



Razumkov
centre

UKRAINE: FROM WAR TO PEACE AND RECOVERY

Analytical Assessments
February 2025



I.

NATIONAL SECURITY AND DEFENCE: KEY DEVELOPMENTS, PROCESSES, TRENDS

On 24 February 2022, Russia launched its full-scale armed aggression against Ukraine. The so-called «special military operation», which, as Putin planned, was meant to end in a matter of days, has evolved into a protracted [war of attrition](#) that lasts for the fourth year and counting.

Some events of February 2025 marked the beginning of a new stage of the Russia-Ukraine war, which is far from clear as to its duration and outcome. One could observe stunning changes in the geopolitical landscape, provoked by US President Donald Trump and his team, who went beyond the direst forecasts and expectations with their radical statements and actions. The broad «mediation» steps taken by Trump and his entourage to end the war quickly and restore dialogue with the Kremlin, as well as the harsh attacks on the EU and NATO allies, have raised objective doubts about whether the new White House administration should be considered a partner of Kyiv or Moscow. The bilateral meeting between the leaders of the United States and Ukraine at the White House on 28 February, which was supposed to kick-start the peace process, ended in a diplomatic scandal and undermined the already dim prospects for a just and lasting peace for Ukraine. This unprecedented incident provided another powerful impetus for other partners to step up their support for Ukraine, but at the same time deepened the divide within the Euro-Atlantic community.

COMBAT ACTION

Political and diplomatic battles do not appear to have had a significant impact on the war, although the [peak intensity](#) of fighting was observed during the Munich Security Conference and US-Russian talks in Saudi Arabia. The overall situation in the battlefield has not changed dramatically during the

month, but the downward trend in the number of clashes and the pace of the Russian offensive is observed for the fourth month in a row. This may be both a sign of the Ukrainian defenders' successful efforts to stabilise the front line and part of the Russian command's plan to prepare for a new wave of escalation during the spring and summer campaign.

The Russian command stepped up efforts to drive Ukrainian forces out of the [Kursk operation area](#). As of the end of February, almost 400 sq.km of Russian territory remained under the Ukrainian control, but the overall situation for Ukrainian units has deteriorated significantly due to problems with sustainable logistics.

After a short break due to significant losses and the need to regroup and recover, the North Korean military returned to the contact line in the area of the Kursk operation. According to South Korean [sources](#), North Koreans could have sent up to 3,000 additional troops in January and February, which corresponds to the estimated losses of the existing contingent and is a replenishment rather than an increase in the military presence.

There have also been some changes in Russian tactics due to various factors, including objective limitations of human and material resources. It is noteworthy that against the backdrop of decreased intensity of Russian attacks and, accordingly, the total number of casualties, the conditional cost of captured territories has increased for the occupiers to [190 personnel per one sq.km](#), which is 33% higher than the generalised figure for 2024. Equally interesting are the estimates derived from the analysis of enemy losses in various weapons, military equipment and vehicles, which suggest the Kremlin's growing problems in sustaining a high-intensity war for a long time. However, these problems are not critical,

and the most optimistic [estimates of the timing](#) of the exhaustion of russian capabilities go beyond 2025. Given the problems of the Ukrainian side with human and material resources, as well as new threats posed by Trump's policy, the «safety margin» balance is hardly in Ukraine's favour in the short term.

The [growth of russian UAV capabilities](#) is another dangerous trend that has been observed for several months now. This applies to both drone numbers and variety, as well as improvement of technological solutions and tactics. For example, February 2025 saw another record set for the Shahed-136 kamikaze drones and decoy drones (3,907 units, compared to 2,507 in January and 1,807 in December 2024). Although Ukrainian air defence systems manage to down 97% of drones, the arithmetic increase in their number results in more hits and greater burden on air defence. February also saw an increase in the use of FPV drones (over 17,000), which may indicate that the restrictions announced by China on the supply of these products have not affected them. Meanwhile, in the winter 2025, the russians reduced the frequency and number of [missile attacks](#) (less than 100 missiles per month). It is likely that the reduction in missiles and the increase in drone strikes are aimed at saving resources through cheaper means and accumulating stockpiles of missiles for possible escalation in the near future.

PEACE PROCESS

In February, the cautious hope that US President Donald Trump would end the war «[in the spring](#)» on favourable terms for Ukraine, which he had announced in late January, [threatening](#) russia with «high taxes, duties and sanctions», was completely dashed. Instead, the White House's «peacekeeping» policy focused on increasing pressure on Kyiv – forcing it to sign a resource agreement and agreeing to russian demands regarding the terms of the «end» of the war. The [diplomatic scandal](#) in the Oval Office on 28 February 2025 will obviously have significant negative consequences for both Ukraine's defence capabilities and the prospects for possible future peace agreements, primarily due to the weakening of Ukraine's position, the «change of camp» by its key partner and the likely

deterioration of the situation in the battlefield after the suspension of US aid.

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

On 3 February, President Zelenskyy and Commander-in-Chief of the Ukrainian Armed Forces General Syrskyy officially announced the introduction of [army corps](#) as the main structure of armed formations for combat operations. A corps is an operational and tactical level structure whose function is to coordinate and comprehensively support the actions of brigades and other units in the offensive or defensive zone (30-100 km). According to [military observers](#), such structural changes, although belated, are absolutely necessary in the context of high-intensity warfare on fronts over a thousand kilometres long. In contrast to the current structure of operational and tactical groupings, which command attached units, the corps commander will have a stable set of subordinate units. It is worth adding that the corps system has existed in the regiment-brigade-division-corps-army structure of the russian military since the end of 2022, becoming one of the enemy's advantages in organising troop management.

On 11 February, the Ministry of Defence [presented](#) the pilot «[Contract 18-24](#)», aiming to motivate men of pre-mobilisation age to voluntarily enlist in the military. It is too early to judge the effectiveness of this approach to addressing the human resource problem, but the first [responses](#) to this initiative in the military environment have been mixed. On the one hand, it expands the mobilisation potential by almost 800,000 people, and the MoD expects «tens of thousands» of volunteers, stimulated by financial bonuses, privileges and fixed one-year contracts. On the other hand, poorly reasoned granting of such privileges to a particular category of citizens violates the principles of social justice and creates additional tension in society and the military.

FOREIGN EVENTS (EXTERNAL FACTORS)

On 17 February, the NATO-Ukraine Joint Analysis, Training and Education Centre (JATEC) was opened in Bydgoszcz, Poland. The JATEC is the first ever example of a NATO structure

under joint management with a partner country. The Centre's primary tasks include information exchange, coordination of joint efforts to counter the Russian threat, including development of solutions to combat UAVs and glide bombs. In addition to important analysis, training and education for strengthening national security and defence, this event symbolises Ukraine's consistent progress towards practical integration into the Euro-Atlantic security space, and, according to NATO Deputy Secretary General Radmila Shekerinska, demonstrates the importance of cooperation with Ukraine as «a huge asset for the Alliance».

RUSSIA

A poll conducted by the Russian Public Opinion Research Centre (VCIOM) shows that 67% of Russians support the war against Ukraine, and 65% think that the fighting is «going well» for Russia. These figures can hardly be considered reliable given VCIOM's pro-Kremlin orientation, but even government analysts note the population's desire to end the war quickly and its support for relevant measures. This is likely a part of the Kremlin's information campaign to prepare compatriots for the upcoming US-Russian ceasefire agreements.

Meanwhile, this campaign has sparked heated debate among pro-war ultra-patriots. Not only they question the achievement of the «special military operation» goals articulated by Putin before the invasion, but also express concern about the negative consequences of the upcoming demobilisation. The Russian army has also launched a campaign of forced «contract-signing» with volunteers and mobilised soldiers.

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

- ✓ political statements and decisions of the Trump administration aimed at a quick end to the war have become clearly anti-Ukrainian, largely repeating the Kremlin's narratives and ultimatum demands;
- ✓ radical political and diplomatic developments had no immediate effect on the course of the war, but created additional risks of weakening Ukraine's defence capabilities in the short term;
- ✓ Russia launched an internal information campaign to prepare public opinion for a ceasefire while getting ready to the spring-summer offensive.

II.

FOREIGN POLICY

The new US policy on various foreign policy directions was the main February event leading to significant changes in the geopolitical landscape and turbulence in Washington's relations with many countries and international organisations. There are reasons to believe that the situation on the world stage has significantly transformed, giving rise to new challenges and threats. In particular, there is movement of the US leadership towards Russia along with increasingly complicated crisis in relations between Kyiv and Washington, which is particularly dangerous in the context of Russian aggression.

