

Nº11

January 2025

Monitoring of the implementation of the IMF program and the Ukraine Plan

SPECIAL TOPIC

"Public investment management reform"





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Summary.

Implementation of the IMF program and the Ukraine Plan

On December 20, 2024, the IMF Executive Board approved the sixth review of the EFF program. On December 23, Ukraine's State Budget received the seventh tranche from the Fund in the amount of about USD 1.1 bn. The total amount of payments under the program reached about USD 9.8 bn (63% of the USD 15.5 bn planned under the program).

The updated Memorandum includes **three new structural benchmarks**. Two in the financial sector and one in the energy sector.

The next, seventh, review of the IMF program is scheduled for March 2025. It will, among other things, cover progress in implementing the December structural benchmarks. **Meanwhile, the authorities have already failed to complete two structural benchmarks: the cancellation of the "Lozovyi's amendments" and the creation of the new administrative court. At the same time, there is a high risk even with the deferred execution of benchmarks.**

In December, the European Commission disbursed another tranche under the Ukraine Facility in the amount of EUR 4.1 bn for the fulfilment of the Ukraine Plan indicators in the third quarter of 2024 (one was delayed). This disbursement will bring the total amount of support under the Ukraine Plan for 2024 to €16.1 billion. **We assess all the indicators for the fourth quarter as met, and therefore Ukraine may receive EUR 3.5 bn from the EU in February.**

In 2025, funding will primarily come from the ERA mechanism, which will be financed in the future by the proceeds of frozen Russian assets. Funding from the EU and the IMF will depend on the timely implementation of indicators and structural benchmarks. Unfortunately, the risk of delays in fulfilling obligations is growing.

Successful cooperation with international partners is critically important for Ukraine. The financing of priority state budget expenditures depends on this (internal revenues are directed to security and defence). That is why **the RRR4U Consortium continues to regularly monitor Ukraine's fulfillment of the terms** of the IMF financing program and the implementation of the Ukraine Plan, the fulfillment of which is the basis for providing assistance from the EU within the Ukraine Facility.

Fulfillment of obligations under financial support programs is not needed by donors - **they are needed by Ukraine to achieve economic stability and transition to growth and increase the welfare** of Ukrainians. And it is also a way to gain trust from all international partners and foreign businesses.



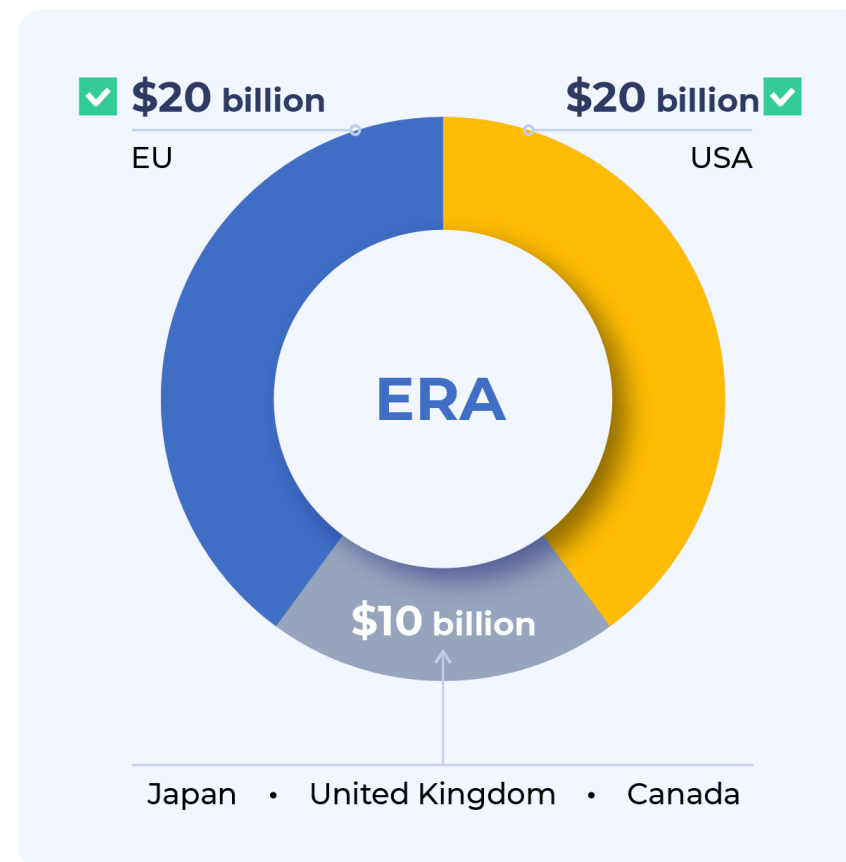
ERA mechanism

In June 2024, **G7 leaders agreed to provide Ukraine with USD 50 bn loan. The loan will be provided to Ukraine through the ERA** (Extraordinary Revenue Acceleration Loans for Ukraine) mechanism. The loan will be repaid from future revenues from frozen Russian assets.

To obtain a loan under the ERA mechanism, on 3 December 2024 the Verkhovna Rada passed draft law No. 12232 to introduce into the Budget Code the concept of "contingent debt obligations". According to the amendments, Ukraine will not include the relevant financing in the amount of Ukraine's public debt.

Ukraine will be able to avoid repaying USD 50 bn to G7 if it does not receive war reparations from Russia.

Financing under the ERA mechanism





2025: challenges and risks

Ukraine is entering 2025 in a more stable budgetary position than in 2024. Foreign financing this year should fully cover the entire expected state budget requirement.

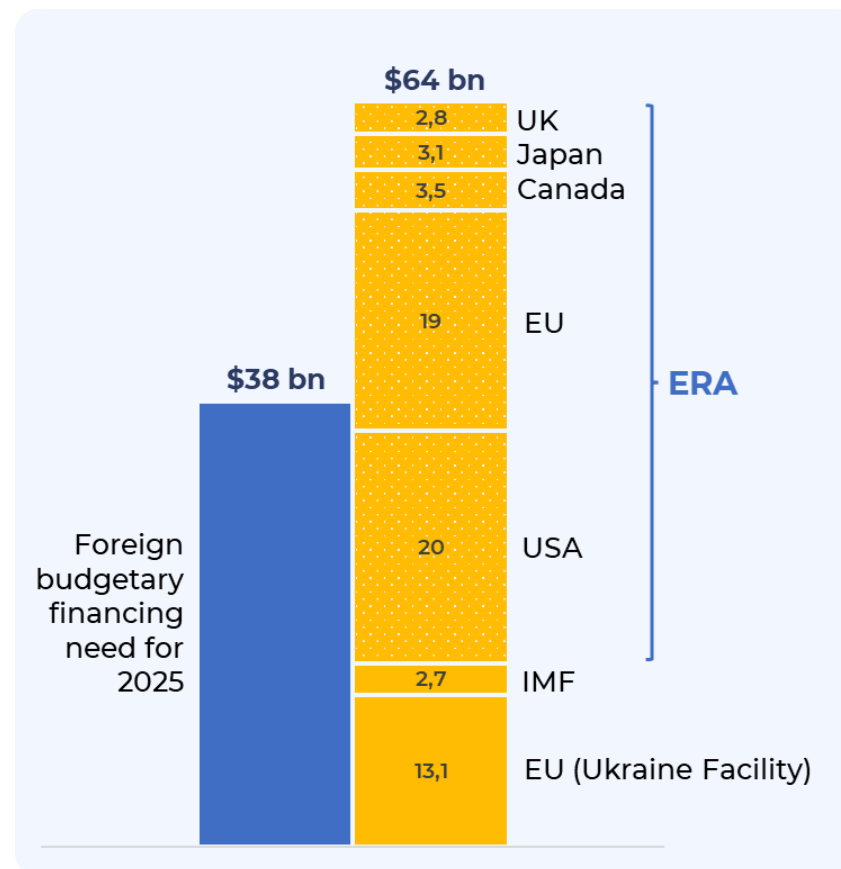
ERA funding will provide the lion's share of revenues. The money can be spent not only on "civilian" but also on military expenditures.

At the end of last year, the United States transferred USD 20 bn of ERA funding for Ukraine to the World Bank's accounts. These funds will be spent on public sector salaries and social support programmes; Ukraine has already received the first tranche of \$1 bn.

The EU has already disbursed the first EUR 3 bn to Ukraine from Russia's frozen assets. Further tranches will be disbursed evenly throughout the year.

The ERA funds must be used wisely and a safety margin must be maintained for 2026-2027.

Foreign financing in 2025 exceeds the expected need



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Monitoring of the implementation of structural benchmarks under the IMF program



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Status of the IMF program implementation

On December 20, 2024, the IMF Executive Board approved the sixth review of the EFF program. The Ukrainian authorities have fulfilled all quantitative performance criteria and structural benchmarks set for the end of September. On December 23, Ukraine's State Budget received the seventh tranche of the Fund in the amount of about USD 1.1 bn. The total amount of disbursements under the program reached about USD 9.8 bn (63% of the USD 15.5 bn planned under the program).

The updated Memorandum contains **three new structural benchmarks**. Two are financial (operational strategy for the securities market regulator and minimisation of operational risks of financial institutions) and one is energy (independent assessment of the NEURC).

The next, seventh, review of the IMF program is scheduled for March 2025. A successful review could bring us about USD 900 m. At that time, our progress will be assessed against quantitative performance criteria and structural benchmarks, with deadlines in late October and December 2024. Ukraine has fulfilled the October benchmarks. **At the same time, the government has already failed to complete two December benchmarks — the cancellation of the “Lozovyi’s amendments” and the creation of the new administrative court. Therefore, at best, these benchmarks can be implemented with a delay (“Not Met (implemented with delay)”).**



As of the end of December 2024, the Ukrainian authorities had to fulfil eight structural benchmarks:

- ✓ Establish a link between medium-term budget planning and capital expenditure
- ✓ Strengthen the independence of the NEURC
- ✓ Prepare a framework for bank recovery
- ✓ Introduce a risk assessment methodology for the NBU
- ✓ Form the Supervisory Board of Ukrenergo
- ✗ Cancel the “Lozovyi's amendments”
- ✗ Create a new administrative court
- ✓ Adopt the reform of the Accounting Chamber

For 2025, the IMF EFF program provides up to USD 2.7 bn based on the results of four reviews.



Map of the implementation of structural benchmarks



The IMF program





Ukraine has completed the first five structural benchmarks by the first program evaluation (June 2023)

Full performance reviews are available here: <http://surl.li/bsrqng>

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BENCHMARK No.1 Amendments to the 2023 budget — defense financing (end of April 2023)

Parliament approved government-proposed amendments to the 2023 State Budget to provide for more and sustainable funding for defense and security, as well as funds for emergency reconstruction. In particular, they doubled the expenditure on the reserve fund. They also optimized the structure of managers and united the two ministries into a single Ministry of Community Development, Territories and Infrastructure, to which the Fund for Elimination of the Consequences of Armed Aggression was transferred.

