukraine's education infrastructure (schools, kindergartens, including the installation of shelters).
- Lithuania has allocated EUR 5 million to **rebuild Ukraine's education and science institutions** damaged or destroyed by hostilities, purchase teaching materials and computer equipment, modernise the research and innovation infrastructure network and ensure a safe education environment, including the installation of bomb shelters, and other needs.
- **A programme for the installation of shelters near schools in the regions of the Frontier**, supported by the European Commission, has been initiated using the results of the bilateral project, with a contribution of EUR 15 million from the European Commission and EUR 0.5 million from Lithuania.

Follow-up:

- Education infrastructure: the DCHA Fund co-finances the design, rehabilitation and construction of education infrastructure and the development of a shelter programme in education institutions;
- Providing opportunities to study in Lithuania: support for Ukrainian citizens to study in Lithuania, covering part of the tuition fees from the State Reserve; scholarships for Ukrainian students, including in areas of priority for Ukraine; establishing a quota for Ukrainian Master's studies (State budget funds);
- Training the specialists Ukraine needs through cooperation between Ukrainian and Lithuanian higher education institutions;
- Support for the provision, co-creation and co-development of learning tools, educational technology, and innovation solutions (*EdTech*).

Flagship projects:

- **The programme "Construction of new shelters for Ukrainian schools"** aims to bring children back to school and ensure safe contact education by building anti-radiation, dual-purpose shelters near schools. The shelters are built to UNICEF's technical designs, adapted to specific areas.
- **The project "Future school for Ukraine: developing adaptive technical design for building new schools"** is a collaboration of architects from Lithuania, Ukraine, and other countries to select a project idea and

develop an adaptive technical design for the construction of schools in Ukraine through an international architectural competition. The technical design is transferred to Ukraine free of charge and can be used by any Ukrainian institution or other donors to build an innovative, modern school that meets the educational needs of Ukraine. This will significantly shorten the preparation phase for the reconstruction of schools and reduce costs.

Physical and psychosocial rehabilitation and reintegration of victims of war

Why?

- Since February 2022, hundreds of thousands of Ukrainians have joined the armed forces to defend their country. Civilians have suffered from air strikes and mine explosions. Before the large-scale invasion, Ukraine was home to around **2.7 million persons with disabilities**. In the first 18 months of the war, another 300,000 people were diagnosed with disabilities. **This number is likely to increase significantly as the war continues**. A large proportion will be veterans who have suffered injuries at the front.
- The Ukrainian government indicates that the projected annual number of patients in rehabilitation centres will be around 200,000. The need for rehabilitation and therapy is estimated to have doubled by 2023. **The healthcare and legal system is facing significant challenges in meeting the increased demand for services**, with a lack of rehabilitation professionals, infrastructure, and systemic reintegration practices.
- The experience in medical rehabilitation and process management in Lithuania would significantly contribute to the improvement of the rehabilitation and reintegration system in Ukraine and the reduction of inequalities. Lithuania is one of the first European countries to introduce a system for assessing and improving compliance with human rights standards in mental health and social care services based on the WHO methodology.

Examples of existing work:

- Since 2015, Lithuania has implemented **18 psychosocial rehabilitation projects** in Ukraine with a total value of EUR 855 000. The projects cover a wide range of topics, including assistance to communities, provision of psychosocial rehabilitation services, sharing of experience and methodologies, support to the implementation of sector reform, etc.
- **Following consultations** with various Ukrainian, Lithuanian, and international institutions and organisations, the **programme "Rehabilitation and reintegration of wounded and war victims in Ukraine" has been developed, agreed, and approved**. It encompasses not only the reconstruction and development of infrastructure but also the provision of services to cover the entire path to a meaningful and dignified life for the wounded.

Follow-up:

- Support for infrastructure renewal and development - investment in the renewal and development of infrastructure in rehabilitation and reintegration centres, enabling them to provide quality services to a larger number of patients.
- Support for service quality improvement and systemic change in rehabilitation - process optimisation, development of rehabilitation algorithms and programmes, raising staff competence, and strengthening *Centres of Excellence*.

Flagship projects:

- **The programme "Rehabilitation and reintegration of wounded and war victims in Ukraine"** (EUR 15 million) - covers the upgrading of the infrastructure of the Spinal Cord Injury Rehabilitation Centre of the Dnipro State University Hospital, the Unbroken unit of the Lviv Rehabilitation Centre in Brukhovichi, and the Zhytomyr Hospital, as well as capacity building, process optimisation and quality improvement, development and systematisation of best practices. The reconstruction of the Unbroken unit is carried out in partnership with Red Cross Ukraine and the German International Cooperation Agency (GIZ).