INTERNATIONAL PROCESSES AND EVENTS

There have been dramatic changes in US foreign policy. Donald Trump's turbocharged adoption of more than 90 orders since he took office marked a departure from the previous liberal course, focused on supporting democratic values in the world, to a rigidly pragmatic and aggressive promotion of American interests, as understood by the current US leadership. This new policy, accompanied by trade and economic pressure, has, **first**, complicated Washington's relations with Canada, Mexico, Latin America, and international institutions. In particular, the United States has withdrawn from the World Health Organization and the Paris Agreement, suspended its participation in the UN Human Rights Council, imposed sanctions on the International Criminal Court, and is planning to reconsider its participation in UNESCO. A **bill** to withdraw from the UN has been submitted to Congress, while Trump's entourage is calling for the US's withdrawal from NATO.

Second, certain actions and statements by the new US leadership, such as the accusatory speech of US Vice President J.D. Vance against European democracy at the Munich Security Conference on 14-16 February, de facto disavow the collective West's system of basic common values. Washington's American-centric business diplomacy is changing the principles and foundations of partnership with its allies. There is a real threat of erosion of Euro-Atlantic political and ideological unity and solidarity within NATO, as well as escalation of financial and economic tensions between Washington

and Brussels. Such trends are dangerous, especially against the backdrop of active integration of authoritarian regimes.

Third, the United States, the leading global democracy, has launched a political dialogue with the aggressor, ignoring previous decisions and positions on the war in Ukraine by the UN General Assembly, OSCE, PACE, EU, NATO and other international institutions. The United States essentially ended political and diplomatic isolation of Putin's regime by trying to advance «neutral» resolutions on 24 February 2025 at the UN General Assembly and Security Council, which call the war a «conflict», do not condemn Russian aggression, do not mention the need to restore Ukraine's territorial integrity, etc. While the UN General Assembly, thanks to the efforts of Ukraine and its allies, managed to adopt an alternative pro-Ukrainian resolution («Advancing a comprehensive, just and lasting peace in Ukraine»), the UN Security Council adopted the US-proposed «neutral» resolution «The path to peace». Moreover, in promoting its resolution in the UNGA, US diplomacy acted in concert with autocracies and odious totalitarian states.

Fourth, the US-initiated high-level contacts and two rounds of talks with the aggressor on 18 and 25 February 2025 to normalise bilateral relations and conclude a «peace deal» were accompanied by concessions, such as Washington **declaring that Ukraine could not participate in NATO** and announcing the prospect of Russia's return to the G8. At the same time, the US stepped up its pressure on Ukraine, while Moscow made no reciprocal steps. Ukraine and the EU countries have been essentially left out of the negotiation process, although the US believes that it is the European countries that should provide security guarantees to Ukraine. The US leadership is trying to act as an impartial arbiter, putting an equal sign between the aggressor and its victim. In fact, this looks like an indirect justification of Russian intervention, occupation of Ukrainian territory and the crimes of the Putin regime. This approach, aimed at appeasing the aggressor, further threatens to escalate a larger conflict.

Ukraine-US relations have deteriorated, as Washington tried to impose on Ukraine

an unfavourable rare earth minerals deal (its latest version is called Bilateral Agreement Establishing Terms and Conditions for a Reconstruction Investment Fund). The US President made negative remarks about his Ukrainian counterpart, [calling him a dictator with a 4% approval](#) rating. Also, the American side's calls for elections in Ukraine during the war were hardly productive. Such pressure could not but affect the atmosphere of US relations with Ukraine.

The President of Ukraine's visit to the United States on 28 February to conclude the above-mentioned agreement became a crisis point. A public conflict erupted during the negotiations due to significant differences in the positions of the parties. The truth about the war, which Ukraine tried to convey to the US leadership, and appeals to security guarantees, did not find a proper response. Meanwhile, it is obvious that when its fate is decided, Ukraine cannot be happy with the role of a statistician who tacitly agrees to all conditions dictated to it.

It is noteworthy that immediately after the heated discussion in the White House, the leaders of the world's leading nations, including France, the United Kingdom, Germany, Canada, Australia, Spain, Poland and others, spoke out in support of Ukraine.

The conflict complicates Ukraine's position on the US direction and may serve as an excuse for Donald Trump that his promises to end the war quickly are not being fulfilled because of Ukraine's «intransigence». At the same time, European leaders are expected to put pressure on Kyiv to resume negotiations with the United States.

Another important February event was the [early parliamentary elections](#) in Germany, won by the Friedrich Merz-led CDU/CSU bloc with a result of 28.5%. This can be generally seen as a positive result for Kyiv, given the clear pro-Ukrainian position of the Christian Democrats. However, the second place of the far-right Alternative for Germany, which received 20.8% of the vote, is an alarming symptom. The Social Democrats finished with a rather low 16.4%. It should be borne in mind that Germany will be focused on domestic issues for a while, such as

creating a coalition and forming a new federal government, which may last until the end of April.

In Georgia, the pro-Russian regime of the ruling Georgian Dream party is stepping up repression of the opposition and introducing additional restrictions on human rights and freedom of speech. In February 2025, the Georgian parliament terminated the powers of 49 opposition MPs from the United National Movement, Coalition for Change, and Strong Georgia. Furthermore, the parliament adopted a package of laws restricting the right of citizens to public protests, meetings and demonstrations. Penalties for public actions were increased. On 13 February, the European Parliament adopted a [resolution](#) calling for the current Georgian government to be rejected as legitimate and for it to be boycotted internationally.

FOREIGN POLICY ACTIVITIES OF UKRAINIAN GOVERNMENT

Ukraine's external priorities in February 2025 included creating of conditions for a just and lasting peace. Thus, on 24 February, at the international [Support Ukraine forum](#) in Kyiv, President Zelenskyy highlighted five components of a peaceful settlement: 1) Ukraine and Europe should be present at negotiations; 2) the end of the war should begin with confidence-building measures, including the release of prisoners; 3) Ukraine should be a member of NATO; 4) provision of clear security guarantees to Ukraine; and 5) strengthening the unity of the democratic world.

Political dialogue with foreign partners

In February, official Kyiv engaged in intensive foreign policy dialogue. High- and higher-level talks on the American track were particularly active. Given the aforementioned surge in conflict in US-Ukraine relations, this area will be a priority for normalising communications with Washington. Other important contacts included Ukraine's participation in the Ramstein Group meeting on 12 February, which for the first time was held under the auspices of the UK. A series of consultations with European and world leaders took place during the Munich Security Conference on

14–16 February. On the sidelines of this event, the Ukrainian delegation met with the EU leadership, the NATO Secretary General, the President of Finland, the Prime Ministers of the Netherlands, Denmark, Sweden, the US Vice President, the Minister of Foreign Affairs of China, and others.

In February 2025, contacts continued with the leaderships of France, Germany, the United Kingdom, Canada, Italy, Spain, Poland, the Baltic States, and others. Kyiv welcomed IAEA Director General Rafael Grossi, EBRD President Odile Renaud-Basso, and European Investment Bank President Nadia Calvino. In turn, the President of Ukraine made official visits to the United Arab Emirates and Turkey on 17–18 February to strengthen partnerships, develop economic cooperation and promote Ukraine's national interests.

On 24 February, the third anniversary of Russia's full-scale aggression, Kyiv hosted the aforementioned Support Ukraine forum, attended by [more than 40](#) heads of state and government, leaders of the EU and other international organisations. This event demonstrated the European and international community's consistent and unwavering support of Ukraine. In particular, the participating countries announced new packages of military and financial assistance. Ukraine and the Nordic and Baltic states adopted a [statement](#) condemning Russian aggression and supporting Ukraine's integration into the EU and NATO. On the same day, President Zelenskyy took part in the [G7 summit meeting](#), where he outlined Ukraine's position on the conditions for ending the war and stressed the importance of preserving the unity and consolidation of partner countries in countering Russian aggression.

Speaking of Ukraine's external contacts in February 2025, there have been multiple consultations, negotiations and meetings with the leadership, government officials, diplomats and politicians of Europe, including the Netherlands, Czechia, Belgium, Albania, Greece, Croatia, Slovenia, Ireland and Luxembourg. In parallel, political and diplomatic dialogue continued with Australia, Japan, and a number of African countries.