BENCHMARK No.2 Limitation of spontaneous changes to the law on the budget and restoration of medium-term planning (end of May 2023)

For this purpose, a draft law was registered in the parliament, which, among other things, allowed the Council to consider only those changes to the state budget that received an expert opinion from the Ministry of Finance, and also restored medium-term budget planning. In June, the budget committee updated the text, which later became a law (see BENCHMARK No.10 for details)

BENCHMARK No.3 Preparation of tax reform plan for the National Revenue Strategy roadmap (end of May 2023)

The Ministry of Finance has prepared a corresponding action plan, as evidenced by the document of the first evaluation of the IMF program. At the same time, this plan is not publicly available. The document should become the basis for the preparation of the National Income Strategy (see benchmark No.20)

BENCHMARK No. 4 Registration of the draft law on the limitation of state guarantees (end of May 2023)

The corresponding changes are designed to contribute to higher debt sustainability of the state. The norms for the implementation of this BENCHMARK were included in draft law No.9346 together with the norms for the implementation of BENCHMARK No. 2 (see more details about BENCHMARK No. 10)

BENCHMARK No.5 Transparency and accountability of funds in special accounts of the NBU in UNITED24 (end of May 2023)

In April 2023, the parliament adopted the corresponding law (No. 3035-IX), which was supposed to increase the transparency and accountability of accounts opened at the NBU by managers of funds for charitable assistance and donations. First of all, this concerned accounts on the UNITED24 platform. This is how the legal framework for transparent collection of funds and expenses from state charity accounts has finally appeared.



State of execution of benchmarks No. 6 – 9

Full performance reviews are available here: <http://surl.li/bsrqng>

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BENCHMARK No.6 Preparation of a strategy for the transition to flexible exchange (end of June 2023)

On June 29, 2023, the board of the NBU approved the Strategy for easing currency restrictions, transitioning to greater exchange rate flexibility, and returning to inflation targeting. The public version of the Strategy [was published](#) on July 7.

BENCHMARK No.7 Restoration of pre-war taxation (end of July 2023)

At the end of June 2023, the Verkhovna Rada adopted the relevant [draft law](#). However, this law returned inspections only for manufacturers of excisable goods, gambling, and financial companies. Other businesses could operate without inspections. IMF representatives were not satisfied with this: the Fund [said they were](#) waiting for a new law to be passed on the resumption of tax audits.

On November 9, the Parliament adopted in the second reading the [draft law No. 10016-d](#) with an expanded range of taxpayers who may be subject to documentary scheduled audits starting from December 1, 2023. At the same time, the President of Ukraine signed [Law No. 3453-IX](#) only in early December, so it came into force on January 08, 2023.

BENCHMARK No.8 Corporate governance reform of the GTS Operator: transfer the GTSO shareholding to the Ministry of Energy and adopt the new charter (end of July 2023)

The first part of the BENCHMARK was completed on September 22, when the CMU [handed over](#) the corporate rights of "Operator GTS of Ukraine" LLC to the Ministry of Energy. The second part was completed only at the end of October, when the Ministry of Energy approved the updated charter of GTSOU agreed with the Energy Community Secretariat. The document [appeared](#) on the company's website on October 31.

BENCHMARK No.9 Restoration of declaration by officials (end of July 2023)

In September 2023, the parliament passed a [bill](#) stipulating that the register of declarations would remain closed for another year. Declarants could voluntarily open their data for public access. The public and international partners reacted negatively to this news. As a result, the President of Ukraine vetoed the law and submitted his own proposals, which opened the register of declarations immediately.

On September 20, 2023, the Parliament reconsidered the above-mentioned draft law and adopted it with the President's proposals. [Law No. 3384-IX entered into force](#) on October 12, 2023. On December 10, 2023, the National Agency on Corruption Prevention [announced the](#) opening of public access to the Register of Declarations.



State of execution of benchmarks No. 10 – 13

Full performance reviews are available here: <http://surl.li/bsrqng>

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BENCHMARK No.10 Restoration of medium-term budget planning, development of debt strategy and risk limitation under state guarantees (end of September 2023)

In July, the Parliament adopted the necessary [changes to the Budget Code \(BCU\)](#) in order to increase the predictability and predictability of fiscal policy in the medium term.

BENCHMARK No.11 Submission of a medium-term budget forecast and a report on fiscal risks in documents to the draft State Budget for 2024 (end of September 2023)

On September 15, 2023, the government submitted to the Parliament [a draft law](#) on the State Budget for 2024 with a large list of explanatory documents. The package, in particular, contained the following documents: planned CRI of budget programs in 2022-2026; forecasts of budgetary and macroeconomic indicators for 2025-2026, priority goals of fiscal policy; marginal expenses for the period 2022-2026.

BENCHMARK No.12 Strengthening Financial Monitoring of Politically Significant Persons (PEPs) (end of September 2023)

On October 17, 2023, the Verkhovna Rada adopted a [bill](#) that effectively restores the lifetime status of a politically exposed person (PEP). At the same time, it increases the liability of banks for unreasonable refusal to provide financial services to users. [Law No. 3419-IX came into](#) force on October 29, 2023.

BENCHMARK No.13 Strengthening of banking supervision (end of September 2023)

Implementation of the BENCHMARK will bring banking supervision in Ukraine into line with European Union directives.

Point I: On April 21, 2023, the National Bank of Ukraine [separated](#) the Department of Monitoring of Persons Associated with Banks and the Department of Integrated Supervision of Banks.

Point II: The NBU has introduced oversight panels without public communication about this. The oversight panels are to advise the Supervisory Committee and additionally independently analyze its decisions, facilitate horizontal communications between stakeholders, and highlight issues of particular importance.

Point III: On July 29, 2023, the NBU [resumed](#) scheduled on-site inspections of the activities of banks and non-banking institutions in a remote format so as not to expose its employees to danger.



State of execution of benchmarks No. 14 – 17

Full performance reviews are available here: <http://surl.li/bsrqng>

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BENCHMARK No.14 Tax and customs authorities must prepare a reform plan (end of October 2023)

STS and SCS had to prepare action plans by the end of October, which will later be integrated into the overall National Revenue Strategy. On October 23-27, STS and SCS representatives met with IMF representatives to discuss progress. From the second review of the IMF program, it became known that this BENCHMARK was fulfilled on time and in full.

BENCHMARK No.15 Update and publication of the Medium-Term Strategy for State Debt Management (end of October 2023)

On October 27, the Ministry of Finance adopted a separate [Strategy](#), in which it is clearly planned to conduct an operation on the management of the public debt and intends to adopt an updated Strategy after that. The document states that the Ministry of Finance is planning these steps with the aim of: "(i) gradually restoring Ukraine's debt sustainability, (ii) maintaining liquidity and reducing the state budget deficit during the IMF program period, as well as (iii) creating the necessary conditions for the participation of the commercial sector in the post-war reconstruction of Ukraine in order to restore Ukraine's access to the market as soon as possible."

BENCHMARK No.16 Simplification of the declaration system of civil servants (end of October 2023)

[The draft law on the renewal of the](#) declaration process, adopted in September 2023, stipulates that the NACP will provide access to and automatic transfer of data from other registers and databases to the declaration form. At the same time, the function of automatically filling in the available data does not relieve the declarant of the obligation to indicate in the declaration all the information known to him or her, even if it is not available in other databases. [Law No. 3384-IX](#) came into force on October 12, 2023.

BENCHMARK No.17 Corporate governance reform of the GTS Operator: appointment of a Supervisory Board (end of October 2023)

On October 31, the Government [approved](#) the composition of the Supervisory Board of the company: three independent members and one representative of the state, fulfilling this BENCHMARK on time. At the same time, there remains the question of appointing one more representative of the state to form a full composition of 5 members. [According to the Charter](#), the supervisory board of GTSOU must consist of five members, three of whom must be independent. As of the end of April 2024, 5 members have not been appointed and there are no Government statements on this matter.



State of execution of benchmarks No. 18 – 21

Full performance reviews are available here: <http://surl.li/bsrqng>

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BENCHMARK No.18 Better management of public investments

(end of December 2023)

Accordingly, in order to change the approaches to the UPI, in December, the CMU adopted a protocol decision on the project [of the Roadmap for reforming the management of public investments](#), which is designed to ensure "the formation of the context, the vision of the main principles and directions for the construction of a holistic, sustainable and effective system of public investment management, which ensures the planning of investment projects on the basis of strategic priorities and the medium-term budget framework, their selection in accordance with unified and transparent procedures and clear criteria and implementation within the planned terms and funding".

BENCHMARK No.19 Approval of the National Revenue Strategy until the end of 2023 (end of December 2023)

The national revenue strategy is designed to create conditions for increasing internal budget revenues. For this, Ukraine must strengthen its ability to collect tax and customs revenues. On December 27, 2023, [the government approved](#) the National Income Strategy, timely fulfilling the conditions for inclusion in the IMF program benchmark.

BENCHMARK No.20 Increasing the institutional independence of the SAP (end of December 2023)

On December 08, 2023, Ukraine's parliament adopted the above draft law. The [law](#) came into force on January 1, 2024. It is aimed at: improving the procedure for competitive selection of heads and prosecutors of the SAPO; strengthening the SAPO's ability to regulate its own organizational structure and activities; clarifying the powers of the head of the SAPO; creating a Specialized Disciplinary Commission of SAPO prosecutors; conducting regular audits of the SAPO's activities with the participation of external experts with international experience.

BENCHMARK No.21 Changes to the budget to create new sources of income (end of February 2024)

Based on the findings of the revenue task force, which was formed in December 2023, the government was to prepare short-term measures to increase revenues by at least 0.5 percent of GDP, to make appropriate changes to the 2024 budget if necessary.

The additional revenue mobilization measures proposed by the Ministry of Finance envisage an increase in budget revenues by 44.2 billion hryvnias. Among the measures are an increase in revenues from military and excise duties, the introduction of monthly advance payments of income tax by enterprises engaged in fuel retailing.



State of execution of benchmarks No. 22 – 25

Full performance reviews are available here: <http://surl.li/bsrqng>

BENCHMARK No.22 Concept note on the 5-7-9 program for greater support for SMEs (initially the end of September 2023, postponed to the end of March 2024)

In December 2023, [the government adopted changes](#) to the resolution on providing support within the framework of this program, narrowing the provision of compensation for investment projects and working capital for non-priority sectors to small and medium-sized enterprises only (for working capital in priority sectors, large companies may in the future be recipients of support) . In March 2024, the government submitted a concept for the 5-7-9 program to the IMF, but it was not made public or officially approved.

BENCHMARK No.23 Optimize and increase the efficiency of HACC work

(end of April 2024 (postponed from end of March 2024))

On April 24, 2024, the Verkhovna Rada adopted the aforementioned draft law in its entirety. It is assumed that consideration of cases in the court of first instance is carried out individually. At the same time, the possibility of consideration of cases by a collegial court consisting of three judges is determined only at the request of the accused in relation to certain categories of crimes.

BENCHMARK No.24 Rebooting BEB (end of June 2024)

On June 20, 2024, the Verkhovna Rada adopted draft law No. 10439, the text of which is in line with the requirements of international partners. It was signed by the president on June 28.

Next, it is necessary to choose a professional, independent head of the BEB and start the process of reforming the institution. The law provides for a change of management and re-certification of all bureau employees. The chairman will be elected by a commission of six members, three of whom are appointed by international experts and three by the Cabinet of Ministers.

BENCHMARK No.25 Determination of the relationship between the Budget Declaration and capital expenditures

(end of December 2024)

This BENCHMARK is actually a continuation of steps to increase the efficiency of public investment management, the road map for reforming which was adopted for the implementation of structural BENCHMARK 18.

To implement this benchmark, the government adopted [an action plan and schedule for the implementation of a road map](#) for the development of public investment management procedures, as well as [criteria for prioritizing public investment projects](#) for 2025.