A resilient and growing economy

- In 2022, a large-scale Russian invasion caused a 29.1% decline in the Ukrainian economy. From 2023 onwards, the economy has started to adapt to the war, with growth of 5% in 2023 and around 3% in 2024. However, this growth is conditional, as the predominant factor is budget support from partner countries, recovery funding, humanitarian aid, and other resources.
- Recovery will be a long and complex process, requiring a major effort by the Government of Ukraine to create and maintain the conditions for growth and attract investment.
- Building on its experience and existing work, Lithuania is contributing to the reconstruction and development of energy and transport systems, spatial planning, and humanitarian demining. All of these elements are a prerequisite for attracting quality investment and for the sustainable growth of the Ukrainian economy.

1. Energy

Why?

- The energy sector in Ukraine has been severely affected by Russian aggression. Power generation and transmission capacities have been critically damaged. **Between 2022 and 2024, around 60% of Ukraine's electricity generation capacity has been destroyed, damaged, or occupied** by Russian forces, and around half of the large grid substations have been damaged by missiles and drones. Since March 2024 alone, Ukraine has lost a further 9 GW of electricity generation capacity in new attacks.
- Lithuania realised early on the importance of energy independence and refuted the narrative that had been built up by Russia for years that Central and Eastern Europe could not survive without Russian energy resources. **Lithuania can share its experience and lessons learnt in transforming the system and developing a green energy transition.**

Examples of existing work:

- From 2023, the Environmental Project Management Agency (EPA) is funding **solar PV projects in Ukraine** through the Climate Change Programme (with an allocation of more than EUR 2 million by the end of 2024).
- Lithuania has prepared a **project to upgrade the Mykolaivoblenergo distribution network to the 20 kV class**. Based on a model developed by the International Energy Cluster, a 10-year development scheme for the Mykolaiv distribution network was worked out, along with a 5-year development and investment plan.
- Lithuania is providing all possible **support in terms of equipment and tools** needed to rebuild the energy infrastructure (autotransformers, transformers, generators, valves, excitation devices, compressors, current converters, limiters, machine tools and other equipment). Lithuania's support to Ukraine's energy sector will amount to more than EUR 63 million by the end of 2024.
- **Multilateral track:** Lithuania has initiated a Friends of Ukraine group at the International Energy Agency (IEA) to mobilise the efforts of the organisation and its members to provide aid to Ukraine's energy sector. A second joint work programme is being developed to **model Ukraine's energy system**, focusing on distributed energy resources and power system security.

Follow-up:

- Continuing the provision of equipment and tools to rebuild energy infrastructure.
- Helping to protect and make energy infrastructure more resilient (including cyber security solutions).
- Supporting the achievement of the objectives of the UA Energy Strategy 2050 and the National Energy and Climate Action Plan through the development of renewable energy, energy efficiency, and carbon reduction projects through the VBHP Fund and the Climate Change Programme.
- Using expert support to modernise energy infrastructure in line with EU standards by transposing the EU *acquis* into national law.
- Supporting the strengthening of the competences of the regulator's institution (TAEIX project involving our regulator).

2. Transport

Why?

- According to Ukrainian authorities, 19 airports and civilian airfields and at least 126 railway and other stations have been severely damaged since the start of hostilities in Ukraine. 25,400 km of roads, 344 bridges and bridge crossings were damaged. Air freight transport was suspended, and port operations were disrupted. Preliminary estimates put the **total damage to Ukraine's transport infrastructure at EUR 36.8 billion**. The damage to the infrastructure was estimated at USD 36 million.
- The challenge for Ukraine will be not only to rebuild its transport system, but also to redesign its trade corridors and **restructure its transport and logistics infrastructure to fit the EU market**. EU membership will be a key incentive to improve the transport and logistics network and align rules and standards with the EU market.