Promotion of Ukrainian interests and initiatives globally

The situation in Kyiv's relations with Washington has clearly overshadowed developments on other foreign fronts, but some events and trends are worth noting.

- ✓ In Brussels, a meeting of the Core Group countries approved a [draft charter](#) for a tribunal for the crime of aggression against Ukraine, which should bring the Russian leadership to justice. The tribunal will be established based on a bilateral agreement between Ukraine and the Council of Europe.
- ✓ The integration of the Ukrainian defence complex into the European defence industry is underway. In February, the JSC Ukrainian Defence Industry signed a number of important agreements with foreign partners, such as a contract with the French Thales International SAS (information systems for the military sector) to develop a joint venture. Another agreement was signed with the Canadian Roshel to [establish a joint production](#) of armoured vehicles. Memorandums of understanding were also signed with the Danish Weibel Scientific and Polska Grupa Zbrojeniowa (ammunition, artillery, air defence).
- ✓ The European Commission has decided to launch in March the establishment of a [Claims Commission](#) within the framework of the Register of Damage caused by Russian aggression, which was created under the auspices of the Council of Europe. The aim is to set up a mechanism to ensure compensation to Ukrainians affected by the war.
- ✓ The first international conference [Cooperation for Resilience](#) was held in Uzhgorod as part of the «cultural Ramstein», bringing together 28 delegations from partner countries, representatives of the European Commission and UNESCO. The participants adopted a Declaration on strengthening the resilience of the cultural sector in Ukraine, which envisages

the creation of the Ukrainian Heritage Fund tasked to restore museums and cultural monuments.

UKRAINE'S STEPS TOWARDS THE EU

Active preparations continued in February to secure proper conditions for the opening of the EU membership talks. In particular, the [official screening](#) of the compliance of Ukrainian legislation with EU law in the chapters on Financial Services and Consumer Protection and Healthcare (Cluster 2 Internal Market) has begun. Ukraine is getting ready for the opening of screening procedures for Clusters 3, 4 and 5. In parallel, the Ukrainian government is preparing three roadmaps in the areas of the rule of law, public administration reform, and the functioning of democratic institutions.

The [joint meeting](#) of the government of Ukraine and the European Commission in Kyiv on 24 February was an important European integration event, where the parties agreed upon joint plans and specific measures. In particular, the EU expects to open all internal commodity markets to Ukraine by the summer of 2026, and to fully integrate the Ukrainian electricity market into the European market by April 2027. It is also planned to speed up the conclusion of the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) and to join the Single Euro Payments Area (SEPA).

Following the meeting, European Commission President Ursula von der Leyen [stressed](#) the possibility of Ukraine's accession to the EU by 2030, while European Commissioner for Enlargement Marta Koss

said that all trade clusters could be opened in 2025.

Unfortunately, the Hungarian leadership continues its unfriendly anti-Ukrainian policy, [slowing down](#) the procedure for opening negotiations under the first cluster by demanding that Ukraine draw up a plan to protect the rights of national minorities.

February events and trends point at the gradual emergence of new geopolitical realities due to the transformation of US foreign policy and Washington's reshaping its relations with partners. The issue of preserving Euro-Atlantic unity and solidarity is now on the agenda of the collective West.

Against this backdrop, the conflict that erupted in late February in US-Ukraine relations threatens to further destabilise the situation on the European continent. Obviously, Kyiv, with the help of its partners, needs to resume a productive dialogue with Washington, taking into account the style and specifics of the new American policy.

In this situation, Europe needs to ensure defence self-sufficiency, update its common security policy, and strengthen and expand military, financial, economic, and humanitarian assistance to Ukraine.

Under these circumstances, building a stable coalition of primarily European allies and accelerating and effectively integrating into the EU becomes a key priority for Ukraine. On the other hand, it is important for Ukraine to strengthen internal unity and resilience, build up defence capabilities, and implement successful internal reforms.

DECISIONS AND PROJECTS

As expected, February saw the emergence of quite ambiguous and controversial processes and trends that could have a significant impact on both national economies and international economic relations.

The most important thing is that, despite the change in US rhetoric, the partner support of Ukraine continues. Another positive trend is that European financial institutions are becoming increasingly involved. For example, Ukraine and the European Investment Bank (EIB) have signed agreements to finance the restoration of energy and critical infrastructure, as well as the modernisation of basic social services in education, health and housing sectors, amounting to almost €120 million. The importance of the EIB's involvement is not only about direct allocation of funds, but also the fact that EIB financing [paves the way](#) for other financial institutions to participate, thereby expanding the range of countries and companies that help Ukraine.

It is worth noting that the EIB's project portfolio in Ukraine is one of the largest and consists of 25 projects worth €4.95 billion.

It should be noted, however, that further access to projects funded by European institutions is likely to become more difficult. The reason is that the European Commission is [reviewing](#) its multi-billion foreign aid programmes to better align the distribution of funds with the bloc's foreign policy interests and enhance the efficiency and effectiveness of spending in the face of a complicated international environment. Thus, in the issue of foreign aid, the Commission [wants to adopt](#) a more balanced approach to make it more «targeted to its partners» while pursuing its own strategic interests.

These interests include strengthening of alliances with those who share European values, securing access to raw materials, and curbing the inflow of migrants. While this directly concerns Ukraine, the biggest obstacle

for the country is Hungary's opportunistic position. Maybe it is time for Europe to involve other (non-consensus) formats in making complex strategic decisions.

Meanwhile, [according](#) to press service of the Office of the Vice Prime Minister for European and Euro-Atlantic Integration of Ukraine, since the beginning of Russia's full-scale invasion of Ukraine, the European Union, together with EU member states, has provided Ukraine with more than €134 billion in economic, humanitarian, and military support.

An alarming trend of February 2025 was the series of decisions adopted by the world's leading economies that could mean the outbreak of a trade war. This could have an extremely adverse impact on the countries' ability to accelerate recovery and growth.

Thus, on 4 February, China [decided to impose](#) a 10% duty on imports of oil and agricultural machinery, as well as a 15% duty on certain energy products from the United States in response to the 10% duty by the United States on goods from China on 1 February. Also, China announced its intention to file a lawsuit with the WTO in connection with the US actions.

However, most experts hope that the parties will take steps towards each other, reducing the risk of severe economic confrontation. This is all the more important as the expansion and exacerbation of modern technological challenges are accelerating, requiring a proactive response.

Therefore, in early February, the [IA Action Summit](#) was held in Paris at the initiative of France and India, bringing together representatives of countries, international organisations and leading companies to discuss the future of AI.

One important result was that 58 countries signed a declaration on the «open», «inclusive» and «ethical» AI development. The declaration was supported by China, France, India, the European Union, and the African Union

Commission. At the same time, the UK and the US refused to sign it being wary of overregulation of the industry, which is only developing and needs civilised support.

Prior to the summit, President Macron announced [large-scale investments](#) from the UAE and Canada in the AI development in France, which underscores this country's intention to lead the global AI industry.

DEVELOPMENTS, PROCESSES, TRENDS

According to the Ministry of Economy, Ukraine's economy grew by 1.5% in January (up from 1.7% in December). The construction industry, manufacturing and domestic trade remain the main drivers of growth. The slowdown was due to a decline in export activity, but high budget financing compensated for the temporary drop in merchandise exports.

If active fighting continues, the World Bank expects [Ukraine's GDP growth to slow to 2%](#) in 2025 and will largely depend on the state of the public sector.

According to the [press service of the Ministry of Finance](#), in January 2025, the state budget of Ukraine received funding worth \$3.8 billion, with \$3.1 billion coming from the EU – the first tranche of the EU's ERA Loans (loans to be repaid from the proceeds of the aggressor's frozen assets).

Last year, the Ukrainian state [budget received](#) almost \$42 billion, 30% of which were non-refundable grants. It should be noted, however, that the share of grants will gradually decrease, and new borrowings will generate further debt growth, which was already evident in 2024. [According to the Ministry of Finance](#), Ukraine's public debt increased by 14.3% in 2024 and reached \$166 billion.

However, given the concessional nature of loans from international financial institutions and partner countries and despite [continued growth](#) of Ukraine's public debt, there were some positive developments, such as extension of the maturity of the public debt and a reduction in its value. In particular, since 2022 and to the end of 2024, the weighted average cost of Ukraine's public and publicly guaranteed debt decreased by 1.5 times, from 7.79% to 5.09%, and the weighted average maturity doubled, from 6.27% to 12.26%. Today,

there are reasons to believe that this positive trend will continue in 2025, as the largest share of public and guaranteed debt is made up of concessional loans received from international financial institutions and foreign governments (58%).