State of execution of benchmarks No. 26 – 29

Full performance reviews are available here: <http://surl.li/bsrqng>

BENCHMARK No.26 Preparation of methodology for assessment of tax benefits (end of September 2024, postponed from the end of July)

The review of tax benefits should be a step towards expanding the domestic revenue base without increasing tax rates.

The Ministry of Finance of Ukraine approved the necessary methodology with its order No. 474 dated 09/27/2024 "On approval of the Methodology for evaluating tax policy instruments that lead to tax expenditures."

BENCHMARK No.27 Assessment of fiscal and quasi-fiscal losses from SE (end of September 2024)

The Ministry of Finance submitted annexes to the draft State Budget for 2025, in which it presented quasi-fiscal losses from the state-owned enterprises, as well as a report on fiscal risks, which provided an estimate of quasi-fiscal losses, as well as the results of stress testing of the state-owned enterprises.

BENCHMARK No.28 Approval of changes to the Customs Code of Ukraine in accordance with the best global practices (end of October 2024)

As stated in the Memorandum, changes to the ICU must be coordinated with EU regulations. The Ministry of Finance should continue to report to the Ministry of Finance. Since business often complains about corruption in the Ministry of Internal Affairs, one of the directions of change should be to strengthen the integrity of the staff and introduce a management selection process based on a transparent competition with the participation of international experts. It is also stated that other reforms in 2024 include (i) modernization of the framework conditions for imposing administrative liability for violations of customs rules and (ii) development of criteria for assessing the impact of the Anti-Corruption Program of the State Customs Service.

The Parliament adopted two draft laws, which together correspond to the above-mentioned provisions: [No. 10411](#) and [No. 6490-d](#).

BENCHMARK No.29 Medium-term budget planning: analysis and update (end of October 2024)

According to information from the Ministry of Finance, with the help of technical assistance from the IMF, a report was prepared, which presents a diagnostic review of pre-war policies and practices regarding medium-term budget planning compared to best practices. As of October 30, the text of the report has not been made public, but we are recording this BENCHMARK as "completed".



BENCHMARK No.30 NBU's assessment of risks to financial stability under unfavourable scenarios and preparation of contingency plans

(end of October 2024)

Industry: financial sector

Status: completed

According to NBU officials, the BENCHMARK has been met, an assessment has been conducted, and plans have been prepared. Although there is no public communication on this, the IMF assessed this indicator as met.



BENCHMARK No.31 **Audit of the financial status of the district heating companies before and after February 2022** (deadline - end of October 2024)*

Sector: energy

Status: completed

The benchmark will help determine the amount of debt and the financial condition of district heating companies (DHCs), including the reasons for the accumulation of debt before and after the start of the war, on the eve of the 2024/25 heating season. Thus, [according](#) to Naftogaz of Ukraine, as of February 21, 2022, the total overdue debt of DHCs and CHP plants to Naftogaz is 49.1 bn UAH (including 39.3 bn UAH for gas for heat production). At the beginning of the heating season in 2023, the state's debt on the difference in tariffs [amounted to](#) about 36 bn UAH, and according to preliminary [estimates, it](#) will exceed 54 bn UAH in 2024. According to the Ministry of Regional Development, as of 16 September, [the total debt of district heating companies for gas consumption](#) was UAH 101.22 bn.

The [Letter of Intent](#) dated 1 December 2023 states that district heating companies have accumulated significant debts to Naftogaz due to the difference in tariffs and the effects of the war. The issue will be resolved when the military pressure on the budget decreases through a new tariff methodology. The President, Prime Minister, Finance Minister, and NBU Governor added that the amount of debt will be determined by an audit firm that will distinguish between debts incurred before and after February 2022.

At the end of December 2023, the Verkhovna Rada registered [draft law No. 10383](#) on compensation for the difference in tariffs, which was developed to address the problem of debt of district heating companies, but as of October 2024, it is still under consideration. The Ministry of Finance does not support the draft law. In May 2024, a new [draft law No. 11273](#) was registered to settle accounts payable of district heating companies. As of the end of October 2024, the draft law is still under consideration.

The issue of auditing the district heating companies was raised in 2019, when the government [instructed](#) the Ministry of Regional Development and the State Audit Service to check the objectivity of the cost of heat and water. In 2022, the Cabinet of Ministers again [initiated](#) an audit to assess whether Naftogaz's fixed prices were a form of subsidy. Between February and September 2023, the State Audit Service audited district heating companies in different regions and found overcompensation of more than UAH 4 bn.

As of early September, according to the Cabinet of Ministers' Reform Matrix, the indicator is considered to be met, but no information or reports on the audit are publicly available. In addition, on December 20, 2024, the IMF approved the 6th review of the Extended Fund Facility (EFF) programme, where the report states that Ukraine has successfully completed the audit of the financial status of the DHCs.

* The deadline has been postponed from the end of June 2024



BENCHMARK No.32 Strengthening the functional independence of the NEURC

(deadline - end of December 2024)

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Sector: energy

Status: completed on time

The proposed structural benchmark will contribute to strengthening the NEURC's functional independence. An identical indicator is also mandatory under the Ukraine Facility, which underscores its importance.

In order to bring the Law of Ukraine "On the NEURC" in line with European legislation to ensure the functional independence of the Regulator, amendments to the Law No. 3354-IX "On Lawmaking" should be adopted by the end of December 2024 to exempt the NEURC's regulatory decisions from the state registration procedure. The updated Memorandum on Economic and Financial Policy also mentions the need to implement Article 5 of the NEURC Law, which prohibits state authorities from interfering with the Regulator's activities.

On 27 December 2023, [the](#) NEURC [approved](#) the draft Law "On Amendments to Certain Laws of Ukraine on Strengthening the Independence of the Energy and Utilities Regulator". With this decision, the NEURC launched the implementation of the NEURC Independence [Action Plan](#), which was developed to fulfil Ukraine's international obligations in the context of European integration, in particular the recommendations of the Energy Community Secretariat.

The Law No. [3915-IX](#) dated 08.21.2024 amended the Law No. [3354-IX](#) "On Law-Making Activities", which exempted the NEURC from adjusting decisions. In this way, the conflict with the provision of ch. 6 of Article 14 of the Law on the NEURC ("Decisions of the Regulator are not subject to state registration by the Ministry of Justice of Ukraine"). However, the Law "On Law-Making Activities" has only just entered into force, but most of the provisions, in particular regarding the functional independence of the NEURC, are put into effect a year after the end of martial law.

Thus, in fact, the benchmark is completed, however, without being used in practice until the end of martial law.



BENCHMARK #33 Improving the management of state-owned enterprises

(end of October 2024 (postponed from end of August))

Field: corporate governance of SOEs

Status: completed

For years, state-owned enterprises (SOEs) have been a source of inefficiency and fiscal risks. To improve efficiency, a corporate governance reform of SOEs was introduced but has not yet been completed.

In the Memorandum, the Ukrainian side indicated its intention to improve the efficiency of SOE management through further reform of SOE corporate governance in close cooperation with international partners, in particular:

- adopt a law on corporate governance of SOEs ([adopted](#) in February 2024);
- Implementation of relevant bylaws;
- assessment of the financial condition and fiscal risks of state-owned enterprises in the state ownership policy by the end of March 2024 (as an interim step in the implementation of Structural BENCHMARK No. 28)
- The development of a comprehensive policy on state ownership and dividends, as well as a privatisation strategy, is envisaged as a **structural beacon**. It is likely that the privatisation strategy will take into account past approaches to triage.

This is an important beacon, since today there is virtually no ownership policy, which prevents SOEs from operating efficiently. The share of dividends that should be allocated to the budget is determined each year based on the budget's needs rather than the need for SOEs to operate efficiently.

However, while the goal is to improve the governance of SOEs, in reality the authorities do not always adhere to the best standards: the chairman of Ukrenergo's board was dismissed with violations, and two independent members of the supervisory board resigned. International partners now expect new members of the Supervisory Board to be appointed no later than December 2024.

In early October 2024, [the Ministry of Economy presented the draft State Property Policy](#), which was developed together with international partners. It provides for the definition of goals, reporting plans, dividend policy, etc.



BENCHMARK #34 Amendments to the Budget Code on the integration of PIM into the budget process, mandatory prioritisation and provision of IT solutions
(end of January 2025)

Sector: fiscal sector

Status: in progress

This benchmark contains steps to further implement an effective public investment management (PIM) system, the initial steps of which were implemented under benchmarks 18 and 25.

According to the text of the Letter of Intent, amendments to the Budget Code were envisaged to envisage following steps:

- (i) integrate PIM system into the budget process, ensuring that only projects that have been scored and selected in a proper manner are included in the budget;
- (ii) define the roles of the participants in the PIM process;
- (iii) introduce medium-term planning of public investment, including prioritisation of ongoing projects;
- (iv) establishing mandatory use of the unified IT platform (DREAM, IT systems of the Ministry of Finance and the Ministry of Economy).

All public investment projects should be selected according to the already approved prioritisation criteria, and the Ministry of Finance will be responsible for their financing.

On 16 January, the relevant amendments to the Budget Code were adopted by the Parliament ([Draft Law No. 12245](#)). As of 28 January, the draft law has not yet been sent to the President for his signature. However, since the Memorandum defines the adoption of amendments to the Budget Code as a structural milestone, we consider this benchmark to be met.

**BENCHMARK #35** Appoint a new chairman of the ESBU

(end of February 2025)

Sector: fiscal sector**Status:** in progress

This benchmark is a continuation of the previous one on the reboot of the Economic Security Bureau (ESBU). Whereas the previous benchmark only required the entry into force of the relevant law, the new benchmark aims to implement the ESBU reform.

The ESBU should focus on major economic and financial crimes, and its analytical capacity should be strengthened. The law should also establish robust mechanisms to ensure transparency, accountability and integrity.

The new head of the ESBU will approve the procedure for the certification of ESBU employees and form a certification commission within three months of his appointment. Anti-money laundering and counter-terrorist financing measures and cooperation with the State Financial Monitoring Service should also be used to further facilitate the detection of tax crimes and smuggling. This requires strengthening the analytical capacities of the authorities and information exchange.

The new ESBU chairman is to be elected by the end of February 2025. 24 January 2025 was the last day for candidates to submit their documents for the competitive selection.



BENCHMARK #36 Adoption of the methodological framework underpinning the PIM process

(end of February 2025)

Sector: fiscal sector

Status: in progress

This benchmark contains steps to further implement an effective public investment management (PIM) system, the initial steps of which were implemented under benchmarks 18, 25 and 30.

According to the text of the Letter of Intent, the amendments to the Budget Code of Ukraine to be made in accordance with benchmark 34 should form the basis for the CMU's decision to adopt a methodological framework underlying the PIM process. In particular, this includes the adoption of criteria and procedures for: (i) preparation of projects, (ii) formation of a single project pipeline, (iii) project evaluation, (iv) project selection, (v) identification of sources and mechanisms of financing, (vi) implementation, monitoring and evaluation of projects

At the same time, the principles of determining the procedures include that the source of funding will be considered only after a decision is made on the need to implement the project, and projects will be reviewed comprehensively by the Ministry of Finance, the Ministry of Economic Development and the Ministry of Infrastructure. It is important to note that the CMU has already approved the prioritisation criteria for 2025, but they will be changed in the future.

On 16 January, the relevant amendments to the Budget Code were adopted by the Parliament ([Draft Law No. 12245](#)). We believe that the government will have time to adopt the methodological framework underlying the PIM process by the end of February



BENCHMARK #37 New tax reporting requirements for digital platform operators
(end of April 2025)

Sector: fiscal sector

Status: in progress

The authorities reiterated to the IMF their commitment to streamline the simplified tax system in the medium term, which currently provides ample opportunities for tax evasion.

