



Razumkov
centre

UKRAINE: FROM WAR TO PEACE AND RECOVERY

Analytical Assessments
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I.

NATIONAL SECURITY AND DEFENCE: KEY DEVELOPMENTS, PROCESSES, TRENDS

Intense hostilities continued throughout January 2025, but the overall situation and main trends in the conflict did not change much compared to previous months. Despite its non-stop «creeping offensive» for almost 15 months, the Russian military command achieved neither an operational breakthrough nor the minimum goals of reaching the administrative borders of Donetsk oblast and ousting Ukrainian forces from Kursk region.

After taking office as the newly elected US President, Donald Trump set a new 100-day horizon for ending the Russia-Ukraine war, but there is nothing but guesswork about the new administration's steps to force Russia to compromise.

COMBAT ACTION

The [intensity of fighting](#) in January 2025 slightly reduced to about 5,000 combat engagements, compared to November (5,205) and December (6,247). Despite the significant losses, the Russian army can still generate sufficient manpower to maintain its «meat assault» tactics. The toughest situation was observed around Pokrovsk, where Russian troops concentrated 44% of their January attacks. It is noteworthy that while only [13% of the fighting](#) took place in the Kursk operational area, the share of glide bombs (KABs) dropped by Russian aircraft on Kursk region reached [almost 30%](#) on some days. By the way, a spokesman for the Kursk regional administration [has estimated](#) the damage caused by the six months of hostilities at 750 billion rubles (\$7.5 billion), which is equal to region's seven annual budgets. Despite reasonable doubts about the reliability of these estimates, such statements support the arguments for the expediency of bringing the fighting to the enemy's territory. In addition to financial losses and destruction mainly caused by Russian artillery and aircraft, the fighting has resulted

in a humanitarian crisis of regional scale, due to Russian authorities' inability to ensure orderly evacuation of their own citizens from the war zone and to cope with tens of thousands of refugees.

The [North Korean military](#) appears to have been withdrawn from the frontline since mid-January, presumably due to significant [losses](#). It is not yet known whether North Korean soldiers will continue to participate in the fighting and, if so, when and how many will be involved.

Actions of the Ukrainian defence forces in January fully comply with the key priorities of [the military strategy for 2025](#), announced by the Minister of Defence Rustem Umerov during the January meeting in the Ramstein format:

- ✓ stabilising the front line;
- ✓ strengthening defence capabilities;
- ✓ increasing protection of the sky and sea lanes;
- ✓ giving an asymmetric response to the aggressor's attempts to gain an advantage through scale.

Unfortunately, as of January 2025, there are no objective signs of achieving the main objective – stabilising the frontline – in the near future, along with persisting negative trends (issues with mobilisation, manning and training of reserves) and problems (defective ammunition, intra-departmental conflicts) that pose threats to defence capability. On the other hand, in January, the Ukrainian defenders demonstrated growing capabilities of asymmetric warfare (strikes on Russian oil refineries, storage bases, defence industry facilities and critical infrastructure).

PEACE PROCESS

Since Donald Trump took office as President of the United States, the end of the Russia-Ukraine war has become a much more pressing issue. The worst-case scenarios regarding Trump's intentions to end the war by weakening support for Ukraine and forcing Kyiv to accept bad compromises appear to be wrong, at least as of the end of January 2025. According to [The Independent's](#) sources, the new American leader is determined to end the war in the spring and «to ensure that Ukraine gets a good deal». After inauguration, Donald Trump also [expressed](#) his desire to meet with Putin and urged him to make a deal in the near future, [threatening](#) to impose «high taxes, duties and sanctions on everything Russia sells to the United States and other countries». He also publicly confirmed Zelenskyy's willingness to negotiate.

As of the end of January, the new US administration apparently had no clear plans for resolving the conflict, but statements by Trump's representatives constantly referred to the [need for concessions](#) from both sides, which could mean «freezing» of the contact line at the time of agreement and of Ukraine's prospects for joining NATO.

Judging by his recent statements, Putin is genuinely interested in talks with his American counterpart but shows no signs of readiness to compromise. In particular, he and his entourage [insist](#) on returning to the so-called [Istanbul Agreements](#) – the draft ultimatum of 2022, which demanded that Ukraine renounced NATO and foreign weapons, radically reduced its army, granted official status to the Russian language, etc.

The official position of Ukraine (President Zelenskyy) is a desire to end the war in 2025, with no legal recognition of the Russia-occupied territories and with provision of reliable security guarantees, both short- and long-term. This refers to the need to deploy approximately 200,000 peacekeepers along the contact line (to ensure the ceasefire) and Ukraine to join NATO (to ensure long-term security).

According to [The Wall Street Journal](#), Donald Trump has instructed his special envoy Keith Kellogg to **end the war in 100 days**, which [raises the possibility](#) of at least the first steps towards negotiations in the coming weeks. Representatives of [Switzerland](#), [Serbia](#) and some other countries have already offered to

host a meeting between Trump and Putin. It is also known that the telephone conversation on 17 January between Donald Trump and Chinese President Xi Jinping concerned Russia's war against Ukraine, among other things.

UKRAINIAN GOVERNMENT'S POLICY DECISIONS AND ACTIONS IN THE DEFENCE SECTOR

On 15 January, the Verkhovna Rada once again extended martial law and general mobilisation until 9 May 2025. Also, [amendments](#) to the Law of Ukraine «On Military Duty and Military Service» entered into force, which, starting in September 2025, introduce mandatory basic military training for university students as a part of the educational process and an analogue of basic military service. The latter is to replace conscript service by the new Law on Mobilisation, which entered into force on 18 May 2024. Unlike conscript service, basic military service allows citizens aged 18-25 to choose the period of training, and its duration during martial law is three months.

[Media reports](#) that on 10 January, President Zelenskyy, at the meeting of the Commander-in-Chief's staff, decided to suspend the process of forming new brigades and send reinforcements exclusively to the existing brigades. This decision was likely due to the public outcry caused by exposure of critical problems in the new brigades, such as the 155th separate mechanised brigade of the Armed Forces of Ukraine formed in May 2024. Ukrainian journalists have [reported](#) similar problems in other brigades, including the 153rd brigade, whose soldiers complain about incompetent task planning and command; lack of experienced commanders; lack of drones and anti-drone systems; lack of spare parts to repair Bradley fighting vehicles; insufficient time for training and coordination before being sent to the combat zone. One of [the reasons](#) for new brigades' problems is the faulty approach of the senior military leadership to the formation of reserves, when instead of manning the existing brigades, it was decided to form new ones without properly ensuring their manning, training and use.

Another high-profile January event was the detention by the State Bureau of Investigation (SBI) of two generals and a colonel, who are likely to be held fully responsible for the loss of part of the Kharkiv region in May 2024. The SBI [accuses](#) them of «negligent attitude to service committed under martial law, which

led to grave consequences» and a number of «other mistakes». Such actions of the SBI, in coordination with the SBU and with assistance of the Ministry of Defence and the Armed Forces Command, provoked a strong negative reaction from Ukrainian politicians, civil society and the military. For example, the Parliamentary Committee on National Security, Defence and Intelligence unanimously adopted a decision on 24 January, which explained the Committee's position on «the accusation of certain senior and high-ranking officers of the Armed Forces of Ukraine». In particular, the Committee's statement mentions selective application of the law, as evidenced by the singling out of certain events and individuals, in the absence of a proper and timely legal assessment of other events and actions of other persons; blatant application of excessively harsh measures to active military personnel who have been awarded state honours for repelling armed aggression, which in the eyes of society de facto equates particularly dangerous criminals and people who defended Ukraine's independence with arms. The statement also mentions the combat immunity established by law during martial law, which provides for the possibility of justified exemption of military personnel from criminal liability.