However, the need to fill the state budget cannot neglect the country's recovery opportunities. For example, the European Business Association's (EBA) Subsoil Use Committee [warns](#) that due to the rising prices for mining products, the acquisition of new special permits for subsoil use has effectively stopped and may lead to a blockage of the sector's activities by the end of 2025 with a very negative impact on Ukraine's recovery.

Moreover, the businesses [argue](#) that further failure to address the issue could have serious consequences for the industry's investment attractiveness. High initial prices for special permits may make extraction unprofitable, which, instead of filling the budget, will cut state budget revenues and worsen the economic situation in general.

The EBA's warnings are totally in line with the results of the [NBU's survey](#) of the Business Activity Expectations Index (BAEI). In January 2025, the BAEI value was 41.0, which, while consistent with January 2024, is significantly lower than in late 2024, when Ukrainian businesses were [gradually improving](#) assessment of their performance.

The January decline in business sentiment was driven by several negative factors, such as deterioration of the security situation and increased uncertainty about its future dynamics, increased demand for energy and labour, and the dangerous persistence of inflation and devaluation processes.

Another indication of the growing troubles in the domestic economy is that in January 2025, a record 59.4 thousand individual entrepreneurs (FOPs) [closed](#) in Ukraine, almost three times more than the number of newly opened ones (21.4 thousand). In general, in 2024, there was a rapid increase in the net outflow of FOPs: the balance of open to closed businesses was 13,105. This trend continued in January 2025.

Further growth in exports may help reverse the decline in the activity of FOPs, especially

in areas where Ukraine has relative advantages, such as the agricultural sector.

In 2024, mutual trade in agricultural products between Ukraine and the European Union reached almost \$17 billion, the [highest figure](#) since the signing of EU-Ukraine Association Agreement, and 3% higher than the previous record of \$16.5 billion in 2022.

The main European partners for Ukraine last year were Spain, Poland, the Netherlands, Germany, Italy, Romania, France, and Belgium. These countries accounted for 80% of the total domestic trade turnover in agri-food with the European Union.

Moreover, there are certain factors that may contribute to the expansion of foreign trade. For instance, part of the cargo moving along the Trans-Caspian International Transport Route (TITR) connecting China with Europe is [planned to be routed](#) through Ukraine. TITR passes through Europe, Azerbaijan, Georgia, Turkey, the Caspian Sea, Kazakhstan and China, and before the Russian aggression it was considered as one that could involve Ukraine. It will not be easy to return to the consideration of Ukraine's participation, given China's rather «neutral» position on Russian aggression.

For Ukraine, it is important to show progress not only in the traditional real sector, but also in areas determined by modern technologies. In this context, according to the Ministry of Digital Transformation, Ukraine is ranked 4th among 24 European countries in terms of support for startups. This rating assesses how effectively countries create conditions for the development and scaling of technology companies.

What is special about Ukraine is that it scored maximum points for the implementation of standards, in particular in the Startup Fast Lane and Digital Public Services, which creates the most convenient ways to do business online.

In conclusion, one should not overlook certain global risks, such as the non-transparent and uncontrolled activities of the US Administration.

Thus, gold prices rose to a [historic high](#), exceeding \$2,950 per ounce. Gold futures in the US rose by 1.2% to \$2,970.7, and since the beginning of 2025, gold has risen by 12%. The main factor behind this growth is investors' fears of further escalation of [duties](#). So far, there is still hope that economic confrontation will remain limited.

IV.

ENERGY SECTOR

ENERGY BALANCE

In February, Ukraine's integrated power system (IPS) was markedly imbalanced, which was caused by damage to the energy infrastructure by daily Russian attacks, daily temperatures below the -3°C to $+2^{\circ}\text{C}$ [forecast](#) by the Ukrainian Hydrometeorological Centre, limited reserves of generation and distribution capacity, insufficient capacity to transfer energy from west to east, and a lack of incentives to increase imports.

Although no hourly blackout schedules were applied to households and public sector organisations, emergency power outages were introduced nine times in 7-8 regions simultaneously. Odesa, Kherson, Mykolaiv, and Kharkiv were the most [problematic](#) cities in this regard. For another nine days, the needs of industry and business were limited, mostly in the morning and evening hours. The power supply to critical infrastructure facilities and enterprises that imported or generated at least 60% of the electricity consumed was not interrupted.

Nine NPP units generating up to 7.7 GW of power provided the base capacity of the Ukrainian IPS. Up to 12 power units of TPPs and CHPPs, as well as HPPs and PSPs, which together generated 4.5-5.5 GW of electricity, were the source of manoeuvrable power.

Generation at Ukrhydroenergo facilities did not exceed 0.8 GW. No significant growth is expected in March-April. Due to the hydrometeorological conditions prevailing in the country in the autumn and winter, Ukraine's plain rivers are likely to experience a low water level with spring low water and minimum water levels in the summer. The last time such an unfavourable hydrological situation was observed in Ukraine in 2020.

Significantly worse weather conditions than in January further 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 experts, generation volumes in Ukraine amounted to 13-14 GW per hour (20 GW in 2021). NPPs accounted for most generation (58-60%), followed by (up to 17%), TPPs (13-15%), HPPs (6-7%), and renewables (up to 4%). Starting in March, the share of NPPs in the generation structure will decrease due to the start of repair campaigns.

Although the Ukrainian energy system experienced power shortages almost every day, the maximum capacity of interstate interconnectors was used by no more than 30%. This can be explained by often unfavourable price environment and price caps [set by the regulator](#) on 20 May 2024.

There was no significant shortage of natural gas. Due to significantly lower air temperatures in February compared to January, consumption increased to 120-140 mcm. This required the daily withdrawal of up to 80 mcm of gas from underground storage facilities. Ukraine received up to 20 mcm as net imports, while another 40-45 mcm were provided by domestic production. The latter reduced slightly as a result of the Russian attacks on 1, 11 and 20 February.

Ukraine's gas transmission system has been operating smoothly. Although Naftogaz Group's facilities came under fire again in February, the nominations of customers for storage and capacity reservations were fully met.

Since no gas was injected into Ukrainian underground storage facilities since November 2024, current [reserves](#) are 30% lower than last year and almost one-third lower than in 2015-2018. However, even the [currently available](#) 1.7 bcm (excluding 4.1 bcm of long-term storage gas and 0.6 bcm of resources formally transferred to the buffer gas category), provided that up to 20 mcm are imported daily and production resumes up to 50 mcm/day, are enough to pass the heating season with an average March temperature of at least -3°C and no massive Russian attacks on gas infrastructure. This is confirmed by the Cabinet

of Ministers, which **assures** that it is ready for any scenario.

Coal reserves at TPPs and CHPPs are also sufficient (2.8 million tonnes) to last through the heating season, but power companies cannot use them to the fullest extent due to damage to coal-fired plants.

Domestic demand for petroleum products remains at a fairly high level compared to previous years thanks to the active use of backup power sources and a large number of road transport. Nevertheless, no shortage of petroleum products is observed or expected.

PROBLEMS AND SOLUTIONS

In February, the Cabinet of Ministers reported that the Ukraine Energy Support Fund had financed «more than 700 contracts for the supply of equipment worth €600 million, which contributed to the restoration of the energy infrastructure of 56 Ukrainian companies in 21 regions». The Fund supported the restoration of 2 GW of thermal and hydro-electric generation capacity, financed the purchase of repair equipment for heat supply companies, transmission and distribution networks, and the installation of solar panels and energy storage systems.

It was **decided** to attract a €400 million loan from the European Investment Bank, including for «energy-efficient reconstruction». Following the damage to the New Safe Confinement at Chornobyl NPP by a Russian drone attack, funding for safety works at the plant was increased by UAH 139 million compared to 2024.

The development of decentralised generation is underway. Ukrainian financial institutions have already provided UAH 13 billion in soft loans to businesses «for the installation of solar panels, wind turbines, gas turbines, gas piston plants, and other equipment». Another UAH 730 million was allocated to households. The Cabinet of Ministers **believes** that this will «allow to increase capacity by more than 530 MW», but it is unclear what facilities are meant — new or existing, autonomous or connected to distribution networks. The **meeting** at the Ministry of Energy with the

participation of energy companies developing distributed generation facilities in the regions did not add any clarity. No decisions were made as a result of this meeting, as the participants only «discussed important issues of project implementation». The Ministry of Energy once again reported the commissioning of 835 MW of capacity last year, although on 31 December it claimed that «by the end of the 2024-2025 heating season, it is planned to connect an additional 900 MW» of distributed gas generation, some of which «were already at the final stage of implementation».