Examples of existing work:

- During Lithuania's chairmanship of the International Transport Forum (ITF) (until June 2024), Lithuania, together with Ukraine, Sweden and Canada, and with the participation of the ITF Secretariat, has established a **mechanism to support the rehabilitation of Ukraine's transport infrastructure, the Common Interest Group for Ukraine (CIG4U)**, which consists of two main strands: 1. Information exchange between Ukraine and donor countries on urgent transport and infrastructure needs identified by Ukraine; 2. Specific analytical projects identified by Ukraine for the longer term rehabilitation, reorientation and strategic planning of the country's transport links.
- In a joint effort with Ukraine, the **updated EU TEN-T network map** (adopted in June 2024) includes a **new North Sea-Baltic corridor line via the Dorohusk border crossing (Baltic Route)**, thus opening the possibility of a regular train route between Ukraine and the Baltic countries. This is particularly relevant in the event of a blockade of the Black Sea route and the possibility of transporting Ukrainian grain and other export goods.

Follow-up:

- Ensuring Lithuanian leadership in the implementation of at least one of the projects identified by CIG4U, in cooperation with the private sector and experts.
- Expert assistance to Ukraine in the areas of harmonisation of the transport system with the EU and transposition of the EU *acquis*.
- Development of the *Free Rail* project for regional cooperation - the current phase aims at establishing the legal mechanism, technical parameters, and enablers for an alternative infrastructure for exchanging data with the other countries of the initiative, as well as fitting it with the necessary equipment. The project aims to minimise and eliminate Russian influence on the railway sector in the broad-gauge region.

- Co-creation of transport and logistics innovations (especially in the fields of digitisation and decarbonisation) for the reconstruction of the Ukrainian transport system.

3. Sustainable development of territories

Why?

- **Spatial planning is a prerequisite for sustainable reconstruction and investment in new development.** Sustainable development/construction is not possible without addressing the issue of the legal status of the plots and of proper urban planning.
- **Currently, Ukraine lacks updated (digital) topographic maps, land inventory and other geo-information data (above and below ground infrastructure), and their links to state registers.** Some spatial datasets were destroyed during the military occupation.
- A law passed as part of the ongoing decentralisation reform obliges local municipalities (hromadas) to draw up master plans by 1 January 2025. Only about 20% of Ukraine's 1,469 municipalities have approved master plans. For the rest, it is unrealistic to meet the deadline, even if there is required expertise and finance.
- Lithuania has experience in transforming a system from a similar Soviet model to one that meets EU standards, and therefore it can not only assist in developing site-specific plans but also advise on land reform, the development and modernisation of state geo-information systems, and train Ukrainian specialists.

Examples of existing work:

- **The Construction Sector Development Agency (CSDA) is developing a 3D spatial planning tool** to help rebuild Ukraine's war-torn cities. The project will create a platform that will allow to visualize in three dimensions ongoing and planned construction projects in Borodianka and Bucha, and to see how they will affect the environment and the population. Lithuania is also committed to training the staff of the municipalities of Borodianka and Bucha on how to use, develop and improve the tool.

Follow-up:

- Supporting local authorities in Ukraine in the preparation of spatial development plans, sharing and co-creating innovative technological solutions.
- Strengthening the capacity of Ukrainian institutions in spatial planning, including the training of specialists.

4. Humanitarian demining

Why?

- Ukraine is now seen as the world's largest mined territory, with more than **40% of its land area mined**. Landmines threaten the population, hinder the use of critical civilian infrastructure, and impede the recovery of economic activity, especially in the sectors of transport, trade, and agriculture.
- According to the Ministry of Economy of Ukraine, the **country's losses from mines** and other explosive devices amount to EUR **11.2 billion** annually, **equivalent to 5.6% of Ukraine's pre-war GDP**. Most of the losses are the result of reduced agricultural exports and lower local tax revenues.

Examples of existing work:

- **Lithuania and Iceland lead the Ukraine Demining Coalition**, which aims to consolidate and coordinate the existing and future donor support to Ukraine in this area, with humanitarian demining as one of the funding priorities. 23 countries have expressed their intention to join the coalition.
- The Central Project Management Agency (CPMA) is implementing two European Commission-funded projects aimed at strengthening the state-owned humanitarian demining operators in Ukraine and the system's management capacity (EUR 22.5 million in total), as well as a project from private H. Buffett Foundation in the USA.

Follow-up:

- Supporting equipment and training: the Coalition is establishing a fund for donors to contribute financially to humanitarian demining efforts in Ukraine. The funds will be used to purchase demining equipment and provide training for demining experts.
 - Educating Ukraine's civilian population, especially children: even after the end of hostilities, it will take many years to completely eliminate the threat of landmines. Therefore, efforts are being made to mobilise donors to increase education for children on the dangers of explosives, especially through innovative solutions, and thus to reduce the number of deaths and injuries caused by exposure to explosive remnants.
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