In January, a scandal surrounding the state arms procurement system not only rattled Ukrainian society but also created critical risks for the country's defence capability. It involved attempts by MoD leadership to establish control over the activities of the formally independent Defence Procurement Agency (DPA). By the end of the month, the conflict had only escalated. The essence of the conflict and the reaction of the various parties remains one of the hot topics in the Ukrainian information space.

FOREIGN EVENTS (EXTERNAL FACTORS)

The 25th Ramstein Contact Group meeting took place on 9 January to discuss measures necessary to meet Ukraine's immediate war needs and build the country's long-term defence capabilities. This was the last meeting chaired by Pentagon Chief Lloyd Austin, and the future of this format is unclear. Meanwhile, according to official reports, the NATO Security Assistance and Training for Ukraine (NSATU), established by the Washington Summit, has already partially taken over the coordination of military assistance to Ukraine and will be fully operational in February. Also, during the

Ramstein meeting, Ukraine's Defence Minister Rustem Umerov presented the partners with the military strategy for 2025.

On 27 January, Donald Trump ordered the Iron Dome air defence system to further his «peace through strength» policy. In addition to practical goals of strengthening US defences against new-generation air attack capabilities, this initiative is likely to become an element of a package of agreements in the US-Russian strategic security dialogue. A similar project within the Strategic Defence Initiative («Star Wars») in 1980s, initiated by President Reagan, was not implemented for technological and financial reasons, but pulled the Kremlin into the arms race and contributed to the eventual collapse of the Soviet economy. Active discussion by NATO leaders of the need to increase defence spending may be another «incentive» for further militarisation of the Russian budget. In his speech at the World Economic Forum in Davos, NATO Secretary General Mark Rutte acknowledged the validity of Trump's previous demands to European allies and stressed the «economic» expediency of bolstering support for Ukraine and the inadmissibility of its defeat, as it would cost the Alliance «trillions» to contain Russia in the future.

Israel may have transferred to Ukraine a batch of missiles for the Patriot system, or some Russian-made weapons captured during the fighting in the Middle East. According to the OSINTdefender monitoring centre, several US C-17 military transport aircraft flew from Israel to the Polish city of Rzeszow, a key logistics hub for military aid to Ukraine. Israel has not officially confirmed this information, which is typical of its security communication policy.

On 26 January, there was another incident involving the damage to a submarine cable in the Baltic Sea, due to «external influence». The next day, Sweden officially announced the detention of the Maltese-flagged Vezhen, which had left the Russian port of Ust-Luga a few days earlier and was sailing between Gotland and Latvia at the time of the cable damage. It should be noted that the incident occurred after the decision to deploy the NATO Baltic Sentry mission to patrol and protect underwater infrastructure.

On 16 January, Prime Minister Keir Starmer and President Zelenskyy signed the One

[Hundred Year Partnership Agreement](#) between Ukraine and the United Kingdom of Great Britain and Northern Ireland. The agreement covers such areas as defence, science, energy and trade, and is also a component of security guarantees. It should be noted that a year ago, on 12 January 2024, a [bilateral](#) Security Cooperation Agreement was signed between the two countries.

On 13 January, the presidents of Ukraine and France [discussed](#) the French initiative on the possible deployment of foreign military contingents in Ukraine as a component of security guarantees and a tool to force Russia to peace. President Macron has repeatedly hinted at the possibility of deploying French troops in Ukraine, as a training or peacekeeping mission, or – in the event of a breakthrough – to replace Ukrainian units on the borders with Belarus and Transnistria. According to [Intelligence Online](#), France conducted a secret 10-day exercise in the autumn of 2024 to rehearse a scenario of deploying troops to Ukraine to repel a Russian breakthrough from the territory of Belarus.

According to [The New York Times](#), the Biden administration reacted to [Russian sabotage actions](#) in Europe and sent the signal to Putin that stopped the mailing of parcels with incendiary devices by sending a warning to Putin's aides that in the event of a tragedy, the Kremlin would be held responsible for «enabling terrorism». After this, Putin allegedly ordered the suspension or halt of such actions. This case, among other things, shows the continuity of indirect communication between the leaders of the United States and Russia in the absence of public contacts.

A month after the [crash](#) of the Azerbaijani civilian aircraft, apparently downed by Russian air defence systems during the approach to Grozny, the Kremlin did not admit its responsibility and, accordingly, rejected goodwill in meeting the standard [requirements](#) (acknowledgement of the fact, punishment of the perpetrators and payment of compensation). Instead, Moscow has resorted to stalling and spreading numerous manipulative versions – its traditional tactic similar to the [MH17 disaster](#) in 2015.

RUSSIA

The [Russian delegation](#) visited Damascus for the first time since the change of power in Syria, but negotiations on retaining its military bases were fruitless. Meanwhile, after a long

delay, Russia was allowed to evacuate military equipment and property, which is likely to be redeployed to other Russian bases in the region.

The problems with the recruitment of «volunteers» are evidenced by the constant increase in one-time payments for signing a contract. For example, Samara region has set a new record by offering 4 million rubles (about \$40,000) for agreeing to participate in the so-called special military operation. Russian «war correspondents» also recognise the growing problems with recruiting manpower. They warn that if the active phase of the war ends, few of the «volunteers» will remain in the military on peacetime salaries, and they wonder how many will be ready to believe the promises of excellent service conditions, state care and veteran benefits if war breaks out again. It is worth noting that the Kremlin's [weekly spending on the war](#) (about \$2.6 billion) exceeds the annual budgets of 80% of Russian regions.

The Russian education system is actively working to justify the Kremlin's aggressive policy, militarise and prepare the younger generation for future wars. The recently presented [new textbooks](#) on military history for students in grades 6-11 are designed for «all admirers of military history, but especially for boys» and should foster «resilience, readiness for self-sacrifice, and an understanding of patriotism».

An analysis of the most important events, political statements and decisions leads to the following conclusions:

- ✓ the overall situation and main trends in the conflict have not changed much compared to previous months, although the number of engagements has slightly decreased;
- ✓ the change of the US administration had no immediate impact on the course of the Russia-Ukraine war, but the first statements and decisions of President Trump seem to be rather encouraging for Ukraine;
- ✓ the high-profile case of the detention of senior officers and the scandal in the MoD, against existing acute issues in the field of mobilisation and formation of reserves, pose significant risks to the domestic political stability and combat capability of the state in times of war.

II.

FOREIGN POLICY

The overall picture of foreign developments in January 2025 is characterised by forecasts and growing expectations in the global political space regarding the end of the war in Ukraine. This trend is largely due to Donald Trump's taking office and his intention to end the war. On the other hand, the aggressor country continues to escalate hostilities, and there is a military and political consolidation of the authoritarian camp (Russia, China, Iran, and North Korea). In addition, the situation in Europe and other regions tends to get more complicated.

INTERNATIONAL PROCESSES AND EVENTS

Important January events included the inauguration of Donald Trump, the approval of the new White House administration by the Congress, and the issuance of a number of controversial decrees by the new President. In particular, Mr Trump signed decrees on the US's withdrawal from the World Health Organization and the Paris Climate Agreement; on closing the country's southern border to illegal migrants; on changing some geographical names; on a temporary (90-day) suspension of all foreign aid programmes implemented by the United States Agency for International Development (USAID). The latter, according to [various sources](#), has already led to social complications in across the world, including Ukraine. In general, the active promotion of certain presidential initiatives using economic levers, such as «purchase» of Greenland, control over the Panama Canal, and mass deportation of migrants, has already complicated Washington's relations with some countries.