Back in August 2024, the Ministry of Finance discussed with digital platform operators the concept of introducing income reporting for their users. The Ministry of Finance wants to establish an obligation for operators of digital platforms, such as online services offering taxi services, real estate rental, marketplaces and applications for the sale of goods and services, to collect certain information about users of such digital resources and to submit an annual report to the State Tax Service of Ukraine on the income they receive from certain activities.

Such measures are aimed at improving tax administration and broadening the tax base, thereby increasing the amount of taxes collected.

These requirements are to be introduced by the end of April 2025.

**BENCHMARK #38** Appoint a permanent head of the State Custom Service

(end of June 2025)

Sector: fiscal sector

Status: in progress

In line with Structural Adjustment 28, amendments to the Customs Code were adopted, which, among other things, required a competition with the participation of independent experts to select a permanent head of the State Custom Service. The relevant amendments were signed by the President on 17 October 2024.

**BENCHMARK #39** Submit the Budget Declaration for 2026-2028 on time.

(end of June 2025)

Sector: fiscal sector

Status: in progress

The restoration of medium-term budgetary planning is among the important focuses of the IMF Program. That is why quite a few beacons are dedicated to its restoration and effective implementation.

In particular, medium-term budget planning is discussed in benchmarks 10, 11, 25, and 29.

This is because the reintroduction of medium-term budget planning increases the predictability, transparency, and effectiveness of fiscal policy.

The Ministry of Finance has already sent an instruction letter to all budget spending units. The Ministry of Economy is working on assumptions for the macroeconomic forecast for 2026-2028.



BENCHMARK No. 40 Systemic state-owned banks fall under the responsibility of the Ministry of Finance. Non-systemic state-owned banks are not recapitalised using the fiscal resources.

(permanent)

Sector: financial sector

Status: completed on time. but additional actions may be required

Three state-owned banks are owned by the state as represented the CMU (Oschadbank, Ukreximbank, and Privatbank) . Ukrgasbank and Sens Bank are owned by the state, represented by the Ministry of Finance. In practice, the Ministry of Finance acts as the shareholder of state-owned banks, although key decisions are made by the Government upon the proposal of the Ministry of Finance.

During the war, Sens Bank (formerly Alfa) and PINbank (First Investment Bank) were nationalised. Sense Bank was sold to the state for UAH 1 by the DGF as part of the procedure for withdrawal from the market due to sanctions against its owners. On 17 January 2024, 89% of PINBank's shares were registered to the state, represented by the SPF, based on the decision of the HACC to impose sanctions against the former owner, which came into force in March 2023. On 4 September 2024, 100% of Motor Bank's shares were registered to the state, represented by the State Property Fund. This was also in accordance with the decision of the HACC to impose sanctions, which came into force in June. In September, the SPF transferred USD 6.5 million, or more than a third of the bank's assets as of 1 September, to the Aggression Consequences Elimination Fund from the accounts of sanctioned persons in Motor Bank.

Currently, the Benchmark has been met: all state-owned banks except PINbank and Motor Bank are systemically important and the Ministry of Finance is responsible for their management either directly or through government decisions developed by the Ministry of Finance. As of 1 January 2025, PinBank and Motor Bank had capital slightly below UAH 200 million and thus violated the prudential norm N1 and were also unprofitable in the first 11 months of 2024. If the banks do not return to profitability, the NBU will need to transfer them to the DGF for resolution in order to maintain the benchmark as complete. On January 28, the Government decided to transfer PINbank to Ukrposhta to form a financial inclusion bank on its basis. This may remove the issue of the bank's profitability, but may trigger additional discussions with the IMF.

**BENCHMARK #41** Preparing the framework for bank recovery

(end of December 2024)

Industry: financial sector**Status:** in progress

The DGF, the Ministry of Finance, and the NBU were to prepare a framework for the rehabilitation of the banking system. The framework for bank recovery was to include: (i) support mechanisms for the DGF; (ii) measures to strengthen the banking system's operational preparedness for unforeseen situations; (iii) improved procedures for bank resolution and early intervention measures; and (iv) alignment of the criteria for counterparty eligibility for NBU monetary policy operations and lender of last resort operations with international best practices.

As an interim step, the DGF and the NBU were to prepare, in consultation with IFI stakeholders, (i) a diagnostic note by the end of February 2024 to assess the current infrastructure for resolving insolvent banks, including an analysis of current challenges; and (ii) based on the diagnostic, adopt a roadmap by the end of April 2024 that will set out a reform agenda to further strengthen the authorities' capacity to resolve and manage financial sector crises, in particular to address key gaps by the end of December 2024.

According to our information, the NBU has submitted to the IMF draft changes to be approved for the new methodology, and this was considered as fulfilling the structural benchmark.

**BENCHMARK #42** New methodology for risk assessment in supervision

(end of December 2024, postponed from end of June)

Industry: financial sector

Status: completed

The NBU was to introduce risk assessment methodologies for supervision in order to make informed decisions on supervisory priorities. The methodology will be applied to all banks, and a supervisory action plan was to be prepared by the end of December 2024. While improving supervisory results, the NBU also plans to increase supervisory efficiency by improving the allocation of resources and processes by adjusting the organisational structure of banking supervision. This will be complemented by strengthening the professional capacity of banking supervision by developing the necessary professional profiles and introducing a multi-year training programme for new employees.

In the government's Reform Matrix, the NBU reports on the implementation of this structural pillar. According to our information, the new methodology was approved on time, without any public reporting on it.



BENCHMARK No. 43 Complete the formation of the Supervisory Board of Ukrenergo, with the majority of 7 members being independent

(deadline - end of December 2024)

Sector: energy

Status: completed

The benchmark is aimed at implementing corporate governance reform at state-owned enterprises. The high-profile dismissal in September 2024 of Ukrenergo's CEO Oleksandr Kudrytskyi, which he [explained as](#) a desire to "take control of investments in reconstruction", and the subsequent resignation of two independent members of the Supervisory Board, which [was politically motivated](#), raised serious concerns about governance, including from international partners and market participants. The critical role of Ukrenergo in ensuring the stability of the power system, including during the heating season, only exacerbates this problem.

By Order No. 337 of 09.09.2024, the Ministry of Energy [announced](#) a competitive selection of candidates for the positions of three independent members of the Supervisory Board of Ukrenergo. At the same time, the Ministry of Energy was identifying and selecting candidates for state representatives. The selection of all 7 members - 4 independent and 3 state representatives - was to be completed by 9 December 2024.

On November 26, the Cabinet of Ministers [approved](#) four candidates for the positions of members of the Supervisory Board of Ukrenergo - Patrick Roland Graichen, De Francischi Luigi, Eppe Sebastian Kofod, and Jan Henryk Montell as independent members.

On December 11, the Cabinet of Ministers [approved](#) a new 7-member Supervisory Board of Ukrenergo, with Yuriy Boyko, Anatoliy Hulei and Oleksiy Nikitin appointed as state representatives.

Thus, the benchmark is considered to be completed on time and in full.



BENCHMARK No.44 Cancel the “Lozovyi’s amendments” and allow the SAPO to manage extradition and mutual legal assistance requests (Slide N°1)

(end of December 2024 (postponed from end of October 2024))

Sector: governance/anti-corruption

Status: not implemented (as of the end of January 2025)

The structural benchmark provides for amendments to the [Criminal Procedure Code of Ukraine](#), in particular regarding:

- enabling the Prosecutor General to delegate to the SAPO the management of requests for extradition and mutual legal assistance in connection with the investigation of corruption crimes;
- cancellation of the mandatory closure of pre-trial investigations in connection with the expiration of the pre-trial investigation period after notification of suspicion (the so-called “Lozovyi’s amendments”);
- giving the investigating judge the authority after the end of the deadline and at the request of the accused or the injured persons to prompt the prosecutors to make a decision regarding the pre-trial investigation (either the closing of the proceedings or the completion of the pre-trial investigation), or to refuse to grant the request.

The issue of cancelling the “Lozovyi’s amendments” has long been on the Ukrainian agenda. Back in November 2023, the ambassadors of the Group of Seven (G7) countries, in a [letter](#) to the Speaker of the Verkhovna Rada, noted the need to abolish the restrictions on the time limits for pre-trial investigation before serving a notice of suspicion in the CPC, “to prevent premature closure of cases”.

In December 2023, the Verkhovna Rada only partially cancelled the “Lozovyi’s amendments”. It is not surprising that [the Memorandum with the IMF of 17.06.2024](#) was supplemented by a benchmark on the cancellation of the “Lozovyi’s amendments”.

**“Lozovyi’s amendments” refers to a number of amendments to the Commercial Procedure Code, the Civil Procedure Code, the Criminal Procedure Code, as well as the Code of Administrative Procedure of Ukraine and other regulatory acts proposed by MP Andriy Lozovyi.*



BENCHMARK No.44 **Cancel the “Lozovyi’s amendments” and allow the SAPO to manage extradition and mutual legal assistance requests (Slide N°2)**

(end of December 2024 (postponed from end of October 2024))

Sector: governance/anti-corruption

Status: not implemented (as of the end of January 2025)

At the end of October 2024, the Parliament adopted [draft law No.11265](#) as a basis for implementing the benchmark. At the same time, [according](#) to the Anti-Corruption Action Centre, the provisions proposed in the draft law do not fully repeal the “Lozovyi’s amendments” and do not fully cover the IMF’s requirements.

At the end of December 2025, the Government registered a new draft law [No.12367](#) with the Verkhovna Rada aimed at cancelling the “Lozovyi’s amendments”. In addition, 3 more alternative draft laws were registered ([No.12367-1](#), [No.12367-2](#), [No.12367-3](#)). At the same time, on January 16, the Parliament did not support the inclusion of the above draft laws on the agenda.

It is worth noting the different positions taken by stakeholders on the above draft laws. Business associations (SUP, Manifest 42, etc.) and the Ukrainian Chamber of Commerce and Industry [urged](#) the Parliament not to support all of the above draft laws and proposed to initiate a broad discussion with business representatives, experts, and the public to develop balanced changes that would improve access to justice without creating additional risks for business. Instead, the NABU and the SAPO [supported](#) only the draft law [No.12367-3](#), which, in their opinion, is aimed at improving the efficiency of pre-trial investigation and ensuring the inevitability of punishment for corruption offenses, and called on MPs to support it in the first reading and in general. Representatives of the Anti-Corruption Action Centre also [stated](#) that only draft law [No.12367-3](#) completely cancels the “Lozovyi’s amendments” and restores the mechanism of extending the investigation period by the prosecutor.

As of the end of January 2025, none of the above-mentioned bills had been adopted. Thus, the authorities have effectively failed to meet this benchmark. Therefore, at best, the benchmark may be implemented with a delay ("Not Met (implemented with delay)"). **Failure to meet the benchmark creates a risk of not receiving the next tranche of about \$900 million from the IMF.**



BENCHMARK No.45 Complete the external audit of NABU and publish its report

(end of February 2025, postponed from the end of September 2024)

Sector: governance/anti-corruption

Status: not completed at the end of September 2024/in process

The issue of conducting an external audit of NABU has been on the Ukrainian agenda for quite some time. The International Monetary Fund and the European Commission have repeatedly pointed out the need for it to be held. In [the Memorandum of Economic and Financial Policy dated December 5, 2018](#), the Ukrainian government promised to complete the external audit of NABU by the end of July 2019. However, the benchmark was never implemented.