According to the Prime Minister, «the situation in the energy sector remains under control, despite the terror that Russia is waging against the energy and gas infrastructure». During the regular meeting of the Anti-Crisis Energy Headquarters, the following immediate tasks were identified: protecting and restoring key critical infrastructure facilities; consistently increasing hydrocarbon production; ensuring uninterrupted energy supply, primarily for household consumers. Among other issues, the instruction to Naftogaz Group to «prepare a gas import strategy» looks rather strange. If it is a question of «covering a possible deficit in the gas transmission system», there is no need to develop such a strategy — it would be enough to elaborate a procedure for handling the strategic natural gas reserves that were to be formed under the agreement with the European Bank for Reconstruction and Development, under which Naftogaz received €200 million to maintain energy security. A part of the €380 million **allocated** by the Norwegian government is to be used to purchase gas through the same bank.

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

- ✓ signing by the President of Ukraine of Law No. 4213-IX of 14 January 2024, adopted with blatant violations of the Rules of Procedure of the Verkhovna Rada, but aimed at improving payment discipline in the electricity market by opening current accounts with a special regime of use by its participants and increasing liability for unauthorised electricity withdrawals;

- ✓ [approval](#) of the government's Priority Action Plan for 2025, which, in particular, provides for:
- ensuring engineering and technical protection of critical infrastructure facilities in the fuel and energy sector (as part of a pilot project);
- fulfilling the requirements for the unbundling and independence of Ukrenergo and LLC GTS Operator of Ukraine; establishing the National Nuclear Regulatory Commission; implementing recommendations of the Energy Cooperation Secretariat on the status, independence and tasks of the NEURC;
- defining the peculiarities of regulating relations in the natural gas market and in the field of heat supply during martial law and the subsequent resumption of their functioning; creating a database on natural gas consumption; extending until 1 January 2027 the deadline for mandatory installation of natural gas metering units for households living in apartments and private houses where natural gas is used only for cooking; defining the rules for connecting to district heating networks;
- bringing the national classification of mineral reserves and resources in line with the provisions of the UN Framework Classification for Fossil Energy and Mineral Reserves 2009; ensuring transparency of tenders for production sharing agreements through open access to the terms and content of such agreements;
- approving the Hydrogen Strategy of Ukraine until 2050 and approving the operational plan for its implementation; adopting state targeted economic programmes for energy thermal modernisation of buildings and energy modernisation of heat production enterprises.

Unfortunately, the debt problem continues to worsen. Electricity market participants, primarily state-owned ones, already [owe](#) Ukrenergo more than UAH 36 billion, of which almost 12 billion are non-payments by the supplier of last resort. The total amount of

the operator's debt to the balancing market participants has increased to UAH 18.4 billion. And while the latter was reduced by 9% last 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. Although the President has signed a [law](#) aimed at improving payment discipline in the electricity market, the government continues to boycott 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 26 February 2025, when its revised draft reappeared on the official website of the Ministry of Energy.

In February, the confrontation between the Ministry of Energy and Energoatom, on the one hand, and relevant experts and MPs, on the other, continued. In particular, at a meeting held at Khmelnytskyi NPP on 13 February 2025, the President of Ukraine was misled by the statement that the «rapid completion» of the 3rd and 4th power units of the plant could compensate for the deficit caused by Russian attacks. First, the [feasibility study](#) of 2017 provided for 84 months of construction, but not «up to three years» as the [Energy Ministry claims](#). Second, the «additional 2 GW» of Khmelnytskyi NPP cannot compensate for the lack of manoeuvring capacity of thermal and hydroelectric power plants that were made non-operational during the war. Third, after the units' completion, Ukrainians will not receive «electricity at an affordable price», as Energoatom will only get funds for the project if it releases «60 to 80% of its own profit» from the cancellation of special obligations imposed by the Cabinet of Ministers on electricity market participants.

The Ministry of Energy and Energoatom demonstrate rare short-sightedness, believing that the aggressor will not attack NPPs because they do not «provide electric power in regular, significant and direct support of military operations» (part 2b of Article 56 of Protocol I to the Geneva Conventions relating to the Protection of Victims of International Armed Conflicts). However, a clear confirmation of

the absence of any «red lines» in this regard by russians came the very next day after the meeting, when russian drone damaged the New Safe Confinement (NSC) at the Chornobyl NPP.

CONCLUSIONS AND RECOMMENDATIONS

The February events showed the fragility of Ukrainian IPS and the vulnerability of the country's fuel and energy facilities. Damage to sensitive equipment by air strikes and/or a decrease in an average air temperature by 1.5-2.0°C is sometimes enough to initiate power restriction schedules in several regions of Ukraine.

In fact, the operability of most power grids and systems relies solely on the dedicated actions of dispatch and repair teams. Unfortunately, the high probability of repeated russian attacks on energy infrastructure and the proven effectiveness of their engineering protection does not encourage all market participants to install the latter and does not affect the pace of works organised by the Recovery Agency.

The central and local executive bodies have reduced the organisation and coordination of actions to improve the architecture of Ukraine's energy system to monthly meetings involving mainly the politicians from the Anti-Crisis Energy Headquarters and occasional meetings «with the participation of energy companies». These meetings usually result in no documented decisions. There is no audit of the

implementation of instructions articulated at these meetings. The deadlines for completing tasks related to the engineering and technical protection of facilities, procurement and installation of energy equipment, and their connection to grids and systems are constantly postponed. Moreover, having stopped discussing their plans, intentions and decisions (and sometimes even concealing them), the authorities are becoming increasingly non-transparent and closed, thus reducing trust and support from business and the public.

Another source of concern is the outright disregard of comments and warnings of the Main Legal and Main Expert Departments of the Verkhovna Rada Secretariat, as well as other advisory units and institutions by legislators. If earlier it was only a matter of non-compliance with the requirements for the preparation of official documents, in recent months there have been more cases of substitution of the subject of legislative initiative, violation of the Constitution and laws of Ukraine, adoption of government decisions «with revision» or without their official publication, violation of the deadlines for signing adopted legal acts, etc.

The systematic and unpunished violation of the procedures not only contradicts the **principles** of public administration but also prevents **conditions** under which state authorities formulate policies based on the results of their analysis and communication with stakeholders, as well as ensure their effective and efficient implementation for the country's sustainable development.

V.

SOCIAL SPHERE

According to the current legislation, pensions are due to be [indexed by 11.5%](#) starting from 1 March. Under martial law, the government has the right to determine the indexation parameters, taking into account the impact of security situation on the state budget and public finances. The average projected growth of pensions will be UAH 556, and the average pension in Ukraine will increase from UAH 5,789 to UAH 6,345. However, not all pensioners can count on higher payments, because According to the Pension Fund, the indexation will not affect those who retired in recent years.

Given the current economic situation, the question is how much this increase will compensate for the real costs of pensioners. According to the NBU, inflation in January 2025 accelerated to [12.9% year-on-year](#), while month-on-month prices rose by 1.2%, exceeding previous forecasts. Prices are expected to rise further due to low harvests and higher energy costs for businesses. In these settings, the 11.5% pension indexation may not be enough to cover the rising costs of food, utilities, and medicines. For example, in December 2024, the consumer price index was 101.4%. Thus, the announced indexation will hardly lead to a significant improvement in the welfare of most pensioners. And amidst economic instability and rising prices, such government actions look symbolic rather than aimed at actually supporting the most vulnerable populations.

The NBU named [6 reasons for the rise in inflation](#), which it could not predict, in particular:

1. Significant increase in fuel prices compared to December 2024 due to higher raw material costs, higher excise taxes, and logistical problems caused by the storm in the Black Sea early in the year.

2. Increase in prices for alcohol and tobacco products due to higher excise taxes.

3. Increase in prices for pharmaceuticals and health products due to higher production costs.

4. Increase in local telephone tariffs and mobile operators' tariffs.

5. Increase in purchase prices for raw materials, as well as in production costs for electricity, labour and logistics. As a result, prices for bread, bakery and meat products, and sunflower oil grew rapidly.

6. Due to rising prices on global markets, some imported goods, including cheese, tea, coffee, and chocolate, became more expensive.