Furthermore, Donald Trump made a series of statements and calls for a quick end to Ukraine war and expressed readiness for dialogue with the Russian leadership. As [he put it](#), if the peace process does not start soon, economic measures will be taken against Moscow. According to unofficial sources, Trump's team is currently working on a large-scale [sanctions strategy](#) to force the aggressor and its allies to peace. In this context, it should be added on 10 January, Joe Biden imposed the largest package of sanctions against 400 legal entities and individuals in the Russian energy sector.

Judging from the statements of Trump's team, his election slogans «to end the war in one day» are a thing of the past, and the new US leadership is aware of the complexity and duration of the peaceful process. In January, Washington has not yet unveiled a specific plan/draft for Ukraine. [According](#) to Keith Kellogg, US special envoy for Ukraine and Russia, it will take about 100 days to end the war.

In January, Russia had another hybrid attack on Moldova. On 1 January, Gazprom cut off gas supplies to Transnistria, which brought local industry and residential heating to a standstill and threatened a large-scale humanitarian catastrophe. The goal of Moscow's energy sabotage was to provoke instability in the region, discredit Moldova's pro-European government, create a «second front» on the Ukrainian border, and secure pro-Russian revenge in the upcoming parliamentary elections in the country. The EU, Ukraine, and official Chisinau announced emergency assistance to Transnistria (the crisis was later averted thanks to a «gas grant» provided by the EU). This situation is a convincing example of the aggressor using energy weapons to interfere in other countries' internal affairs and expand the «Russian world».

Trends of further separation and confrontation between democratic countries and the alliance of authoritarian states continued in January 2025. In this context, some of the processes and events deserve special attention. *First*, the fake presidential elections in Belarus on 26 January, which were held with no opposition candidates, no OSCE observers and no voting at foreign polling stations, should be seen as a special operation to prolong the authoritarian, police-style regime of self-proclaimed president Lukashenka. The democratic world did not recognise the «victory» of the Belarusian dictator with a result of 86.8%. In particular, the EU, Australia, the United Kingdom, Canada and New Zealand issued a joint statement refusing to recognise the legitimacy of these elections. Similar statements were made by Ukraine and other countries.

Second, contractual and legal consolidation of relations between authoritarian regimes is underway. On 17 January, during the visit

of Iranian President Masoud Pezeshkian to Moscow, the countries [signed](#) the Treaty on Comprehensive Strategic Partnership, which provides for the development of cooperation in the military, economic, energy, and trade spheres (Russia signed a similar document with North Korea in the summer of 2024). Also, negotiations and consultations between the Russian and the Chinese leadership continued throughout the month. It should be added that in January, Indonesia became a full member of the BRICS – an organisation, which Beijing and Moscow are trying to turn into an alternative to the collective West.

Third, Georgia's anti-Western drift continues. At its January session, the PACE adopted a tough resolution imposing sanctions on the Georgian delegation and demanded early parliamentary elections. In response, Tbilisi announced its withdrawal from PACE. The pro-Russian course of the ruling Georgian Dream party, repressions against the opposition, and disregard for human rights led to the imposition of [sanctions](#) by the US and EU. This situation can be seen as the beginning of the country's international isolation.

Fourth, opposite, pro-Western trends are observed in Armenia's foreign policy. In early January, the government approved a draft law on the start of Armenia's EU accession. Subsequently, on 14 January, the foreign ministers of Armenia and the United States signed the [Charter](#) on Strategic Partnership in Washington. However, these are rather forced steps due to a critical shortage of external support and the country's complicated relations with Turkey-backed Azerbaijan.

FOREIGN POLICY ACTIVITIES OF UKRAINIAN GOVERNMENT

In January 2025, Ukrainian diplomats held numerous talks and consultations in an attempt to promote Ukrainian initiatives and expand the geography of external contacts. In general, these efforts focused on strengthening Ukraine's political, military, financial and economic positions (including in view of possible prospects for ending the war) and intensifying the country's European and Euro-Atlantic integration.

Political dialogue with foreign partners

In January, official Kyiv maintained a fast-paced dialogue with foreign partners. The most important contacts included the President's participation in a meeting of the Ramstein group on 9 January, during which he held a [series of talks](#) with the military leadership of the participating countries. The Ukrainian delegation's visits to Italy (9 January) to strengthen bilateral military-technical cooperation and to Poland (15 and 27 January) to ensure the opening of negotiations on Ukraine's EU accession during Warsaw's EU presidency should also be considered as diplomatic achievements.

The intensity of negotiations can be illustrated by the fact that in just two days – 16-17 January – Ukraine welcomed the following high-ranking guests:

- ✓ Sir Keir Starmer, Prime Minister of the United Kingdom,
- ✓ Tom Fletcher, Under-Secretary-General for Humanitarian Affairs, and Filippo Grandi, UN High Commissioner for Refugees,
- ✓ Caspar Veldkamp, Minister of Foreign Affairs of the Netherlands,
- Guido Crosetto, Minister of Defence of Italy,
- ✓ Delegation of members of the Slovak Parliament, headed by Michal Šimečka,
- ✓ Foreign Ministers of Albania, Bosnia and Herzegovina, Croatia, Moldova, Montenegro, North Macedonia, Romania, Slovenia, Turkey and Slovenia.

[Ukraine's participation in the World Economic Forum](#) in Davos (21 January) was quite productive in strengthening contacts with partners and allies. On the sidelines of the forum, Ukraine held talks with the Presidents of Switzerland, Finland, Israel, South Africa, Argentina, Serbia, and Azerbaijan. Meetings and consultations were also held with the Chancellor of Germany, the Heads of Government of Albania, Vietnam, Qatar, Croatia, Sweden, Spain, the Netherlands, and Belgium.

Negotiations with [top executives and owners](#) of large American and European companies were also useful.

Other notable events included the visit to Kyiv of the OSCE Chairperson-in-Office Elina Valtonen, as well as visits by parliamentary delegations from Latvia and Lithuania. Meetings with the leadership of Moldova were of particular importance, given the aforementioned instability in Transnistria.

Promotion of Ukrainian interests and initiatives globally

In January Kyiv continued efforts to promote its initiatives and interests bilaterally and on international platforms and tried to influence the agenda of the international community.

The Ukrainian side sought to strengthen and expand partnerships with allied countries in the military-technical sphere. In particular, during the January meeting of the Ramstein Group, a [package of roadmaps](#) for cooperation and assistance in the security sector was approved. These included a) providing military assistance; b) organising arms procurement; c) attracting investment in Ukraine's defence industry; and d) supporting the Ukrainian defence industry.

Ukraine continues to conclude long-term security cooperation agreements with partner countries. On 16 January, the One Hundred Year Partnership Agreement between Ukraine and the United Kingdom of Great Britain and Northern Ireland was signed in Kyiv during the visit of British Prime Minister Keir Starmer. The document is a long-term agreement strengthening the partnership in various areas. On 21 January in Davos, President Zelenskyy and Prime Minister of Albania Edi Rama signed the Agreement on Long-term Cooperation and Support between Ukraine and the Republic of Albania. It is designed for 10 years and consists of the following parts: security and defence; political cooperation; humanitarian aid; and cooperation in case of a future Russian attack.

As part of its multilateral partnership, Ukraine is trying to secure broad international support for its long-term interests and foreign policy

initiatives. To this end, a ministerial meeting between Ukraine and the countries of Southeast Europe was held in Kyiv on 17 January. Foreign ministers of eight European countries adopted a [joint communiqué](#) declaring support for Ukraine's positions and plans. In particular, the participating states supported the Ukrainian Peace Formula and the activities of the Crimea Platform, reaffirmed the need to bring Russia to international justice for war crimes committed against Ukraine, and stressed the need to facilitate Ukraine's integration into the EU and NATO.

