

The case for enhanced EU support for Ukraine's defence reform

Reforming Ukraine's defence sector is as much a governance challenge as a military one. How could the EU step up alongside NATO, embedding defence within the EU's institutional frameworks?



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Executive summary

Ukraine's defence sector reform is not just a military modernisation effort; it is also a broader governance and institutional challenge. While NATO remains the key organisation for military readiness and interoperability, the EU is uniquely positioned to support the regulatory and institutional foundations, including among civil society, needed to sustain defence sector reform over time. The EU should assume a more active role in supporting and coordinating Ukraine's defence sector reform alongside NATO. Brussels could do this, for example, by integrating defence sector reform into existing EU support frameworks and donor coordination mechanisms. It will also require more flexible and holistic funding approaches across the security-development nexus.

Defence sector reform is not just a military issue

On 1 May 2026, Ukrainian President Volodymyr Zelensky announced preparations for the launch of a comprehensive reform of the Defence Forces of Ukraine. Among the first reform projects is the introduction of a "fair service" remuneration model – a contract system with defined service durations and a clear rotation framework, as well as new approaches to staffing. This marks another step in the transformation of Ukraine's defence and security sector.

Ukraine's defence sector reform is not a narrow military exercise just focused on force structure and interoperability. It is a core governance challenge involving public administration, fiscal sustainability, industrial policy and the rule of law.

Considered from this more holistic standpoint, the EU cannot afford to treat Ukraine's defence sector reform as an area to be handled primarily, or exclusively, by NATO. NATO remains indispensable for military standards, operational planning and collective defence. However, its mandate, tools and incentives are not designed to deliver the broader institutional transformation modern defence requires.

Modern defence institutions are deeply embedded in civilian systems: budgeting and audit, procurement law, industrial regulation, digitalisation, integrity frameworks and parliamentary oversight. These are precisely the areas in which the EU has unrivalled competence, leverage and experience. NATO is not designed to reform public finance management, align procurement with competition law or embed defence planning into broader economic and industrial strategies. The EU is.

If the EU limits itself to a passive or supporting role while deferring reform leadership to NATO, it risks helping to create defence sectors that are tactically interoperable but strategically brittle.

Weak governance weakens military effectiveness

Treating Ukraine's defence sector reform as a purely military domain also overlooks how weak governance ultimately degrades military effectiveness. Capability gaps often stem not from a lack of doctrine, but from flawed institutions: opaque procurement systems, fragmented civil-military coordination or unsustainable funding models. This has been recognised by the current leadership at Ukraine's Ministry of Defence. For example, when Ukraine's defence minister, Mykhailo Fedorov, appointed his deputy, Oleksii Vyskub, he tasked him with tackling economic security issues, including improved planning and more effective use of available resources.

Defence sector reform cannot be implemented by adopting military standards alone. It requires institutions capable of implementing EU law, managing complex industrial partnerships, ensuring compliance with audit and control mechanisms, and aligning defence planning with broader EU priorities such as resilience, innovation and sustainability. NATO can support compatibility but it cannot deliver compliance. By contrast, the EU can credibly support, monitor and validate defence sector reform through its legal frameworks, financial instruments and conditionality mechanisms.

Enhanced EU support would strengthen Ukrainian defence systems in two decisive ways. First, it would enhance sustainability by linking defence spending to fiscal discipline, workforce development and industrial resilience. Second, it would increase political credibility by anchoring defence institutions within a broader framework of EU norms and regulations, reducing the risk that reforms are superficial or reversible.

Ukraine's civil society is part of the defence ecosystem

The EU has extensive experience of supporting reforms not only through government-to-government cooperation, but also through structured engagement with civil society organisations, think tanks, independent oversight bodies and other non-governmental actors. This is particularly relevant in Ukraine, where civil society plays a uniquely important role in defence and security.

Ukrainian volunteer networks and charitable foundations participate in the procurement of military equipment and weapons, support battlefield innovation and drone development, deliver military training and contribute to transparency and oversight in the defence sector. Successful implementation of Ukraine's defence sector reform will require the continued structured integration of civil society into policy development, oversight mechanisms, needs assessments, innovation processes and accountability frameworks.

The EU is particularly well positioned to support such multi-stakeholder models through its experience with institutional capacity-building, transparency mechanisms, grant instruments and participatory

governance approaches. In addition, the EU can draw on its broader understanding of security, in which society, private sector industry and public institutions function as interconnected pillars of national resilience.

A complementary role for the EU

A stronger EU role in Ukraine's defence sector reform should be understood as complementary to NATO efforts, not as duplication or replacement. NATO should remain the lead actor on military readiness, deterrence and operational integration. The EU should fill the gaps where NATO is not structured to deliver, taking responsibility for the institutional, regulatory and governance foundations that make defence capabilities durable and scalable within Europe's broader security architecture.

Support for Ukraine's defence sector reform should be understood as a two-way learning process, not just a technical assistance exercise. While Ukraine benefits from European expertise in governance, regulation, institutional development and public administration reform, the EU has much to learn from Ukraine's experience of wartime resilience, rapid adaptation and whole-of-society mobilisation.

If the EU is serious about integrating Ukraine into the European Union and Europe's security architecture, it must assume ownership of reform processes that fall squarely within its remit. This will require more flexible and holistic funding approaches across the security-development nexus, potentially drawing lessons from the United Kingdom's more integrated model. It may involve broadening the interpretation of existing OECD Development Assistance Committee frameworks to encompass defence and security, as well as designing more holistic instruments in the next long-term budget.

Defence sector reform is not only about tanks, drones and doctrines. It is about institutions capable of sustaining security over decades.

Recommendations for EU policymakers

- ▶ Frame Ukrainian defence sector reform as part of Ukraine's broader governance and public administration reform agenda, in which the EU should play a more active role alongside NATO.
- ▶ Explore how existing EU instruments and development funding can be used to support elements of Ukraine's defence sector reform. EU civil society support programmes should also include organisations operating in Ukraine's defence and security sector.
- ▶ Include Ukrainian defence sector reform in the international sectoral working group for public administration reform to enable horizontal coordination between partners. NATO representatives should be invited to relevant meetings in this format to strengthen EU-NATO coordination.

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