Within the framework of the current program, Ukraine also has problems with the NABU audit. After all, it was supposed to be completed by the end of September 2024. Instead, at the beginning of September, the Cabinet of Ministers only [approved](#) the composition of the Commission for conducting an audit of NABU activities (which was defined as a prior action in [the Memorandum of October 4, 2024](#)). The commission was formed on the basis of the proposals of international and foreign organizations, which, in accordance with international or intergovernmental agreements, provided Ukraine with international technical assistance in the Sector of prevention and combating corruption in the last three years prior to the evaluation.

According to the updated [Memorandum of October 4, 2024](#), Ukraine must conduct an external audit of NABU and publish its report by the end of February 2025. The Head of the Commission for conducting the external independent evaluation of effectiveness of NABU Robert Westbrook, [said](#) that the assessment of the NABU activity will be completed on time. The Commission [will assess](#) the effectiveness of NABU activity for the period from March 6, 2023 (the date of appointment of the current director of NABU) to November 18, 2024 (the date of approval of the audit methodology by the Commission).



BENCHMARK No.46 Create a new administrative court to replace the dissolved District Administrative Court of Kyiv

(end of December 2024, postponed from end of July 2024)

Sector: governance/anti-corruption

Status: not implemented (as of the end of January 2025)

In December 2022, the parliament liquidated the District Administrative Court of Kyiv (DACK), which considered disputes involving central executive bodies. The DACK's cases were to be transferred to the Kyiv District Administrative Court (KDAC) until the new court is established.

In its [Report](#) published in November 2023, the European Commission noted that after the liquidation of the DACK, access to justice in cases involving central authorities has deteriorated, as a new court has not yet been established and the court with temporary powers is overcrowded. Therefore, in the Memorandum with the IMF, Ukraine promised to adopt a law establishing a new court that will hear administrative cases against national state bodies (e.g., the NBU, NABU, NACP) by judges who have been properly vetted for professional competence and integrity.

Back in early December 2024, the Verkhovna Rada failed to vote on draft law [No.12206](#) on the establishment of the High Court for Public Law Disputes and two alternative draft laws ([No.12206-1](#), [12206-2](#)).

After that, the Government registered a new draft law [No.12368](#) on the establishment and functioning of a specialised administrative court with the Parliament. However, it was rejected and withdrawn from consideration. Instead, on 09 January 2025, the Parliament adopted as a basis the draft law [No.12368-1](#) on the establishment and functioning of the Kyiv City District Administrative Court and the Kyiv City Administrative Court of Appeal.

As of the end of January 2025, the relevant law had not been adopted. Thus, the authorities have effectively failed to implement this milestone. Therefore, at best, the benchmark can be implemented with a delay ("Not Met (implemented with delay)"). **Failure to meet the benchmark creates a risk of not receiving the next tranche of about \$900 million from the IMF.**



BENCHMARK 47 Adoption of amendments to the law to reform the Accounting Chamber of Ukraine (end of December 2024)

Sector: governance/anti-corruption

Status: completed

Today, it is urgent to ensure the independence, strengthen the powers and increase the effectiveness of the Accounting Chamber of Ukraine to fulfil its constitutional function of overseeing public expenditures in accordance with the standards of the International Organisation of Supreme Audit Institutions, as well as to audit all public funds.

The relevant [draft law](#) was already passed in the first reading on 19 September, and the text has already been prepared for the second reading, and on 30 October it was adopted.

The adopted draft law meets the requirements set out in the IMF Letter of Intent, in particular, it: (i) will strengthen the independence of the Accounting Chamber, including the process of selecting new members of the ACU by making it an open, transparent, reliable and competitive procedure, with a decisive and key vote of independent experts with international experience, as well as improving the dismissal procedure; (ii) establish that the ACU shall consist of at least 11 members; (iii) allow the ACU to choose the audit area without any guidance or interference and to have full and timely access to all necessary information and databases to perform its audit functions; (iv) empower the ACU to perform external audit of all public funds (including funds or budgets of local governments, state-owned enterprises and extra-budgetary funds); and (v) establish formal procedures in the legislation for reviewing and monitoring external audit reports and follow-up on audit recommendations, with appropriate financial and technical resources; and (vi) establish a mechanism for periodic peer review by independent experts with international audit experience



BENCHMARK #48 Preparing a strategy for the NSSMC

(end of January 2025)

Sector: financial sector

Status: in progress

The National Securities and Stock Market Commission (NSSMC) should develop a reorganisation strategy and conduct a performance assessment agreed with international financial institutions. This step is important for improving the NSSMC's efficiency as a regulator.

The Code of Ethics for employees will also be updated and implemented in accordance with international standards, and an independent review of the qualification requirements of the Chairman and members of the Commission, including compliance with the Code of Ethics, is planned.

At the same time, the NSSMC had to work with the NBU until the end of December 2024 to improve capital flows management, including harmonising regulations and aligning restrictions on securities transactions with those applicable to banking operations.

This is important to ensure transparency, investor confidence, stability of Ukraine's financial system and its integration into global markets.

There is no public information on the timely finalisation of the new strategy by the end of January. There is a possibility that the deadline for this benchmark will be postponed during the next IMF programme review, or that the NSSMC will implement the benchmark with a delay.



BENCHMARK #49 Preparation and submission of a draft law to the Parliament on the risk of critical third parties in the financial sector

(end of May 2025)

Sector: financial sector

Status: in progress

Benchmark is aimed at extending the NBU's supervision to companies that provide services critical to the functioning of a bank. It is a model of a bank in a smartphone where the work of a bank (like Monobank) is closely linked to non-banking companies that are currently not subject to regulation. It is proposed to extend the NBU's requirements for business reputation and professional suitability to them.

According to the Memorandum on Economic and Financial Policy, the NBU has so far prepared a policy paper on third party risks and is expected to prepare a supervisory framework and then a draft law to be defined by this benchmark. Currently, there seems to be no public communication on the NBU's progress on "critical third parties"



BENCHMARK No.50 Complete and publish the external assessment of the NEURC with the involvement of the Energy Community Secretariat

(deadline - end of October 2025)

Sector: energy

Status: in progress

The benchmark is aimed at strengthening the NEURC's independence and accountability. Ukraine has committed to developing an accountability system for the NEURC, which provides for regular external assessments of the Regulator's governance and independence.

Thus, the Government of Ukraine, in accordance with this structural benchmark, should develop a legal framework for ensuring the NEURC's accountability, which will allow for regular external assessments of the NEURC's independence and governance systems by the Energy Community Secretariat (upon request) every 2-3 years. The first external assessment is expected to be completed and published by October 2025.

As of the end of January 2025, there is no publicly available information on the development of the NEURC's assessment system or the start of this process.



PRIOR ACTION No.48 **Appoint independent auditors to assess the effectiveness of the NABU in investigating corruption, as provided for by law**
(primarily)

RRR4U

Sector: governance/anti-corruption

Status: completed

Audits of government agencies, especially anti-corruption agencies, are necessary to ensure transparency of the agency's work, provide an independent assessment of its activities and stimulate further development.

At the end of 2021, the Verkhovna Rada of Ukraine [adopted amendments](#) to the Law of Ukraine "On the National Anti-Corruption Bureau of Ukraine" to bring the provisions of the Law in line with the Constitution of Ukraine and to determine the frequency and procedure for conducting an audit of the institution. The latter is to be conducted annually by the Commission for External Independent Evaluation (Audit) of the National Bureau's performance consisting of three persons appointed by the CMU based on proposals from international and foreign organisations with relevant experience.

In the updated [Memorandum of 04.10.2024](#), Ukraine promised to fulfil the obligation preceding the external audit as a Prior Action: to approve the composition of the Commission for External Evaluation (Audit) of the NABU's performance of three independent auditors.

[CMU Resolution No. 832-r dated 03.09.2024](#) approved the composition of the Commission for External Independent Evaluation (Audit) of the National Anti-Corruption Bureau (3 independent auditors).

Monitoring of implementation of the Ukraine Plan indicators



completed
on time



completed
not on time



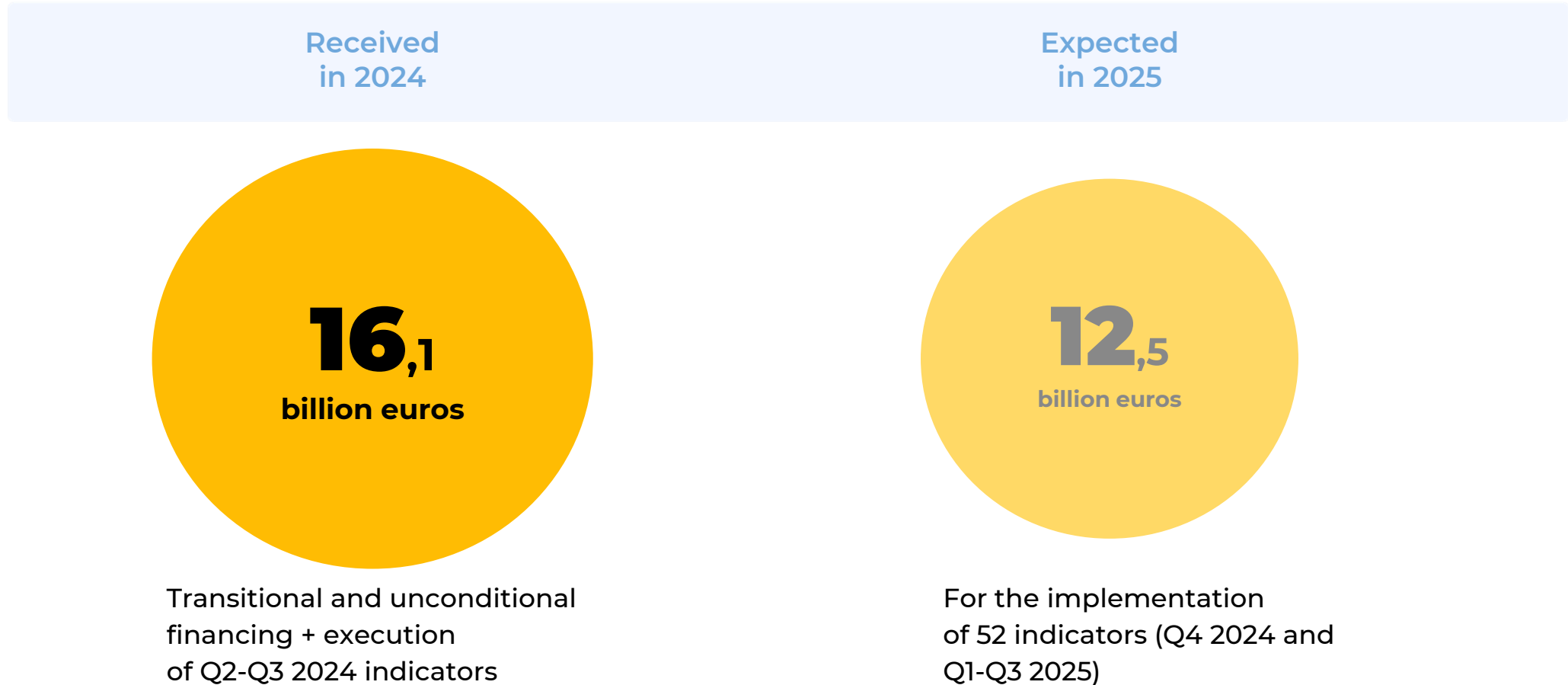
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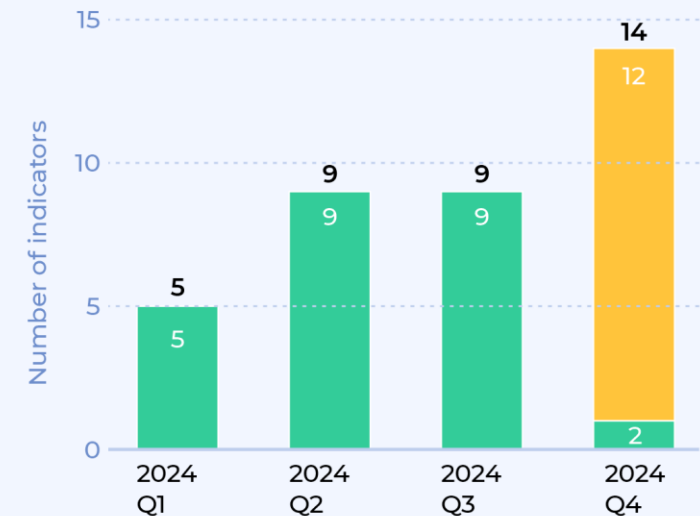
→ Ukraine Plan: financing in 2024-2025



→ What happened at the end of 2024 and what to expect next?