Kyiv takes the first steps to address the problem of returning Ukrainian refugees to their homeland. The Vice Prime Minister of Ukraine and the Minister of National Unity, Oleksiy Chernyshov, unveiled a plan to establish the first centres for the return of Ukrainians in Poland, Czechia, and Germany. These new facilities are to help Ukrainians return home, also serving as cultural and community centres.

UKRAINE'S STEPS TOWARDS THE EU

In January, Ukraine took steps in various areas of the European integration process to ensure conditions for the opening of EU accession negotiations. These included (a) the final round of consultations on the Rule of Law Roadmap; (b) discussions with the European Commission on the Ukrainian version of the Public Administration Reform [Roadmap](#); (c) adoption of the law of Ukraine to improve the current legislation on greenhouse gas emissions; (d) approval of the National Waste Management Plan until 2033 by the Cabinet of Ministers.

On 24 January, the European Commission submitted the first final report to the European Council based on the results of Ukrainian legislation screening for the first negotiations cluster (Fundamentals). Thus, following the EU's internal procedures and the corresponding consensus decision, an Inter-governmental Conference is to be held, where the parties will formally open negotiations on this cluster. Also, at the end of January, EU-Ukraine [meetings began](#) in Brussels as part of screening of Ukrainian legislation for cluster 6, External Relations. Screening sessions on the Competition Policy Chapter (Internal Market Cluster) also started.

It should be added that Ukraine, the EU, Denmark and Lithuania [signed](#) the Ukraine2EU – EU Integration Support Programme for Ukraine, which provides financial assistance of €14 million to Ukrainian institutions in managing the EU accession process and implementing the necessary reforms.

Meanwhile, Kyiv held a series of multi-level contacts with the leadership of Poland, which currently holds the EU presidency. Among other things, they resulted in an agreement to resolve a long-standing problem between the states – the exhumation of victims of the Volyn tragedy. This is an important step, both in terms of the prospect of negotiations on Ukraine's accession to the EU and in view of the presidential elections in Poland (May 2025), during which this topic could be the subject of speculation and anti-Ukrainian sentiment.

It should be noted that Ukrainian diplomacy, with an eye to the upcoming accession negotiations, has tried to further strengthen relations with EU leaders. However, there has been a significant aggravation and deterioration of relations with Hungary and Slovakia. The reason for this was Ukraine's decision to halt the transit of Russian gas. As a

result, Hungary's Viktor Orbán and Slovakia's Robert Fico resorted to anti-Ukrainian speculation, blackmail and threats to block Ukraine's European integration. Such unfriendly policies of neighbours are worrying and pose a danger to Ukraine's movement towards Europe, given the EU's consensus-based decision-making mechanisms.

Summing up the events of January 2025, it should be emphasised that the official entry into office of Donald Trump, who positions himself as a decisive leader of the world's leading power, determined to end the war in Ukraine, has initiated expectations and hopes in the global political discourse for the launch of a peaceful settlement. However, it is clear that this process, if launched, will be neither quick nor easy, with still unclear results.

Forcing the aggressor to peace must be done from a position of strength. Therefore, in any case, Ukraine's priority is and will be strengthening its political and diplomatic positions in the world, enhancing its defence capability and military potential, building internal socio-economic stability and national unity. Important factors are the solidarity and support of allied countries, and Ukraine's further European and Euro Atlantic integration.



DECISIONS AND PROJECTS

Although business activity traditionally slows down in January, this year's month was quite busy.

In the context of the need to strengthen the country's defence and security, some legislative and regulatory documents may have a particular impact on Ukraine's socio-political and socio-economic environment. These include the Laws No. [4144-IX](#) and No. [4143-IX](#) of 17 December 2024 on the exemption from taxation of certain defence goods. The legislative changes provide, inter alia, for the exemption from import duty of goods for the production of ammunition and equipment for testing it. Imports of components for the production and repair of drones will be also exempt from VAT. Another positive development is that the [funds raised by volunteers](#) and donated to charity will not be taxed, and charitable foundations can help the military without losing their non-profit status.

Draft Laws No. [12395](#) and No. [12396](#) of 9 January 2025 concerning the exemption from VAT and customs duties on the importation of unmanned systems components into the customs territory of Ukraine by individuals, are aimed at a similar course of action. The main provisions of the draft law regarding VAT exemption apply to goods imported by individuals who declare their use for the production or repair of unmanned systems.

If these laws are applied properly and «setups» to avoid taxation of goods for other purposes are prevented, such initiatives can truly enhance the combat capabilities of unmanned systems, which have already proven to be reliable and effective weapons of the Ukrainian defence forces.

Of course, the effectiveness of security and defence measures for Ukraine largely depends on democratic countries' support. Today, there is reason to believe that partners, having made decisions on financial assistance, are committed to timely implementation, which has a

positive impact on key macroeconomic and financial indicators.

Therefore, international reserves are among the most important indicators. In December, Ukraine received a record amount of international aid – \$9.4 billion in equivalent. [According to the NBU](#), Ukraine's international reserves, as of 1 January 2025 amounted to \$43.8 billion. This increase was made possible thanks to strong global financial support of about \$42 billion. The largest financial assistance came from the European Union (\$17.5 billion), followed by the United States (\$6.8 billion), the World Bank (\$6.1 billion), the IMF (\$5.3 billion), Japan (\$4.3 billion), and Canada (\$1.8 billion).

The current volume of international reserves provides funding for 5.5 months of future imports, which is an important factor in macroeconomic stability.

As for the partners and support programmes, the [European Union will provide](#) Ukraine with €35 billion in financial assistance in 2025. The funds will be allocated under two key programmes: the G7 ERA credit initiative and the multi-year Ukraine Facility programme.

It is worth noting that in 2025, the largest amount of funding will come from the ERA mechanism, which, [in total, provides for \\$50 billion](#) in assistance from the G7. Part of this aid will be used for military purposes, so funding for non-defence-related requests will be lower. The US has already transferred \$20 billion to the World Bank account, which guarantees its availability even in case of the new president's policy changes (\$1 billion was already disbursed in December).

At the same time, the Ukraine Facility programme envisages the allocation of €50 billion to Ukraine in the period 2024–2027. Of this amount, €39 billion will be allocated to the state budget to ensure macro-financial stability, while the remaining funds will be used as an investment instrument to cover

risks in priority sectors, finance interest on loans, and other measures.

For its part, in 2025, the NBU also expects to get about \$38 billion from international partners, which, however, is associated with high foreign policy risks that may prevent the NBU from maintaining a sufficient level of international reserves and ensuring macroeconomic and currency stability.

In an effort to neutralise the risks, the NBU has [updated its institutional strategy](#) for the second time since the onset of Russian invasion, focusing on resisting aggression and restoring the country. It is noted that the strategy update will help improve the efficiency of the NBU's activities in a rapidly changing external environment, strengthening its readiness for new challenges and diverse scenarios.

Back in May 2023, when the NBU [first presented](#) its strategy called «Financial Fortress», it focused on countering Russian aggression and restoring the country, and, given the changing and unpredictable external setting, the document is periodically updated. The first update took place a year ago, in January 2024, meaning that the NBU is trying to be institutionally consistent.

Meanwhile, the government is trying to consolidate favourable conditions for domestic businesses. In the near future, the Cabinet of Ministers plans to complete all internal preparations for negotiations on the signing of an «industrial visa-free regime» with the European Union.