The NBU does not expect retail prices to decline in the coming months and will only make positive forecasts starting in the summer. In particular, the NBU expects inflation to slow to 8.4% at [the end of 2025](#). This slowdown will be driven by the NBU's interest rate policy measures, the stability of the FX market, the expansion of food supply with the arrival of a new harvest, the narrowing of the fiscal deficit, and moderate external price pressure.

In 2025, Ukraine will face serious budgetary challenges following the redistribution of public funds in favour of military spending. According to the approved budget, [UAH 2.223 trillion has been allocated for the defence and security sector](#), 26.3% of the country's projected GDP. This increase in defence spending is accompanied by a significant reduction in social spending. In particular, social protection expenditures were reduced by UAH 50 billion compared to 2024 and amounted to UAH 420.9 billion. This reduction primarily concerns the subsidy to the Pension Fund, the social assistance and housing subsidies programmes. In addition, the minimum wage and the subsistence minimum in 2025 are frozen at the level of December 2024, meaning that they will not increase in

the face of ongoing inflation. In contrast to social spending cuts, the government will increase funding for government authorities by UAH 14.3 billion, reaching UAH 130 billion in 2025. The largest increases are foreseen for the prosecutor's office, tax service, the State Property Fund, and the courts.

This budgetary policy is raising concerns among the public, especially among the most vulnerable populations. Cuts to social programmes and the freezing of social standards amid rising government spending could lead to a decline in public confidence in the government and increased social tensions. The decline in international support and the lack of effective domestic reforms threaten Ukraine's financial stability, leading to even more serious economic and social consequences.

The Ministry of Social Policy has presented a plan for a complete pension system reform, including a mandatory funded pillar, which is to be launched on 1 January 2026. The Ministry has already presented a [draft law on the funded pension system](#) to the government. It is to be submitted to the Verkhovna Rada in the coming months. According to Oksana Zholnovych, Minister of Social Policy, the decision on pension reform and the introduction of a funded pension may be made in 2025, but the mechanism for its implementation remains unclear and leaves many questions.

The main idea of the reform is to create a State Accumulation Pension Fund and a network of non-state pension funds (NPFs) that will manage the money of future pensioners. But there are many questions about the readiness of the infrastructure. As of 2024, [about 60 NPFs were operating](#) in Ukraine, holding [assets of UAH 5.217 billion](#), of which about half were the assets of the corporate NPF of the National Bank of Ukraine. The pension assets of about 30% of NPFs are less than UAH 1 million. As the voluntary funded pension system covers 886.6 thousand people, the pension assets per person are slightly more than UAH 6 thousand, questioning the efficiency of NPFs. The profitability of most of them does not exceed the inflation rate, and

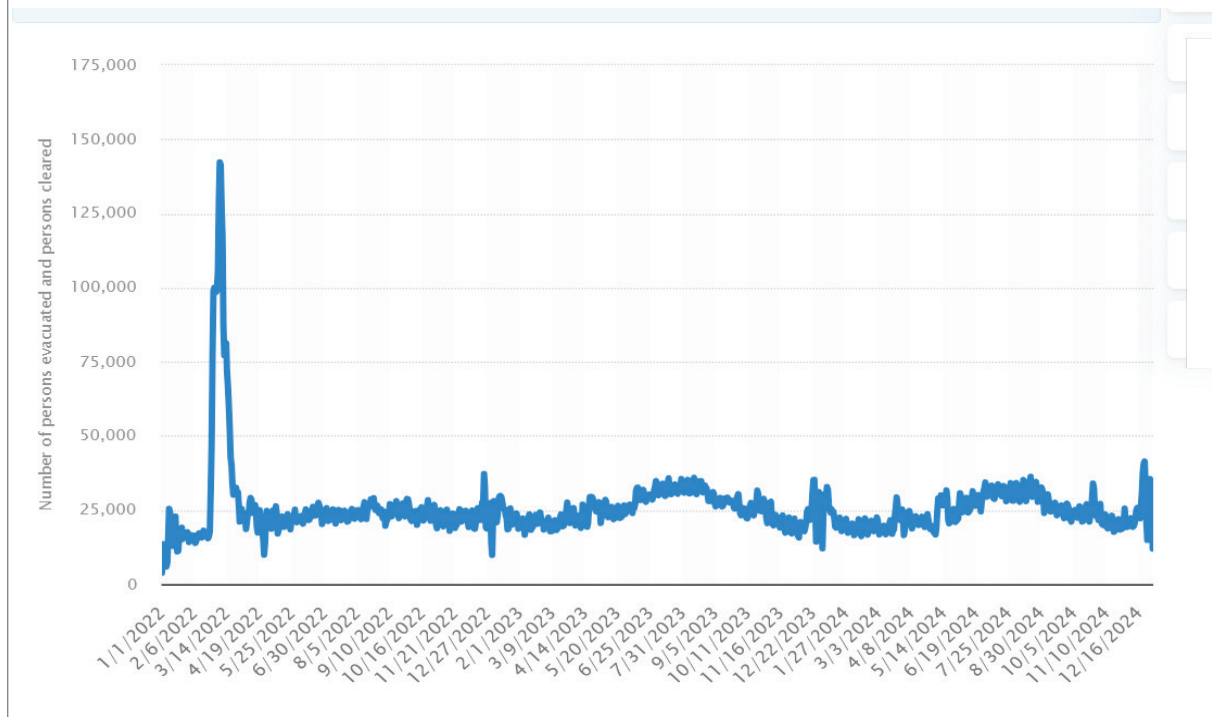
the lack of strict control leads to abuse and financial risks.

Currently, NPFs accumulate pension contributions, ensure management (but do not directly administer) pension funds, and make pension payments to participants. The [main weaknesses](#) of this model are as follows:

- ✓ *Lack of founders' liability.* Currently, the founders of NPFs do not bear any liability for their operation. This means that in the event of financial problems, no one will compensate for the losses of depositors. There have already been cases when founders simply withdrew, leaving the fund unmanaged and leading it to bankruptcy.
- ✓ *Uncertainty of obligation and lack of control.* The [fiduciary duties](#), that is, obligation to act in the best possible way, in good faith and impartially in the interests of another person, of NPF governing bodies remain vague, and supervisory boards are subordinated to the founders, thus creating conditions for asset withdrawal. As a result, instead of protecting the interests of depositors, members of boards become a tool in the hands of investors.
- ✓ *Non-compliance of the NPF management system with modern principles of corporate governance,* which include internal supervision, transparent organisational structure, internal control system, provision of key functions, etc. First and foremost, it is about the EU's new corporate governance principles (Directive IORP-2017), which Ukraine is yet to implement.

Against the backdrop of these problems, pension reform may not improve the living standards of citizens but only create another area for possible misuse. If the system is launched with no proper control, billions of future pensioners' hryvnias may end up in the hands of entities that have no real responsibility to depositors.

**NUMBER OF PEOPLE WHO CROSSED THE POLISH BORDER FROM UKRAINE
IN THE PERIOD FROM JANUARY 2022 TO DECEMBER 2024, BY DATE OF REPORT**