- **The European Commission disbursed EUR 4.1 bn** in mid-December 2024 for the fulfilment of 9 indicators of Q3 2024 (the funds were received with a delay due to the late implementation of indicator 4.4);
- **The Ministry of Economy has sent a report to the European Commission** confirming the implementation of 13 indicators of Q4 2024;
- **Planned implementation of 16 indicators** Q1 2025 by the end of March;
- The launch of European Commission's dashboard on the implementation of the Ukraine Plan (**Scoreboard**), which will be operational in early 2025 and will be updated twice a year.

Schedule of indicators implementation



Status: ■ Done ■ In progress

Data as of 23.01.2025



Map of the implementation of the indicators of the Ukraine Plan

	III 2024	IV 2024	I 2025	II 2025	III 2025	IV 2025
Public Administration Reform			1.1		1.2	1.2
Public Financial Management / Management of Public Assets		2.1 6.1	6.6		2.8 6.7 6.9	2.6 2.9
Fight Against Corruption and money laundering / Judicial System	4.1 4.4 4.6	3.6	4.3 4.7	3.5 3.8	3.1 3.2	3.3 3.4 3.9 4.8
Business Environment / Human Capital	7.6 8.1	7.5 8.7	7.2 7.11	7.1 7.10 8.4	8.2 8.8	7.4 7.8
Energy Sector / Green Transition and Environmental Protection / Management of Critical Raw	10.8 15.1 15.10	10.2 10.10 13.1	13.5 15.2 15.5	10.4 13.3 13.4 15.6	10.14 13.2 15.4	10.5 10.7 10.11 10.12 10.13 13.6 15.3
Agri-food Sector / Transport		11.1 11.2 12.1 12.5	12.3 12.7		12.4	11.3
Decentralisation and Regional Policy	9.5	9.6	9.1 9.4	9.2		
Digital Transformation			14.1 14.2 14.3			
Financial Markets				5.4		5.6

Completed

Completed,
but not on time

In progress

Not completed



Status of implementation of the PD indicators set for the second quarter of 2024

Full performance overviews are available here: rrr4u.org/analytics

RRR4U

INDICATOR No.2.2 Adoption of the digitalisation plan for the State Customs Service

In accordance with the provisions of the NDS, the Ministry of Finance approved [the Long-Term National Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Customs Service](#) in February 2014.

INDICATOR No.2.3 Adoption of the Budget Declaration for 2025-2027

The budget declaration was finally approved on 28 June 2024, the last working day of the quarter. This is likely due to the fact that a positive decision by the IMF Executive Board on the fourth review of the programme was expected. Thus, the macroeconomic indicators on which the budget indicators of the Budget Declaration for 2025-2027 are based differ from the IMF's macroeconomic forecast. The budget declaration contains projected revenues, one of the components of which is an additional package of tax measures. As there is no certainty about the amount of international support, it remains limited, forcing the government to foresee cuts in almost all functions except defence in 2025, and in the following two years, defence as well.

INDICATOR No.2.7 Adoption of the Action Plan for the implementation of the Roadmap for Public Investment Management Reform

Improving the quality of public investment management (PIM) will allow for more economical and efficient use of public funds in the context of limited budgetary resources. One of the steps should be the unification of PIM approaches and the competitive selection of projects for budget funding.

The Action Plan for the implementation of the IPO Reform Roadmap was approved [in June 2014](#).

INDICATOR No.4.2 Appointment of a new head of the National Agency for the Prevention of Corruption

On 13 November 2023, the Cabinet of Ministers of Ukraine published an [announcement on the terms and conditions of the competition for the position of the Head of the National Agency for the Prevention of Corruption \(NAPC\)](#) on its official website.

Following a competitive selection process, Pavlushchuk was appointed Head of the National Agency for the Prevention of Corruption by the Order of the Cabinet of Ministers of Ukraine No. 162-r dated 27 February 2024.



Status of implementation of the PD indicators set for the second quarter of 2024

Full performance overviews are available here: rrr4u.org/analytics

RRR4U

INDICATOR No.6.2 Enactment of the Law on Corporate Governance of State-Owned Companies

In February 2024, the Parliament passed a law improving corporate governance in Ukraine. In March, it was signed by the President and came into force on the day of its publication. According to the law, state-owned companies must have supervisory boards, whose powers and responsibilities have been clarified, and the government must develop a state ownership policy. The law also introduced compliance, risk management and internal audit mechanisms.

INDICATOR No. 8.3 Legislation to revise the legal framework for BES activities enters into force

On 20 June, the Verkhovna Rada passed Bill 10439, the text of which was agreed with the requirements of international partners. On 28 June, the President signed it and the law came into force. The new legislation will pave the way for the renewal of the BES management and detectives through transparent competitions. This will provide a chance to turn the Bureau into an effective body that will prevent economic crimes and schemes that cause damage to the budget.

INDICATOR No. 10.1 Development and approval of the Integrated National Energy and Climate Plan

On 25 June, the NECP was [approved](#) by a decree of the Cabinet of Ministers of Ukraine, and the text [was published](#) on the website of the Ministry of Economy. In October, the English version of the NECP [was published](#).

INDICATOR No. 10.15 Adoption of the Strategy for Thermal Modernisation of Buildings for the period up to 2050 and the Action Plan for its implementation

Pursuant to the Cabinet of Ministers' [Resolution](#) No. 1228-r dated 29 December 2023, the Strategy for Thermal Modernisation of Ukrainian Buildings until 2050, the concept of the State Targeted Economic Programme for Supporting Thermal Modernisation of Buildings until 2030, and the Operational Action Plan for Implementation in 2024-2026, which sets out a long-term plan for the gradual renovation of the Ukrainian building stock with regard to energy-saving technologies, were approved.

INDICATOR No. 12.8 Adoption of a mine action strategy until 2033 and a system for prioritising areas to be demined

The Mine Action Strategy until 2033 and its Operational Plan for 2024-2026 were adopted [by a CMU Resolution on](#) 28 June 2024.



Status of implementation of the PD indicators set for the third quarter of 2024

Full performance overviews are available here: rrr4u.org/analytics

INDICATOR No. 4.1 Increase in the number of staff of the Specialised Anti-Corruption Prosecutor's Office

As part of this indicator, the Specialised Anti-Corruption Prosecutor's Office should have been given the opportunity to increase the number of employees from 10% to at least 15% of the number of employees of the National Anti-Corruption Bureau. To meet this indicator, the Verkhovna Rada of Ukraine adopted draft law No. 10060 of 08.12.2023, which stipulates that the total number of employees of the Specialised Anti-Corruption Prosecutor's Office shall be 15% of the statutory maximum number of central and territorial departments of the National Anti-Corruption Bureau of Ukraine.

INDICATOR No. 4.4 Amendments to the Criminal Code and the Criminal Procedure Code enter into force

The indicator was not met on time. On 29.10.2024, the VRU adopted draft law No. 12039 as a basis and as a whole, and on 31.10.2024, the law was signed by the President and entered into force on 01.11.2024.

INDICATOR 4.6 Approval of the action plan for the implementation of the Asset Recovery Strategy for 2023-2025

As part of this indicator, the Cabinet of Ministers of Ukraine had to adopt and publish an Action Plan for the Implementation of the Asset Recovery Strategy for 2023-2025. As a result, on 13.08.2024, [the Cabinet of Ministers of Ukraine approved the previously prepared Action Plan for the Implementation of the Asset Recovery Strategy for 2024-2025 by Resolution No. 759-r.](#)

INDICATOR No. 7.6 Adoption of a comprehensive Demographic Development Strategy until 2040

On 30 September, the Government approved the Demographic Development Strategy until 2040. The next step towards its implementation is the adoption of a detailed Action Plan.

INDICATOR No. 8.1 Adoption of the Deregulation Action Plan

In early September, the Government approved an updated [deregulation action plan](#). It includes 99 measures, most of which are to be implemented this year. The plan mainly provides for the cancellation of a number of permits that, in the opinion of the plan's developers, are outdated or irrelevant. It also includes support for a number of deregulation draft laws, including those on state control (5837) and foreign trade (5167). There are also a number of measures to improve the current regulation.



Status of implementation of the PD indicators set for the third quarter of 2024

Full performance overviews are available here: rrr4u.org/analytics

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INDICATOR No. 9.5 Legislation amending the State Strategy for Regional Development for 2021-2027 enters into force

The government adopted the [updated SFDRR](#) on 13 August, which identifies new challenges and strategic and operational goals.

At the same time, [the Action Plan for](#) the implementation of the SFDRR has not been updated, although it logically should have been changed as well.

INDICATOR No. 10.8 Amendments to the Criminal Code and the Code of Criminal Procedure enter into force

The NEURC approved the following procedures and requirements:

- [Procedure for](#) Acquiring, Suspending and Terminating the Status of a Data Transmission Administrator (Resolution No. 2613 of 27 December 2023);
- [The Procedure for](#) the Functioning of Insider Information Platforms (Resolution No. 137 of 16.01.2024);
- [Requirements](#) for Ensuring Integrity and Transparency in the Wholesale Energy Market (Resolution No. 614 of 27.03.2024) (on 23 August 2024, the NEURC [published](#) draft amendments to the Requirements, the collection of comments and proposals lasted until 9 September, and an open discussion will take place on 31 October);
- [The Procedure for](#) Submitting Information on Business and Trade Operations with Wholesale Energy Products (Resolution No. 618 dated 27.03.2024).

On 2 October, the Cabinet of Ministers of Ukraine [approved the](#) terms of reference for the development of an information system to support the NEURC's functions, thus completing the implementation of this indicator.

INDICATOR No. 15.1 Enactment of the Law of Ukraine on Prevention, Reduction and Control of Industrial Pollution

On 16 July 2024, the act was adopted as a whole, and in early August, [Law No. 3855-IX](#) was signed by the President.

INDICATOR No. 15.10 Adoption of a comprehensive Demographic Development Strategy until 2040

At the end of April 2024, the Ministry of Ecology published [a draft](#) concept note for discussion. Comments and suggestions [were](#) accepted until 30 May. According to the position voiced by the Ministry of Ecology during the public discussion held on 14 May 2024, [the purpose and objective of](#) the note is to summarise all available deviations from EIA procedures in a single document, determine the body that decides on such deviations, the period of application of deviations and provide arguments for the reasons for their application.