It should be noted that Ukraine's [EU candidate status](#) opens up new opportunities for Ukrainian businesses. One of them is the aforementioned «industrial visa-free regime», or ACAA, which [eliminates](#) technical barriers to trade in industrial products between Ukraine and the EU. After signing the agreement, Ukrainian producers will be able to label their products in accordance with recognised European standards and sell them freely in the EU without additional certification. Moreover, Ukrainian products recognised by the EU will have easier access to other global markets.

For Ukraine, the importance of deepening ties with the EU is growing rapidly not only in terms of security and defence policy. At the World Economic Forum, European

Commission President Ursula von der Leyen [presented](#) a strategy that will determine the EU's development over the next five years. The main areas include bridging the innovation gap, decarbonisation, creating a single market for business, and energy independence. Of course, Ukraine has to demonstrate its readiness and ability to meet the relevant criteria.

DEVELOPMENTS, PROCESSES, TRENDS

Although Ukraine has been quite successful in countering Russian aggression, it is still too early to predict a stable recovery of the socio-economic environment. This is confirmed by the January issue of the World Bank's [Global Economic Prospects](#), which presented revised forecasts for the global economy. The publication forecasts a slowdown in Ukraine's economic growth to 2.0% in 2025 if the war continues throughout the year.

It should be noted that the World Bank had previously projected an average GDP growth rate of 5.8% per year in Ukraine in 2025-2026, assuming that active fighting continues through 2024 and then become moderate. These figures are in line with the IMF's updated baseline scenario, according to which Russia's war against Ukraine will end at the end of 2025, and growth will accelerate from 2.5-3.5% in 2025 to 5.3% in 2026.

[According to the Ministry of Economy](#), the Ukrainian economy grew by 4% [$\pm 0.5\%$] in 11 months of 2024, but preliminary annual figures indicate a weaker real GDP growth rate.

One of the main tasks in the macro-economic sphere is to curb inflation. However, it remains galloping: [according to the State Statistics Service](#), after falling to 5.1% in 2023 and 26.6% a year earlier, the consumer price index grew by 12.0% in 2024. What is particularly unfortunate is the accelerated rise in food prices – average prices for food and non-alcoholic beverages in Ukraine in December 2024 increased by more than 14% compared to December 2023. In this context, it is clear that the Ministry of Economy and the NBU have once again misjudged inflationary dynamics.

It is appropriate to include a general remark. In November-December 2023, international and domestic institutions published their forecasts of Ukraine's economic development in 2024. Both the Ministry of

Economy and the NBU projected annual inflation (December-to-December) at 9.5–9.8%, while the Razumkov Centre’s forecast, published in [November 2023](#), estimated inflation at 12.9%. That is, we saw no factors that would allow Ukraine to maintain low inflation dynamics in the long term in the face of war. Unfortunately, our assumptions appeared to be more rational than the forecasts of official institutions.

High public finance deficit is another significant macroeconomic concern. The Ministry of Finance informed on the [performance of the state budget](#) of Ukraine in December and in 2024 in general. Therefore, in December, the state budget revenues increased significantly to UAH 470.4 billion (compared to UAH 302.6 billion in November) thanks to significant external assistance, while the cash expenditures of the state budget reached a record UAH 704.7 billion (UAH 426.3 billion in November).

In total, in 2024, the state budget received UAH 3.12 trillion in revenues, which is UAH 448 billion, or 16.8%, higher than in 2023.

It should be noted that international financial assistance in the form of grants amounted to UAH 453.6 billion, which is about the same as in 2023 (UAH 433.9 billion). This is a positive, albeit unexpected figure, as at the beginning of 2024, expectations of the volume of grant aid were extremely cautious. The actual figure demonstrates the high level of good partnership between democratic countries and Ukraine.

As for state budget expenditures, in 2024 they increased by UAH 464.5 billion, or 11.6%, to UAH 4.48 trillion, compared to 2023. Thus, the state budget deficit will reach a record high of about 17–18% of expected GDP.

The foreign economic sector also deserves attention. [According to the State Customs Service](#), Ukraine’s trade turnover in 2024 was \$112.3 billion, up 13% from \$99.4 billion in 2023. Exports of goods amounted to \$41.6 billion, and imports – \$70.7 billion, while taxed imports reached \$57.4 billion (or 81% of total imported goods).

The following clarification should be made with regard to foreign trade sales. The upward trade dynamics was largely due to the Ukrainian Navy, which in 2024 guaranteed the passage of 9,061 civilian vessels through the Ukrainian sea corridor, including 6,840 vessels passing through the ports of Greater Odesa and 2,221 vessels – through the ports of the Danube cluster.

This allowed Ukraine to export more than 74.4 million tonnes of cargo, including agricultural products (their exports accounted for 61.2% of the cargo flow), which is critical to supporting Ukrainian economy and maintaining global food security. As a reminder, the temporary sea corridor announced by the Ukrainian Navy was launched on 16 August 2023 and operates thanks to partnership cooperation. The launch of the corridor unblocked the operation of three deep-water ports in Odesa – Pivdennyi, Odesa and Chornomorsk.

In January–November 2024, the seaports [increased cargo handling](#) by 70% compared to the same period last year, handling 89.8 million tonnes (52.9 million tonnes last year). In 2024, Ukrainian [seaports](#) handled 97.2 million tonnes of cargo (+57% year-on-year).

The increase in sea freight was made possible by the gradual recovery of rail freight. In 2024, Ukrzaliznytsia transported 174.9 million tonnes of cargo, up 18% from 2023. Traffic to the western border dropped by 9% to 30.9 million tonnes over the year, while shipments to ports increased 2.4 times to 53.8 million tonnes.

Finally, there is good news about Ukraine’s global achievements and recognition. [According to Mykhailo Fedorov](#), Ukrainian Vice Prime Minister for Innovation, Education, Science and Technology Development and Minister of Digital Transformation, the country has managed to rise in the Online Service Index in the UN global ranking, which measures the progress of digital nations, over the past five years. Ukraine has risen from 102nd to 5th place, with particular achievements in the area of citizen engagement in the use of digital technologies.

IV.

ENERGY SECTOR

ENERGY BALANCE

January saw only one combined attack on the Ukrainian energy system, primarily gas infrastructure and thermal generation facilities. This resulted in temporary reduction of the capacity of one power unit at Rivne NPP and emergency blackouts in seven regions. The restrictions were lifted shortly, and the normal functioning of the system was restored due to the competent actions of dispatch and repair teams, as well as the availability of power reserves due to lower energy consumption.

Nine NPP units generating up to 7.8 GW of power provided the base capacity of Ukraine's integrated power system (IPS). Up to 10 power units of TPPs and CHPPs, as well as HPPs and PSPs, which together generated 4.0-4.4 GW of electricity, were the source of manoeuvrable power. Generation at Ukrhydroenergo facilities did not exceed 0.6 GW, while bad weather conditions reduced the efficiency of SPPs and wind farms. As a result, the generation capacity of renewable power plants dropped to 0.4-0.6 GW.

According to expert estimates, generation volumes in Ukraine amounted to 12-13 GW per hour (18 GW in 2021). NPPs accounted for most generation (61-63%), followed by CHPPs (14-16%), TPPs (12-13%), hydropower plants (4-5%), and renewables (up to 4%).

No schedules for electricity consumption restrictions for industry and hourly blackouts for households were applied in January. A small energy deficit, primarily in the afternoons and evenings, was balanced by imports from neighbours. However, its role was insignificant, as evidenced by only 11% utilisation of the cross-border capacity. This can be explained by often unfavourable price environment, limited capacity to transmit electricity from west to east and south, and price caps set by the regulator on 20 May 2024.

There was no shortage of natural gas. Due to relatively high air temperatures for January, its daily consumption fluctuated between

100-110 mcm, which required 40-60 mcm to be withdrawn from underground gas storage facilities (64 mcm on 17 January 2025). Up to 50 mcm were supplied by Ukraine's own production.

