



New chapter in Ukrainian–Danish government cooperation to support Ukraine’s green transition and reduce energy consumption

The Ukrainian–Danish government cooperation is now embarking on a new five-year programme. The programme has a special focus on long-term energy planning, energy efficiency and district heating, where there is great potential for reducing both Ukraine's energy consumption and imports of fossil fuels.

Denmark and Ukraine have just launched a new five-year partnership programme with an expected budget of 60 million DKK of which the first 30 million is granted. The programme focuses in particular on reducing CO₂ emissions by developing long-term energy planning through annual Ukraine Energy Outlooks, and on strengthening Ukraine's energy efficiency and district heating by utilizing surplus heat and modernizing its district heating network. The Ukraine Energy Outlook will provide guidance on how Ukraine can achieve its climate goals of carbon neutrality by 2050 and phase out of coal by 2040.

With the new five-year programme, the Danish Energy Agency will continue its close partnership with the Ministry of Energy of Ukraine and start the cooperation with a new partner, the Ministry for Communities and Territories Development, which holds responsibility for the district heating sector.

A country with high energy intensity and ambitious climate goals

Ukraine has a population of about 43 million inhabitants and is the second largest country in Europe. According to the International Energy Agency, Ukraine also has a very high energy intensity, the second highest in the region and above twice as high as the world average. Ukraine is therefore one of Europe's largest energy markets.

The energy mix in Ukraine is dominated by nuclear power, coal and gas, thus

increasing the country's reliance on imports. Since 2015, the country has focused on reducing greenhouse gas emissions and diversifying its energy supply. Energy security and the efficient and sustainable use of energy sources are therefore key focus areas for further development of the Ukrainian energy system.

Energy transition with mutual benefits

Energy experts from the Danish Energy Agency will contribute with advice, technical assistance and peer-to-peer learning in a number of areas. This includes energy efficiency in industry, strategic energy planning and long-term modeling of scenarios that can show possible pathways to a green transformation of Ukraine's energy system, with a focus on renewable energy and energy efficiency.

The Danish transmission system operator, Energinet, will also collaborate with its Ukrainian counterpart Ukrenergo to make recommendations on how the Ukrainian electricity system can become more flexible and thus integrate more renewable energy. The potential for modernization and better utilization of Ukraine's extensive district heating network is substantial. Therefore, part of the programme focuses on promoting the use of surplus heat from Ukrainian industry for district heating purposes more efficiently, as well as conversion to sustainable energy sources.

District heating covers approximately 64 percent of Danish households and is a cornerstone of Denmark's green and efficient energy system. In addition, approximately 65 percent of the supplied district heating comes from renewable energy sources. Denmark therefore has solid experience with green district heating, which can be helpful to Ukraine.

The Ministry of Energy of Ukraine and the Ministry for Communities and Territories Development have shown great interest in Danish investments and the use of Danish know-how and technology at several events with Danish companies and potential investors.

As the Ukrainian-Danish energy partnership continues into the new programme phase, the collaboration will focus on strengthening the environment for sustainable energy solutions and technologies based on Danish expertise and technical assistance, as well as opening up opportunities for companies working with green energy. This allows for political dialogue and recommendations on regulatory frameworks that can provide strategic benefits and mutual commitments towards a sustainable transformation of

the Ukrainian energy system.

Facts about the Ukrainian–Danish government cooperation

- The Ukrainian–Danish government cooperation on energy was established in 2014 and is operated by the Danish Energy Agency in collaboration with the Danish Embassy in Ukraine. The aim is to ensure solutions that can create an independent and more sustainable energy sector in Ukraine.
- The collaboration will build local capacity within long-term energy planning, integration of renewable energy and contribute with Danish experience within district heating and energy efficiency. A Danish long-term energy advisor will be embedded in the Ministry of Energy of Ukraine to support the implementation of the programme.
- Denmark has 16 government-to-government collaborations on energy with countries that collectively emit more than 60 percent of the world's CO₂. By sharing and expanding knowledge and capacity in the partner countries' national authorities, policy makers are empowered to make sustainable and cost-effective energy policy decisions that support global sustainable transition.
- The new partnership is part of the Danish Neighbourhood Programme and thereby part of Denmark's continued commitment to support Ukraine's reform process during challenging times. Denmark is also supporting Ukraine's green transition via the international development banks, the Danish Investment Fund for Developing Countries (IFU) and the Danish Sustainable Infrastructure Finance (DSIF).

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