On 18 September, the Ministry of Ecology [published](#) the final version of the Concept Note defining the scope of deviations from the EIA and SEA rules



Indicator No. 2.1. Approval of the strategic plan for the digitalisation of the State Tax Service (IV quarter of 2024)

Sector: public financial management

Status: completed on time

This indicator envisages the adoption of the Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Tax Service, taking into account the recommendations set out in the National Revenue Strategy until 2030.

As part of the implementation of this indicator, the State Tax Service published [the Roadmap](#) for Digital Transformation of the State Tax Service on 05.07.2023.

As of the beginning of December, the STS did not issue any public communication on the development of the strategic plan, and in response to requests from NGOs, refused to provide public information on the status of the document, explaining that it was still being developed.

At the end of 2024, the Ministry of Finance published the Digital Development [Plan of](#) the State Tax Service of Ukraine until 2030, which defines the priority areas and stages of the digital transformation of the agency.

The plan contains measures previously mentioned in the NRS, including the creation of an Automated Tax Risk Management System, an e-learning module for employees, and the improvement of existing systems, some of which (regarding VAT and excise tax) should be integrated with EU systems. Integration with the international information exchange system DAC7 should also be ensured.

Stakeholders should pay attention to monitoring of the implementation of the initiatives set out in the document, as the STS is currently responsible for assessing the effectiveness of the implementation of this [Plan](#), together with the Ministry of Finance and the Ministry of Digital Transformation.



Indicator No.3.6. Legislation to improve the bankruptcy regime comes into force

(Q4 2024)

Sector: judiciary

Status: completed

The indicator is part of the insolvency and enforcement reforms.

The new legislation should focus on preventing bankruptcy and restoring debtors' solvency, timely detection of signs of a crisis in a company, identification of additional opportunities to restore companies' solvency, and accessibility of information for companies on insolvency prevention and early warning mechanisms.

On 19 September 2024, the Verkhovna Rada adopted the law "On Amendments to the Bankruptcy Code of Ukraine and Other Legislative Acts of Ukraine on the Implementation of Directive 2019/1023 of the European Parliament and of the Council of the European Union and the Introduction of Preventive Restructuring Procedures" (draft No. 10143 of 12.10.2023). On 22 September, the law was signed by the President.

The law entered into force on 23 January 2025.



Indicator No.6.1 Adoption of state ownership policy and ranking of state-owned companies

(IV quarter of 2024)

Field of expertise: state property management

Status: completed on time

In March 2024, the law necessary for the development of the new Policy came into force, updating the rules for the management of state-owned enterprises (indicator 6.2). The Government approved [the State Property Policy](#) on 29 November 2024. The Policy provides for the basic principles of management of state-owned enterprises, the procedure for their division into those that will remain in state ownership to ensure the objectives of state policy, and those that will be privatised, liquidated or reorganised for partial privatisation. It also defines the category of enterprises that will remain in state ownership during martial law.

On 27 December 2024, the Government approved the lists of state-owned enterprises by category by [a protocol decision](#). The list consists of 143 pages: the list of enterprises that remain in state ownership permanently is 16 pages, and list of those that are to be retained for the duration of martial law is another 9 pages, and 3 incomplete pages are subject to reorganisation. The rest of the list covers enterprises for liquidation, privatisation, or those located in the occupied territories. Despite the non-standard approach to making this decision (a more traditional approach is a CMU order), the indicator was met on time.



Indicator No.7.5. Adoption of two strategies: The Strategy for Reforming Psychoneurological and Other Residential Institutions and Deinstitutionalisation of Care for Persons with Disabilities and the Elderly and the Strategy for Ensuring the Right of Every Child in Ukraine to Grow Up in a Family Environment for 2024-2028

(Q4 2024)

Sector: human capital

Status: completed

The indicator is part of the reform to improve social infrastructure. It is necessary to adopt the Cabinet of Ministers' Resolution "On Approval of the Strategy for Reforming Psychoneurological and Other Residential Institutions and Deinstitutionalisation of Care for Persons with Disabilities and the Elderly" and the Cabinet of Ministers' Resolution "On Approval of the Strategy for Ensuring the Right of Every Child in Ukraine to Grow Up in a Family Environment for 2024-2028".

These strategies should focus on the following key areas:

- development of social services to support families with children, people with disabilities and the elderly to live independently in the community and prevent institutionalisation;
- development of assisted living services for people with disabilities and elderly people who need additional support;
- Providing family-based forms of upbringing (e.g. foster care, guardianship and adoption) for children left without parental care.

The Strategy for Ensuring the Right of Every Child in Ukraine to Grow Up in a Family Environment was approved by the Cabinet of Ministers of Ukraine on 26 November 2024, Resolution No. 1201-p. The Strategy for Reforming Residential and Neuropsychiatric Institutions for Adults was approved by the Cabinet of Ministers of Ukraine on 24 December 2024, Resolution No. 1315-p.



Indicator No.8.7. Enactment of legislation to restore market surveillance and control over non-food products, including product safety inspections

(Q4 2024)

Industry: business environment

Status: completed

In order to resume market surveillance and control of non-food products, including product safety inspections, the Cabinet of Ministers of Ukraine adopted and entered into force a resolution amending Resolution of the Cabinet of Ministers of Ukraine No. 303 "On Termination of State Supervision (Control) and State Market Surveillance under Martial Law" dated 13.03.2022 (to exclude state market surveillance from its scope) and invalidating Resolution of the Cabinet of Ministers of Ukraine No. 550 "On Termination of

The indicator [was fulfilled](#) by the Cabinet of Ministers Resolution No. 261 of 08.03.2024 "On Amendments to the Resolutions of the Cabinet of Ministers of Ukraine No. 303 of 13 March 2022 and No. 550 of 3 May 2022".

This is necessary to harmonise Ukrainian legislation and standards with those of the EU.



Indicator No.9.6. Enactment of legislation for urban development at the local level

(IV quarter of 2024)

Sector: decentralisation and regional policy

Status: completed on time

This indicator envisages the adoption of resolutions of the Cabinet of Ministers approving the Procedure for maintaining the state-level urban planning cadastre, the Unified State Address Register, the Unified State Register of Buildings and Structures, the Unified State Register of Administrative and Territorial Units, amendments to the resolutions of the Cabinet of Ministers regulating the development of urban planning documentation in the form of electronic documents, and the maintenance of the Unified State Electronic System in the field of construction, integration and information exchange.

To implement this indicator, the Cabinet of Ministers of Ukraine developed [Resolution No. 254 dated 05.03.2024](#) "Some issues of implementation of the pilot project on the creation of the Unified State Register of Administrative and Territorial Units and Territories of Territorial Communities, the Unified State Register of Addresses, the Register of Buildings and Structures as part of the Unified State Electronic System in the Field of Construction".

Another act of the CMU, namely [Resolution No. 909 of 09.08.2024](#), regulated the implementation of a pilot project to introduce the Urban Planning Cadastre at the state level.

[The CMU Resolution No. 1111 of 26.09.2024](#) amended Resolutions [No. 254](#) and [No. 681](#) (regulating the functioning of the Unified State Electronic System in the field of construction), in particular, introduced the concept of the administrator of the Urban Planning Cadastre and the electronic system for the pilot project, and defined their powers.

The digitalisation of urban planning services, including the project to introduce a digital Urban Planning Cadastre at the state level, is important because it effectively unifies previously dispersed urban planning documentation that existed on paper in different local governments.



Indicator No. 10.2 Implementation of the market concept of renewable energy (Q4 2024)

Sector: energy sector

Status: completed on time

In line with the reform to improve the regulatory framework to increase the share of renewable energy and ensure stable operation of the energy system, the Ministry of Energy is to introduce a market-based RES concept by the end of the year.

On 1 March, the Cabinet of Ministers approved [Resolution No. 232](#) amending Resolution of the Cabinet of Ministers "On Amendments to Resolution of the Cabinet of Ministers of 29 December 2019 No. 1175", which provides for improvements to the procedure for holding auctions for the allocation of support quotas for renewable energy facilities. In particular, it introduces a model of contracts for difference for auction winners based on the market premium mechanism instead of a fixed electricity purchase price, simplifies the conditions for participation in auctions for future participants, introduces the possibility of holding auctions for the construction of renewable energy facilities together with energy storage facilities, etc.

On 13 August, the Cabinet of Ministers [issued](#) a decree setting an additional annual support quota for 2024 of 110 MW. According to the schedule, pilot auctions for the allocation of the support quota are scheduled to be held in October-November in accordance with the procedure set out in the Procedure for Holding Auctions for the Allocation of the Support Quota approved by the Cabinet of Ministers of Ukraine on 27.12.2019 No. 1175. According to the results, only 0.9 MW of hydropower was selected from the 110 MW quota (88 WPP, 11 MW each - SPP and other types of RES). However, as [noted](#), the first auctions made it possible to test the process of their organization and conduct at all stages and to identify the shortcomings of the model.

In order to fully meet the indicator (all the necessary procedures and documents for conducting auctions are in place), a schedule for conducting auctions for the next year and setting indicative quota targets for 4 years should be adopted.

On November 29, the Cabinet of Ministers [approved](#) for 2025 the schedule of auctions for the distribution of renewable energy support quotas, as well as forecast indicators of renewable energy support quotas until 2029. Thus, in accordance with Order No. [1195](#), the government set the annual RES support quota at the level of 330 MW, the maximum price for WPPs and SPPs is 8 euro cents/kWh, for other types - 12 euro cents/kWh.

Thus, the indicator is considered completed on time.



Indicator No. 10.10 Ensuring the independence of the NEURC (Q4 2024)

Sector: energy sector

Status: completed on time

The regulator [has developed an](#) Action Plan to ensure its independence in accordance with Ukraine's international obligations, including the recommendations of the Energy Community Secretariat, which was sent to the Cabinet of Ministers in December 2023 along with a letter of justification.

On 27 December 2023, [the](#) NEURC [approved](#) the draft Law of Ukraine "On Amendments to Certain Laws of Ukraine on Strengthening the Independence of the Regulator in the Energy and Utilities Sectors". With this decision, the Regulator launched the implementation of the [Action Plan](#).

It is worth noting that a similar structural benchmark has been included in the framework of the cooperation program with the IMF following the results of the fifth review: in order to strengthen the functional independence of the Regulator, it is necessary to adopt amendments to the Law No. 3354-IX "On Law-Making Activities" by the end of December 2024 to exempt NEURC's decisions from the state registration procedure. The updated Memorandum on Economic and Financial Policy also mentions the need to implement Article 5 of the Law "On the NEURC", which prohibits state bodies from interfering in the activities of the Regulator.

Thus, the Law No. [3915-IX](#) dated 08.21.2024 amended the Law No. [3354-IX](#) "On Law-Making Activities", which exempted the NEURC from adjusting decisions. In this way, the conflict with the provision of ch. 6 of Article 14 of the Law on the NEURC ("Decisions of the Regulator are not subject to state registration by the Ministry of Justice of Ukraine"). However, the Law "On Law-Making Activities" has only just entered into force, but most of the provisions, in particular regarding the functional independence of the NEURC are put into effect a year after the end of martial law.

Thus, in fact, the indicator is completed, however, without practical application until the end of martial law.