The country's gas transmission system has been operating smoothly. Despite the Russian attack on 15 January 2025, which targeted Naftogaz Group facilities, the nominations of customers for storage and capacity reservation services were fully met.

As no gas was injected into Ukrainian underground storage facilities in November-January, the current level of reserves is 24% lower than last year and a quarter lower than in 2015-2018 (including gas owned by non-residents).

Although in July, the management of Naftogaz Group claimed that it would be able to meet the gas storage plan, namely «13.2 bcm by 1 November», it failed to reach this figure. However, if daily production remains at 50 mcm, the 3.5 bcm available in storage facilities (excluding 4.7 bcm of long-term storage gas and 0.1 bcm owned by non-residents) are still enough to pass the heating season with an average February temperature of at least -5°C and no massive Russian attacks on the gas infrastructure. This is confirmed by Naftogaz Group, which [assures](#) that it controls the situation with its reserves: «They are sufficient for a stable heating season».

To hedge against possible problems, Ukrtransgaz, with the [permission](#) of the NEURC, purchased an additional 96.5 mcm of imported gas for delivery in January-March 2025.

Coal reserves at TPPs and CHPPs are sufficient (3.2 million tonnes) to last through the heating season, but power companies cannot use them to the fullest extent due to damage to coal-fired TPPs and CHPPs.

Domestic demand for petroleum products hit a yearly low but remained strong due to the

widespread use of backup power sources and a large number of road transport. Despite a 3–5% rise in fuel prices at petrol stations due to an [increase in excise tax rates](#), rising import costs, and the [depreciation](#) of the hryvnia against the euro on the interbank market, no shortage of petroleum products is observed or expected.

PROBLEMS AND SOLUTIONS

In the reporting period, the Cabinet of Ministers announced the restoration of «4 GW of thermal and hydropower capacity» in 2024 and the connection of 233 new power plants with a total capacity of «over 830 MW» to the grid, clarifying that «it is about gas generation, namely: gas turbine, gas piston and cogeneration units». The Prime Minister, however, did not mention that the government was involved in only 183 MW of new installed capacity, while the rest was the result of donor and/or private initiatives.

Participants of the [meeting](#) of the Headquarters for the preparation of housing and communal services and the energy sector for the autumn–winter period noted that as of 10 January 2025, «99.5% of residential buildings and 99.8% of social institutions were provided with heat energy» but acknowledged that the plan for actually installed cogeneration units and block-modular boiler houses in the regions was fulfilled by 49.8% and 52.8%, respectively. At the same time, it is still unclear why only 233 of 486 cogeneration units, and only 151 of 296 block-modular boiler houses [provided](#) to Ukraine for free have been [launched](#).

Recognising energy security as one of the government's top ten priorities, the Cabinet planned to restore «about 3 GW» of TPP and HPP units and «commission almost 900 MW of distributed generation capacity» by the end of the year. It is noteworthy that in December, the Ministry of Energy promised to connect these facilities «by the end of the autumn–winter period of 2024–2025». It is likely that the government was more cautious in setting the deadline, given that Ukrzaliznytsia and other large companies have not yet signed agreements on the purchase of power units.

In June–December 2024, as part of an initiative by 20 banks (with a share of more than 85% of the sector's net assets), entrepreneurs from 21 regions of Ukraine received UAH 10.5 billion to purchase and install gas-piston cogeneration units with a total capacity of 208 MW, build solar power plants (141 MW), and purchase diesel and petrol generators (118 MW). At the same time, in January, applications for more than UAH 62.3 billion were pending with banks.

In 2025, the government [promised](#) to continue its preferential power equipment procurement programmes. Loans from the Affordable Loans [5-7-9](#) programme and the [Decarbonisation Fund](#) will be available to small and medium-sized businesses, while under the [Made in Ukraine policy](#), it will be possible to get 15% compensation for 450 items purchased from 19 domestic manufacturers. It seems as if the Cabinet is oblivious to the fact that the government's debt to banks for interest compensation for various «energy independence» initiatives has already increased to UAH 10 billion.

The Cabinet of Ministers has also promised not to change prices and tariffs for household consumers at least until 30 April 2025 and to allocate UAH 42.3 billion for «subsidies and benefits». Since June 2024, Ukrainians have already [received](#) 5,270 loans for energy needs, totalling UAH 657 million. Households have a zero interest rate for the installation of solar panels, while condominiums can take advantage of the [GreenDIM](#) programme to «[receive](#) UAH 2 million for solar stations and UAH 2 million for heat pumps». However, the number of those willing to take advantage of these opportunities is surprisingly low, as no more than 150 applications were [submitted](#) in 2024.

Below are some noteworthy measures taken in January to address the problems in the fuel and energy sector:

✓ signing of laws No. 3291-IX of 28 July 2023 and No. 4217-IX of 14 January 2025 by the President of Ukraine to temporarily protect SE Energorynok and SE Eastern Mining and Processing Plant from bankruptcy, as well as Law No. 4154-IX of 18 December 2024 to

update the provisions of the National Programme for the Development of the Mineral Resources Base of Ukraine for the period up to 2030, in particular, with regard to minerals that are of strategic and critical importance for the sustainable development of the economy and the state's defence capability;

- ✓ adoption by the Verkhovna Rada of Ukraine in the second reading and in general of Draft Law No. 9381 of 13 June 2023, which supplements a number of laws of Ukraine in the field of energy and heat supply with the term «martial law» and references to the documents that introduced it;

- ✓ adoption of decisions by the Cabinet of Ministers to pave the way for the allocation of €200 million for the purchase of equipment to restore Kaniv, Kremenchuk and Dnipro hydroelectric power plants; manufacture, supply and installation of 126 MW of gas piston and cogeneration units for Ukrnafta; reservation of employees liable for military service who are operators of gas distribution systems; installation of engineering and technical means to protect against missile and drone attacks at fuel storage facilities.

Unfortunately, the debt problem continues to worsen. The debts of district heating companies for gas consumption exceeded UAH 72 billion, and debts on the balancing market are growing by UAH 0.7-0.8 billion every month. Electricity market participants, primarily state-owned companies, owe Ukrenergo more than UAH 34.6 billion. At the same time, the operator's total debt to the participants of the balancing market is UAH 16.8 billion. And while the latter was reduced by 9% over the year, the debt of the parties responsible for the balance increased by 13%.

The problem can only be solved by ensuring the solvency of all energy market participants, from producers and suppliers to end consumers. However, the Verkhovna Rada has only prepared for the second reading a [draft law](#) aimed at improving payment discipline in the electricity market, and the government is [boycotting](#) the reduction of the list of protected consumers, where critical infrastructure companies make no more than one-third. The latest news regarding the relevant resolution is dated 14 November 2024, when its revised [draft](#)

was [approved](#) by the State Regulatory Service of Ukraine.

January saw the escalation of confrontation between the Ministry of Energy and Energoatom, on the one hand, and relevant experts and MPs, on the other. The dispute concerns the timing and technology of the completion of the 3rd and 4th power units of Khmelnytska NPP (Draft Law No. [11146](#) of 3 April 2024). The main criticism about this project is that it is based on a feasibility study prepared back in March 2017 and the planned acquisition of two VVER-1000/B466 reactors from the Bulgarian Natsionalna Elektricheska Kompania EAD, which were developed using Russian technology and are not adapted to use Westinghouse fuel assemblies (second version of the draft law No. 11392 of 2 July 2024). The situation is complicated by personal accusations on both sides of the conflict and poor communication. In particular, the Ministry of Energy claims that the construction will last «up to three years», while the feasibility study provides for 84 months. It is noted that the completion is aimed at maintaining «the electricity tariff for Ukrainians below the market level», but the Annex to the draft law emphasises that Energoatom receives funds to finance the construction, «since... the special obligations imposed by the Cabinet of Ministers on market participants are temporary». This is [confirmed](#) by the company itself, noting that «60 to 80% of its own profit is directed, by the government's decision, to the special obligations», thus keeping «the company's balance sheet at the level of insignificant profitability/loss», and «formal profitability will be achieved only in Q4 [of 2024... provided] the maximum possible electricity production».