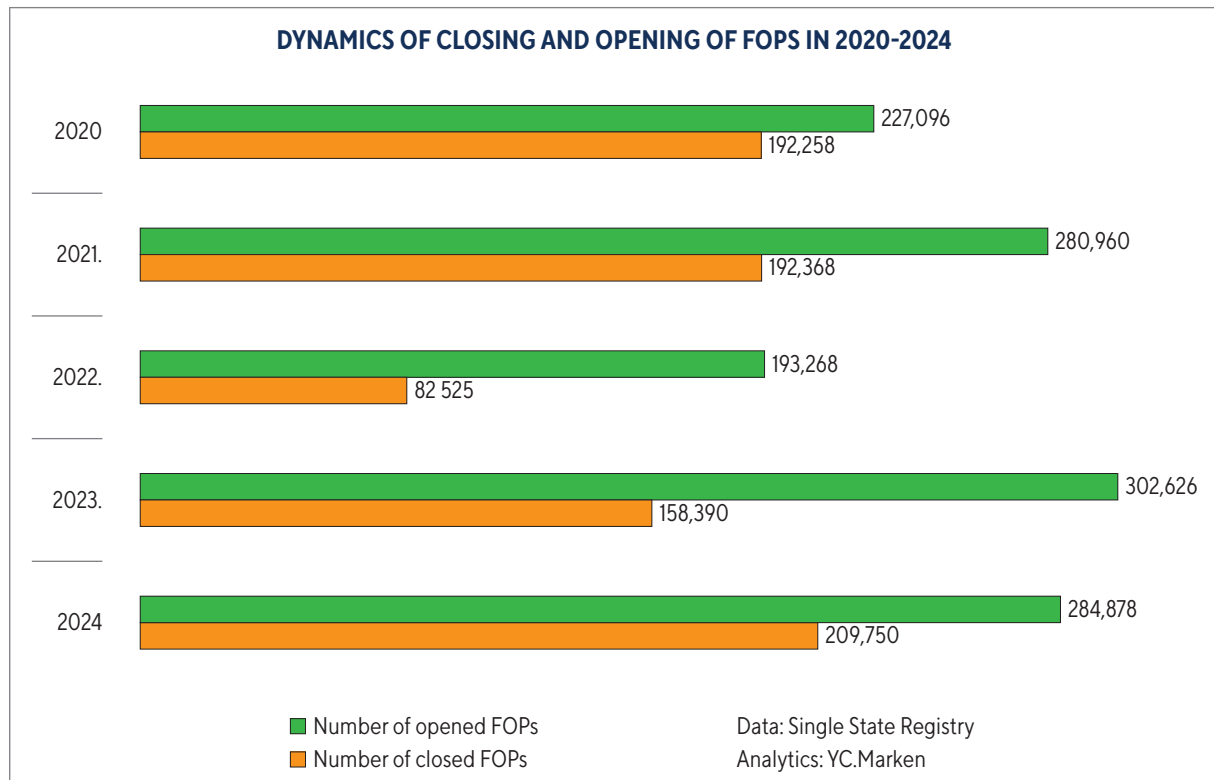
«Ukrainian refugees are leaving Poland en masse» was the name of recent article on the Ukrainian news portal [inPoland](#). The latest [Eurostat](#) data shows that Germany has become the main destination for Ukrainian refugees in the EU, outstripping Poland by 150,000 people. As of the end of 2024, more than 1.14 million Ukrainians with temporary protection status were living in Germany, while in Poland, this figure fell to 983,880 people. It is worth recalling that in 2022, there were more than [1.3 million Ukrainians in Poland](#).

Key reasons for such migration are higher salaries in Germany, a developed system of social benefits, and access to quality healthcare. In Poland, many face employment difficulties and high competition in the housing market, and this makes Germany a more attractive option. According to the German Federal Office for Migration and Refugees, the number of Ukrainians applying for a temporary residence permit increased by 30% in 2024. And this flow continues to grow as refugees seek stability and social guarantees that they cannot get in Ukraine or Poland alike. As one can see, Ukrainians are in no hurry to return home,

preferring to move to countries with more developed social support.

The closure of individual entrepreneur businesses (FOPs) continues in Ukraine, and its rate only increases. According to [Diia Business](#), nearly 210,000 individual entrepreneurs closed in Ukraine in 2024, a record high for the last 5 years. [YouControl.Market](#) data cited by Diia Business shows that the increase in closures was more than 32% compared to 2023. Moreover, in January 2025, 59.4 thousand FOPs ceased operations, almost three times more than new FOP registrations (21.4 thousand). For comparison, in December 2024 saw closure of 20.3 thousand FOPs, and January 2024 – only about 16 thousand.

Obviously, this surge in closures in January resulted from the temporary suspension of the Single State Registry from 19 January 2024 through 8 January 2025. However, the number of registrations also decreased. Thus, in January 2025, 15% fewer FOPs were registered than in January 2024. 61% (13.1 thousand) of FOP businesses registered in January 2025 are owned by women, while 39% (8.3 thousand) are owned by men. Women also lead in



closures, but with a smaller gap: 53% (31.5 thousand) of FOPs were closed by women, while another 47% (27.9 thousand) were closed by men.

The official explanation of the situation was voiced by the head of the Parliament's Tax Committee, [Danylo Hetmantsev](#): the economy is leaving shadow and fictitious FOPs are closing down. However, the increase in closures is complex. The main reasons for it are an increase in the tax burden, pressure from regulatory authorities, and a deteriorating economic situation. More specifically,

- ✓ The delayed demand for business closures, which had been restrained in the first year of the war, is being realised now. This process was intensified by migration and mobilisation factors.

- ✓ Taxes have risen sharply. Since January 2025, the government returned mandatory payment of unified social contribution for those who have no income (UAH 1,760/month) and added the war tax: FOPs of the first, second and fourth groups now pay 10% of the minimum wage (UAH 800 / month), while the third group FOPs pay 1% of turnover. As a result, the burden on entrepreneurs has increased several times:

for example, an individual entrepreneur of the first group, who used to pay UAH 300 in tax per month, now has to pay about UAH 3,000.

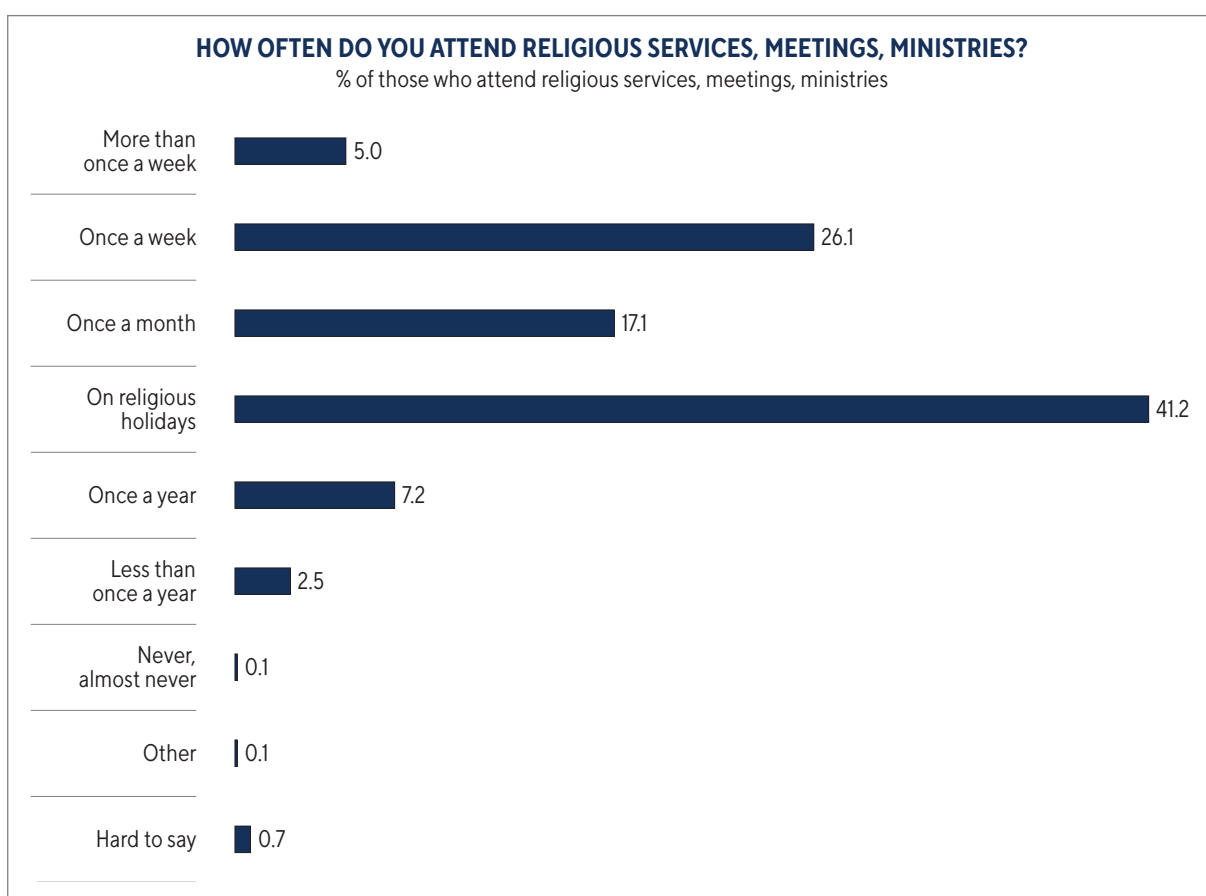
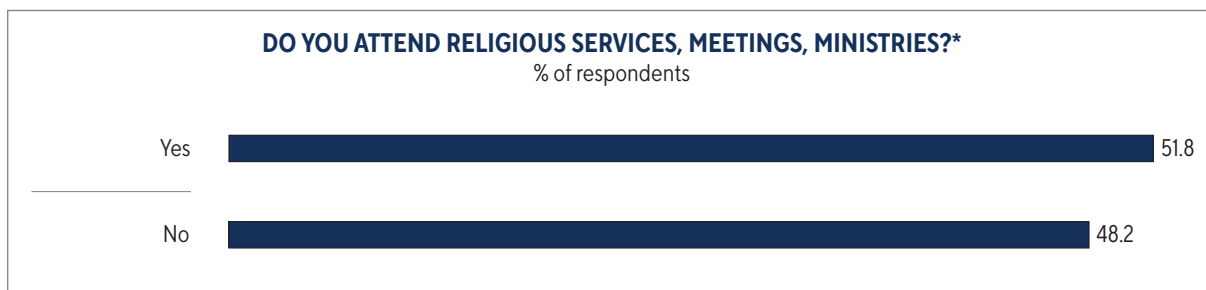
- ✓ Business inspections have intensified. Entrepreneurs are currently being checked for compliance with new regulations that entered into force at the beginning of the year.