The immediate consequences of the conflict are the registration of a draft resolution of the Verkhovna Rada on the dismissal of the Minister of Energy and the attempt by the initiators of the purchase of Russian reactors to «conceal» the subject of Draft Law No. 11146 of 3 April 2024 in the second version of Draft Law No. 11392 of 2 July 2024.

CONCLUSIONS AND RECOMMENDATIONS

As the Ukrainian Hydrometeorological Centre [predicts](#) that the average temperature

in February will range from -3 to $+2^{\circ}\text{C}$ (1.5 – 2.0°C above the climate norm), the return of electricity restrictions for industry and hourly blackouts for households is [less likely](#).

However, according to the same forecast, cold snaps down to -8°C and below are still possible. At such temperatures, gas withdrawals from underground storage facilities currently holding less than 3.5 bcm (excluding 4.7 bcm of long-term storage) could double from 50 to 100 mcm per day. Therefore, in order to avoid situational shortages, it would be desirable to build up additional reserves of natural gas and reserve fuel (fuel oil) for TPPs and CHPPs.

The biggest threat to the country's energy security, both for the remainder of the heating season and after it ends, is the high probability of repeated massive russian attacks on energy infrastructure. As the transmission system operator [puts it](#), «the only reason for the forced blackouts has always been and remains the destruction of energy infrastructure as a result of russian missile and drone attacks»

This highlights the need to equip the most vulnerable facilities with second-level passive defences against attack UAVs and cluster warheads of air- and sea-launched cruise missiles. Therefore, Ukraine needs at least 19 additional Hawk, NASAMS or IRIS-T systems to protect its fuel and energy complex. Unfortunately, the proven effectiveness of engineering defences does not encourage market participants to install them and does not accelerate the pace of work organised by the Reconstruction Agency.

Attempts of the Ministry of Energy and Energoatom to use their resources on purchasing reactors developed based on russian technologies that are not needed in the EU instead of improving protection of the energy infrastructure, developing distributed generation or improving the quality of off-season repairs certainly do not help address the existing problems. In addition, by stopping discussing their plans, intentions and decisions with experts and the public (and sometimes even [hiding](#) them), Ukraine's executive bodies are becoming opaque and closed.



SOME ISSUES OF RETURN OF UKRAINIAN CITIZENS

One of the biggest challenges facing Ukraine is the issue of returning its citizens from abroad, which is currently seen as the second most difficult issue, after reconstruction and recovery. Every additional year of full-scale fighting reduces the number of Ukrainian citizens willing to return home. According to rough estimates, there are currently 7.7 million Ukrainians abroad, of which 5.3 million are in the EU, and more than 4.2 million have been granted temporary protection status in the EU.

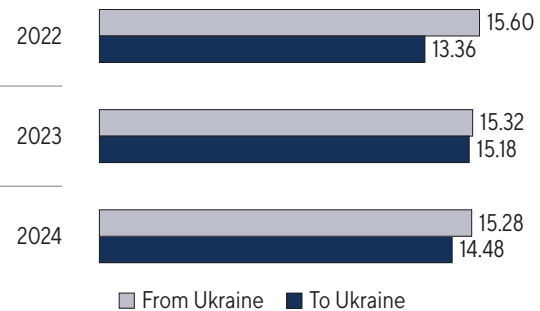
According to the [UN High Commissioner for Refugees](#), based on a [UN](#) survey, the number of refugees planning or hoping to return to Ukraine has decreased from 77% to 65% compared to 2023.

According to [Voice of Ukraine](#) study, 26% of respondents would like to stay outside Ukraine in 2024, while in 2022, only 10% of Ukrainian refugees stated such an intention. In 2022, as many as 58% of Ukrainian refugees in Germany declared their readiness to return home, and in 2024, this figure dropped to 38%. In Poland, in 2022, approximately two-thirds of respondents wanted to return to Ukraine, but in February 2024, this figure was 44%.

Open data may show different figures on the number of Ukrainians who have travelled abroad, but the trends are identical. Thus, according to the State Border Guard Service of Ukraine, in 2024, citizens crossed the state's [borders 30.11 million times](#),¹ and 443 thousand (2%) of those who left did not return. That is, the number of Ukrainians who left and did not return home increased by 3.3 times in a year. In 2023, the difference between those who left and those who returned was only 134,000. In 2024, the largest number of people did not return (194,000) was recorded in June.

In December 2024, in order to encourage the return of Ukrainians from abroad, the government renamed the Ministry of Reintegration of the Temporarily Occupied

**NUMBER OF BORDER CROSSINGS
BY CITIZENS OF UKRAINE,**
million people



Territories to the Ministry of National Unity, which, according to the President of Ukraine, «will deal with the affairs of the global Ukrainian community of millions – not among other things but purposefully». The new ministry is one of the points of the internal [Resilience Plan](#) presented by President Zelenskyy. According to the Prime Minister, «this institutional strengthening will help shape a new quality of work and interaction with the multimillion Ukrainian community from all waves of migration». The Ministry of National Unity will also help develop a strategy on how to bring Ukrainians back to live and work in Ukraine.

The Ministry's [activities](#) will focus on elaborating and implementing state policy on national unity, Ukrainian identity, information policy and strategic communications; on defending the rights and interests of Ukrainians abroad and creating conditions for their return or integration into Ukraine; on meeting the cultural, educational and linguistic needs of Ukrainians abroad in coordination with the Ministry of Foreign Affairs; and on promoting the national and civic identity of Ukraine.

In January 2025, the Cabinet of Ministers also established the Agency of National Unity. Like the newly created ministry of the same

¹ The data of the Border Guard Service only reflects information on citizens who travelled via official checkpoints. There is currently no reliable data on Ukrainians who left temporarily occupied territories or travelled illegally.

name, the Agency will encourage citizens to return to Ukraine and provide them with various services. The Agency's main tasks will be to encourage citizens to return to Ukraine; strengthen ties with Ukraine and engage in support of Ukraine abroad; advise Ukrainians living abroad on support programmes and assist in resolving various issues; address complex issues and problems when citizens return to Ukraine; and promote Ukraine's integration into the global space.

While the Ministry of National Unity is the central body in the system of relevant central executive authorities, the Agency of National Unity will be subordinated to the Ministry of Economy. The Agency is expected to open its offices (Unity Hubs) in the capitals of key countries where Ukrainians reside, primarily in Germany, Poland and the Czech Republic, and possibly in other countries.

In this way, the Ukrainian government is trying to find a solution to the existential challenge of human capital outflow and the nation's ageing. However, it remains to be seen how the new ministry and the new agency will encourage Ukrainian refugees to return home. What is known for sure is that Ukraine has no intention to forcibly return its citizens or create artificial restrictions for Ukrainians abroad, such as access to consular services or the cancellation of social assistance.

However, in our opinion, it is impossible to solve the problem by creating a Ministry or Agency alone, as such bodies themselves cannot do anything without providing basic needs such as security, living conditions, and jobs. In addition, the newly created Ministry (as well as the Agency) will face a number of challenges that may limit their effectiveness, including the following:

Structural and bureaucratic hurdles

- ✓ *Uncertainty of mandate*, which often overlaps with the functions of other ministries, such as Ministry of Social Policy and Ministry of Foreign Policy. This leads to a «jurisdictional struggle» and slows down decision-making.

- ✓ *Lack of experience*: a new institution needs time to develop procedures, train staff, and build communication with local authorities.

Financial constraints

- ✓ *The issue of financing the new agency remains open*. The state budget for 2025 allocates more than UAH 1.4 billion for the programmes of the Ministry of Reintegration, on the basis of which the Ministry of National Unity was created. These programmes are primarily aimed at internally displaced persons (IDPs), but from now on, the ministry will also deal with the issues of Ukrainians abroad. Therefore, it is necessary either to increase its funding or reduce IDP programmes.
- ✓ *The budget is not enough*: even with international assistance, funds often do not reach specific programmes due to corruption risks or complicated procedures. It should also be noted that international assistance to Ukraine, especially in the area of humanitarian response, may also be in question.

Staffing issues

- ✓ *Shortage of specialists*: reintegration work requires experts in international law, psychology, urban studies, but in a time of war, many professionals are either at the front or abroad.

In our opinion, to increase the effectiveness of the newly created Ministry, it is necessary to:

1. Clearly delineate functions between ministries to avoid duplication.
2. Involve international experts (e.g., EU experience in post-conflict reintegration).
3. Facilitate access to funding through digital platforms.
4. Communicate more actively with the target audience through social media.

VI.

CITIZENS' OPINIONS ABOUT CURRENT ISSUES¹

IRRESPECTIVE OF WHETHER YOU GO TO CHURCH OT NOT, WHO DO YOU THINK YOU ARE? % of respondents					
	UKRAINE	REGIONS*			
		West	Centre	South	East
A believer	67.9	85.1	65.0	62.3	55.3
A person who wavers between faith and non-belief	12.9	5.7	15.0	15.1	16.2
A non-believer	7.3	3.2	7.3	7.1	12.5
A convinced atheist	3.9	0.2	3.7	6.3	7.5
I don't care about these things	4.7	3.2	4.8	5.4	5.9
Hard to say	3.3	2.5	4.2	3.8	2.6

* **West:** Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Chernivtsi oblasts; **Centre:** Vinnytsia, Zhytomyr, Kyiv, Kirovohrad, Poltava, Sumy, Khmelnytskyi, Cherkasy, Chernihiv oblasts and the city of Kyiv; **South:** Mykolaiv, Odesa, Kherson oblasts; **East:** Dnipropetrovsk, Zaporizhzhia, Kharkiv, Donetsk and Luhansk oblasts.

«Regional affiliation» of respondents was determined by their place of residence before the beginning of the large-scale russian aggression, that is, before 24 February 2022. The only exception is that for the analysis of regional differences in answers to the question «*What are the relations among believers of different churches and religions in the region where you live?*», the place of respondent's residence at the time of survey was taken into account.

¹ Results of a sociological survey conducted by the with Razumkov Centre's sociological service on 25-31 October 2024 with the support of the Konrad Adenauer Foundation Office in Ukraine.

The face-to-face survey was conducted in Vinnytsia, Volyn, Dnipropetrovsk, Donetsk, Zhytomyr, Zakarpattia, Zaporizhzhia, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Mykolaiv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Kherson, Khmelnytskyi, Cherkasy, Chernihiv, Chernivtsi oblasts and the city of Kyiv (the survey in Zaporizhzhia, Mykolaiv, Kharkiv and Kherson regions was only carried out in government-controlled areas not subject to hostilities).

The survey was based on a stratified multi-stage sampling method with random selection at the initial sampling stages and quota selection of respondents at the final stage (when respondents were selected based on gender and age quotas). The sample structure reflects the demographic structure of the adult population of the surveyed areas as of the beginning of 2022 (by age, gender, type of settlement).

A total of 2,017 respondents aged 18+ were interviewed. The theoretical sampling error does not exceed 2.3%. Additional systematic sampling deviations may be caused by the effects of russian aggression, in particular, the forced evacuation of millions of citizens.

WHICH RELIGION DO YOU BELONG TO? % of respondents					
	UKRAINE	REGIONS			
		West	Centre	South	East
Orthodoxy	55.4	38.2	67.3	55.8	53.2
Greek Catholicism	11.9	39.9	2.3	0.8	2.1
I am just Christian	9.8	6.1	9.6	14.6	12.5
Protestant and Evangelical churches	2.5	3.6	2.6	2.9	0.5
Roman Catholicism	1.0	2.7	0.5	0.0	0.7
Judaism	0.3	0.2	0.1	0.0	0.9
Islam	0.1	0.0	0.2	0.0	0.0
Buddhism	0.1	0.2	0.0	0.4	0.0
Paganism	0.0	0.0	0.0	0.0	0.2
Other	0.1	0.0	0.1	0.4	0.2
I do not belong to any religion	18.4	8.6	17.0	25.0	29.4
No answer	0.3	0.6	0.2	0.0	0.2

WHICH RELIGION DO YOU BELONG TO? % of respondents					
	UKRAINE	REGIONS			
		West	Centre	South	East
Orthodox Church of Ukraine (Metropolitan Epiphanius)	35.2	28.0	44.9	27.6	29.5
Ukrainian Orthodox Church of Moscow Patriarchate (Metropolitan Onufriy)	5.5	5.1	4.7	9.6	5.2
Other Orthodox Church	0.1	0.0	0.1	0.0	0.0
I am just Orthodox	13.7	4.4	16.6	18.4	17.0
I am not Orthodox	44.6	61.9	32.8	43.9	46.9
I don't know	0.9	0.6	1.0	0.4	1.4

HOW CAN YOU DESCRIBE RELATIONS BETWEEN THE FAITHFUL OF DIFFERENT CHURCHES AND RELIGIONS IN YOUR AREA?

% of respondents

	UKRAINE	REGIONS			
		West	Centre	South	East
Quiet	54.2	58.6	46.8	69.9	55.1
Friendly	10.4	15.3	8.3	14.8	6.3
Tense	9.2	7.5	13.3	0.9	7.3
Conflicting	5.0	5.6	6.8	0.4	2.7
Had to say	21.2	13.0	24.7	14.0	28.5

In August 2024, the Verkhovna Rada of Ukraine adopted the Law «On the Protection of the Constitutional Order in the Field of Religious Organisations».

DO YOU SUPPORT THE FOLLOWING PROVISIONS OF THIS LAW?

% of respondents

	UKRAINE	REGIONS			
		West	Centre	South	East
Propaganda of the Russian World ideology, both directly by a religious organisation and its governing bodies, is grounds for banning such a religious organisation					
Support	79.7	90.5	78.0	76.2	71.7
Do not support	6.3	3.4	5.1	5.0	12.7
Hard to say	14.0	6.1	16.9	18.8	15.6
A religious organisation operating in Ukraine cannot have a governing centre in a state that carries out armed aggression against Ukraine					
Support	79.1	89.7	79.9	68.8	70.4
Do not support	7.1	3.6	5.3	11.7	12.5
Hard to say	13.8	6.7	14.9	19.6	17.2
A religious organisation operating in Ukraine cannot be part of a foreign religious organisation whose activities are prohibited in Ukraine					
Support	75.2	85.1	74.4	67.8	68.7
Do not support	6.6	3.2	5.3	9.6	11.8
Hard to say	18.1	11.6	20.4	22.6	19.5
Activities of the Russian Orthodox Church are prohibited in Ukraine					
Support	74.3	88.6	75.3	59.2	63.7
Do not support	10.2	3.8	8.0	19.2	17.2
Hard to say	15.5	7.6	16.7	21.7	19.1

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