- ✓ The Law on Regulatory Policy, adopted back in 2021, has been put into effect. According to its provisions, businesses must have primary documents and certificates for all goods. This has become a serious problem for many entrepreneurs, for example, because some of the goods were purchased in the pre-war period, when such documents were not required. Now, in order to sell goods, they either have to buy fake bills or pay huge fines.

The situation is further complicated by the war and the decline in the purchasing power of the population. Many people do not want to be officially employed in order to avoid mobilisation. Consequently, increasingly more entrepreneurs are hiding in the shadows, because it is getting more profitable to work illegally. In such settings, the government loses not only tax revenues but also control over economic processes.

VI.

CITIZENS' OPINIONS ABOUT CURRENT ISSUES¹



¹ Results of a sociological survey conducted by the 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.

WHAT IS THE PURPOSE OF YOU ATTENDING RELIGIOUS SERVICES, MEETINGS, MINISTRIES?*

of those who attend religious services, meetings, ministries

Communication with God	47.6
Participation in prayers, religious rites	45.5
Religious service helps me calm down and forget about everyday worries	34.5
I want to listen to a sermon	33.0
Service helps me address burdensome moral issues	29.6
I want to stay among like-minded people and those who I like	23.4
I have done so all my life	15.6
Religious community gives me some help or support	4.0
Other	0.5
Hard to say	2.1

* Respondents were asked to choose all relevant options.

**AFTER THE OUTBREAK OF RUSSIA'S FULL-SCALE WAR AGAINST UKRAINE
(AFTER FEBRUARY 2022) DO YOU THINK YOU BECAME...**

% of respondents

More religious and faithful than before	22.4
Less religious and faithful than before	3.6
No changes in the attitude towards religion and faith	69.1
Hard to say	4.9

WHAT IS YOUR IDEA OF THE PRIORITY TASKS FOR RELIGIOUS ASSOCIATIONS IN WARTIME?*

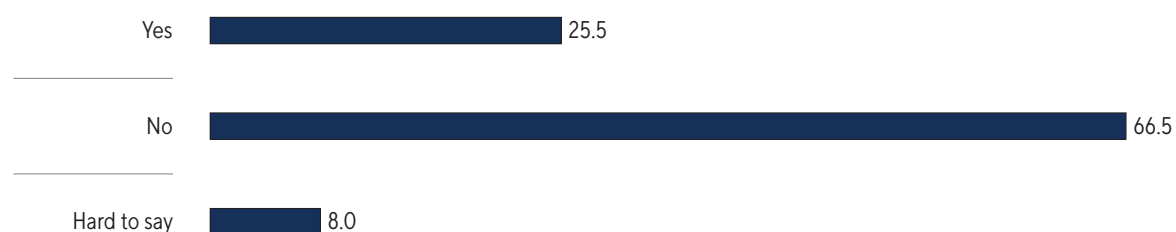
% of respondents

Provision of psychological assistance	53.9
Assistance to the Armed Forces of Ukraine	53.2
Assistance in addressing social and living problems of citizens	29.9
Raising international attention and assistance to Ukraine	29.3
Assistance to internally displaced persons	22.6
Mitigation of the aftermaths of destruction of cities, villages, social and transport infrastructure	14.3
Meeting the needs of Ukrainian refugees abroad	4.1
None of the above	5.8
Hard to say	5.5

* Respondents were asked to choose no more than three relevant options.

ARE YOU A MEMBER OF A CERTAIN RELIGIOUS COMMUNITY (PARISH)?

% of respondents



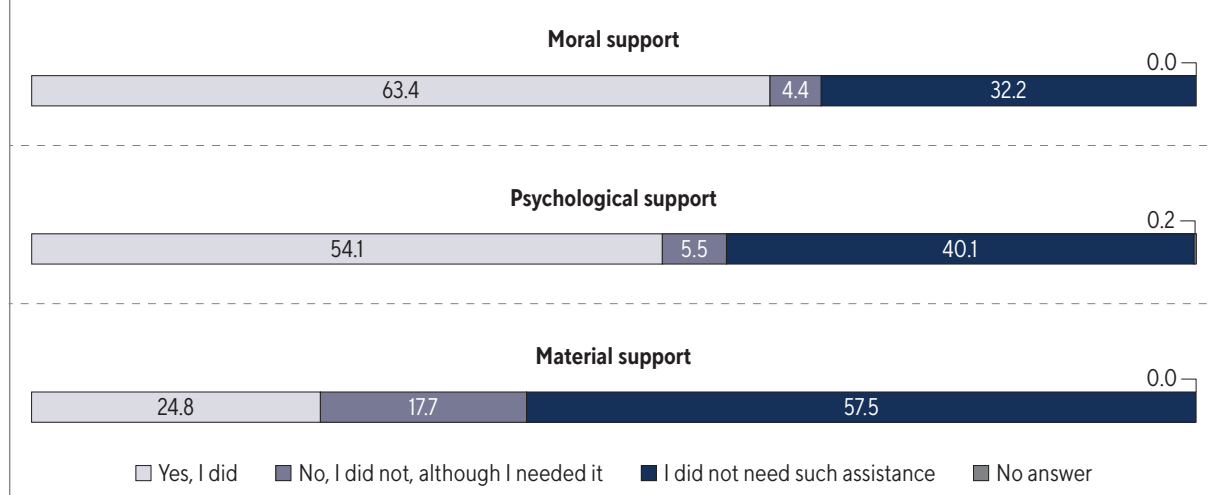
DID THE RELIGIOUS COMMUNITY TO WHICH YOU BELONG DO ANYTHING OF THE FOLLOWING AFTER THE ONSET OF RUSSIA'S LARGE-SCALE WAR AGAINST UKRAINE (AFTER 24 FEBRUARY 2022)...?

% of those who belong to a religious community (parish)

	Yes	No	Hard to say
Provided assistance to the Armed Forces of Ukraine	79.4	6.7	13.9
Gave shelter to refugees	57.7	19.1	23.3
Provided material aid to refugees	56.7	22.2	21.2
Brought or distributed humanitarian aid from abroad	39.6	26.0	34.4
Provided assistance to health and social institutions	37.7	29.8	32.5
Arranged bomb shelters in churches	34.9	43.7	21.4
Provided assistance to residents of liberated and frontline territories	30.5	26.9	42.7
Assisted with evacuation from occupied territories and territories under artillery fire	26.3	37.2	36.4

DID YOU RECEIVE THE FOLLOWING FROM YOUR RELIGIOUS COMMUNITY DURING THE WAR?

% of those who belong to a religious community (parish)



The team of contributors:

Y. Yakymenko (project manager), A.Bychenko, O.Melnyk, M.Mischenko, M.Pashkov, O.Pyshchulina, V.Omelchenko, H.Riabtsev, P.Stetsiuk, M.Sunhurovskyi, V.Yurchyshyn, L.Bondarenko (intern)

Editorial and publishing department: Z.Mischenia, O.Perevoznyk, T.Ovsianyuk

Cover photo: REUTERS, <https://www.reuters.com/resizer/v2/QXO4FSEQJL7TENIW26MBY25WE.jpg?auth=91da609ca1d450a55c44ac55077520f5799455eed3dc6e2bb974dfd8102e5894&width=1920&quality=80>

Our address:

01032, Kyiv, 33b Taras Shevchenko Blvd, 7th floor

Telephone: (38 044) 201-11-98

Fax: (38 044) 201-11-99

e-mail: info@razumkov.org.ua

Вебсторінка: www.razumkov.org.ua