Indicator No.11.1. Adoption of the updated National Transport Strategy of Ukraine for the period up to 2030

(IV quarter of 2024)

Industry: transport

Status: completed

According to the monthly business survey conducted by the IER, problems with access to logistics are one of the biggest obstacles to business activity. That is why the development of transport infrastructure is important for Ukraine's economic sustainability and economic growth. The development of transport routes and the availability of transport services facilitates the movement of goods both domestically and for export.

The National Transport Strategy of Ukraine for the period up to 2030 outlines measures to improve the situation in transport.

Thus, the Strategy is aimed at achieving the following goals, which are in line with the requirements of the Plan of Ukraine:

- restoring and developing a competitive and efficient transport system integrated into the Trans-European Transport Network (TEN-T);
- high-quality passenger transportation and unimpeded mobility;
- energy-efficient transport that is safe for people and the environment and is committed to decarbonisation;
- institutional capacity, human capital and effective governance.

The National Transport Strategy of Ukraine for the period up to 2030 and the operational plan for its implementation in 2025-2027 were approved by the Cabinet of Ministers on 27 December 2024 ([Resolution No. 1550](#)).



Indicator No 11.2. Adoption of the Strategy for the Development and Construction of Border Infrastructure with the EU Member States and Moldova until 2030

(IV quarter of 2024)

Sector: transport

Status: completed on time

As part of this indicator, the Strategy for the Development and Construction of Border Infrastructure with the EU Member States and Moldova until 2030 is to be adopted.

The strategy will focus on the following key areas:

- Reconstruction of checkpoints on the border with Poland, Slovakia, Hungary and Romania;
- creating a network of service zones;
- simplification of border crossing procedures (digitalisation and introduction of joint control) in line with EU standards.

On 25.11.2024, the Ministry of Communities and Territories Development issued a [public communication](#) and [a draft](#) Strategy for the Development of Border Infrastructure with the EU and Moldova until 2030.

On 24 December 2024, the Cabinet [of](#) Ministers of Ukraine approved the Strategy for the Development and Construction of Border Infrastructure with the European Union and the Republic of Moldova until 2030 [by Resolution No. 1337-r](#) and approved an operational plan for its implementation in 2024-2030.

The strategy aims to build 17 and modernise 29 border crossing points with the EU and Moldova. Ukraine also aims to conclude a joint control agreement with each EU neighbouring country. The eCheck project is to be extended to all road border crossing points. In addition, Ukraine's first scanners for railway rolling stock inspection are to be purchased and put into operation.

The measure to reconstruct Ukrainian railway tracks to meet European standards raises doubts about its feasibility. Thus, while about 3 km of tracks were reconstructed in 2024, this figure should reach 100 km in two years. Given the high cost and chronic lack of funding, the implementation of this measure may be difficult.



Indicator No. 12.1. Adoption of the Strategy for the Development of Agriculture and Rural Areas until 2030

(IV quarter of 2024)

Industry: agri-food sector

Status: completed

The indicator assumes that the Strategy is approved by the Government. The draft Strategy was developed and first presented in March. The revised text was presented to a wider audience in June and was publicly discussed on the website of the Ministry of Agrarian Policy. The Government approved [the final version of](#) the Strategy on 15 November 2024.

The Strategy contains the following key strategic objectives:

- Inclusive support for agriculture
- Achieving food security
- Ensuring the resilience of the agricultural sector
- Efficient use of land
- Climate-smart agriculture
- Modernisation of the agri-food sector
- Creating conditions for the development of rural areas.



Indicator No.12.5 The law on the State Agrarian Register entered into force
(IV quarter 2024)

Industry: agri-food sector

Status: completed on time

The indicator is part of a reform aimed at improving the official public electronic register of farms.

The law should focus on the following key areas:

- The State Agrarian Register (SAR) is recognised as an official public electronic register in the field of agricultural policy and food security with regulation of its mandatory elements, such as the procedure for its maintenance, definition of its data and access by third parties, etc;
- The scope of the DAR includes information on stakeholders along the entire agricultural value chain, such as farmers, food processors, water users and others;
- The functional capabilities of the DAR were expanded, which is a prerequisite for receiving financial assistance and allows for targeted allocation of technical assistance and other administrative services, as well as the input of analytical information, etc.
- registration with the State Agency for Agrarian Policy is a prerequisite for receiving any type of state support in the agricultural sector;
- mandatory publication of the register of beneficiaries of any state support programmes in the agricultural sector implemented through the SAR.

On 19 September 2024, the Verkhovna Rada adopted the law "On the State Agrarian Register Information and Communication System" ([draft law No. 11063-d](#) of 25.06.2024). On 17 October, the President signed [the law](#). Since one of the articles of the law came into force immediately after its promulgation, we consider this indicator as fulfilled (the entire law comes into force three months after its adoption to give the CMU time to adopt the entire regulation)



Indicator No. 13.1. Adoption of the Law of Ukraine "On Amendments to the National Programme for the Development of the Mineral Resources Base of Ukraine for the Period up to 2030"

(IV quarter 2024)

Sector: management of critical raw materials

Status: completed on time

As part of the reform to improve planning and ensure optimal conditions for attracting strategic investors, one of the steps is the adoption of the Law of Ukraine "On Amendments to the National Programme for the Development of Ukraine's Mineral Resources Base for the Period up to 2030".

The relevant [draft law](#) No. 6227 was registered in the Verkhovna Rada on October 27, 2021.

On February 21, 2024, the Verkhovna Rada Committee on Energy, Housing and Utilities [considered](#) the draft law and recommended that the main Committee on Environmental Policy and Nature Management submit it to the Verkhovna Rada for adoption in the first reading. Additionally, the work plan of the State Service of Geology and Subsoil of Ukraine [provides for](#) the support of Draft Law No. 6227 in the Parliament (for Q3 2024).

On June 4, the draft law was [adopted](#) as a basis. In turn, the Verkhovna Rada Committee on Environmental Policy and Nature Management was instructed to finalise it with a request for amendments and proposals from the subjects of the right of legislative initiative and submit it to the Verkhovna Rada for consideration in the second reading. The period for collecting amendments and proposals lasted from 5 to 18 June 2024. [According](#) to the Ministry of Economy, as of November, the draft law was being prepared for the second reading.

On 18 December, the Verkhovna Rada [adopted](#) in the second reading and in general the updated state programme for the development of Ukraine's mineral resource base until 2030. Thus, the indicator is considered to be met.



Indicator No. 1.1 **Legislation on civil service remuneration reform enters into force**
(I quarter of 2025)

Sphere: public administration reform

Status: in progress

For years, the civil service remuneration system has been inefficient. The large share of variable pay made the predictability of remuneration low, and its amount depended on the management. Also, the large share of the variable component encouraged keeping vacant positions in order to pay bonuses at the expense of payroll savings. This policy of determining the level of remuneration in the civil service is not in line with international best practice.

Indicator 1.1. specifically provides for the entry into force of legislation (including bylaws) that complies with the principles of public administration set out in the Organisation for Economic Co-operation and Development (OECD, SIGMA) programme. The reform provides for:

- introducing remuneration based on the classification of positions by functional area;
- a clear division of salary into a fixed or guaranteed part and a variable part;
- reduction of the longevity bonus from 50% to 30%.

Partially, the relevant changes for 2024 have already been implemented by [the CMU Resolution "Issues of Remuneration of Civil Servants Based on Position Classification in 2024"](#): accordingly, in 2024, approaches to remuneration based on grades were changed and the variable component of remuneration was reduced. At the same time, these changes should be systematically determined by the Law: the relevant draft law has already been registered in the Verkhovna Rada [No. 8222](#), which was adopted as a basis on 28 July 2023.

Voting for the draft law will be difficult, but we hope for its timely approval.



Indicator No 4.3. Increase the staff of the High Anti-Corruption Court
(I quarter of 2025)

Sector: fight against corruption and money laundering

Status: in progress

Ukraine's Plan proposed to increase the number of judges of the High Anti-Corruption Court (HACC) by restoring the work of the Public Council of International Experts (PCIE). To implement this measure, it is necessary to increase the number of HACC judges by 60% and the HACC staff by 40%.

This indicator should be viewed in close conjunction with others related to strengthening the capacity of anti-corruption institutions to ensure that they are able to cope with the workload in a reasonable timeframe without being overwhelmed.

Back in 2018, at the beginning of the court's establishment, the High Council of Justice (HCJ) approved the HACC staffing level of 39 judges, including 12 judges in the Appeals Chamber.

In 2023, the HCJ received appeals from the HACC Head to increase the number of HACC judges. Following the procedure, the HCJ, having heard the positions of the State Judicial Administration and the HACC, [decided to temporarily determine](#) (until the approval of the standards for staffing the courts and new calculations based on them) the number of judges in the HACC - 63 positions, including 21 positions of judges of the Appeals Chamber.

As for the increase in the court staff, the HCJ planned to increase the number of staff members [to 414](#) from 326 in 2024, which is still below the BENCHMARK of 40%.

In November 2023, the competition for 24 positions at the HACC began, but it was delayed, in particular due to the expiration of the powers of the PCIE. At the end of April, a [new PCIE](#) was formed. According to the [results of](#) the first stage of the qualification assessment "Exam" for the HACC, **only 7 participants successfully continued to participate in the competition** and were admitted to the next stage - "Dossier research and interview".

The Accounting Chamber's [report](#) on the HACC activities approved on 19 December 2024 once again highlighted the problem of lack of staffing, which affects the workload of judges, the continuity of its work and the efficiency of case consideration. According to the report, during the period of the Court's operation, from September 2019 to November 2024, the backlog of unfinished criminal proceedings increased by 2 times, while the rate of case consideration increased by 2.2 times.

The Accounting Chamber report also explicitly points out [the risk of failure to meet the indicator](#) on increasing the HACC staff due to the long-lasting competition for judges.



Indicator No 4.7. Law on ARMA reform enters into force
(I quarter of 2025)

Sector: fight against corruption and money laundering

Status: in progress

To implement this indicator, it is proposed to adopt the Law of Ukraine reforming the National Agency for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes (ARMA), with its subsequent entry into force. The law should focus on:

- a transparent and merit-based selection procedure for the head of the agency, including a background check for integrity and credible professionalism;
- independent external performance evaluation system;
- a transparent procedure for the management and sale of seized assets under the agency's control.

Back in 2023, draft law No. [10069](#) on amendments to certain legislative acts of Ukraine to improve the efficiency of activities in the field of asset tracing, search and management was registered, which was criticised by [members of the public](#) due to the excessive powers that could be granted and the risk of duplication of functions of the State Property Fund of Ukraine.

On 02.01.2025, the CMU submitted to the VRU Draft Law No. [12374](#), which proposes to reform the ARMA. This draft law was also accompanied by alternative draft laws - [12374-1](#) and [12374-2](#). The advantages of the submitted draft laws include the regulation of control over ARMA's activities and competitive selection of its leadership, but some of these draft laws lack synchronisation with the vision of reform set out in the Plan of Ukraine, which was also pointed out [by the public](#).

In addition, Draft Law No. [12389](#) of 08.01.2025 was registered in the Verkhovna Rada, which proposes to define the peculiarities of the ARMA's title to seized assets under its management.

All the above-mentioned draft laws are currently under consideration by the Verkhovna Rada of Ukraine.



Indicator No.6.6. Adopt a roadmap for unbundling public service obligations (PSO) and other activities
(I quarter 2025)

Industry: state asset management

Status: in progress

A roadmap for mandatory structural separation of PSO (public service obligations) and non-PSO activities for all state-owned companies with PSO obligations should be adopted by the Government and published. Such a roadmap should be based on the identified current level of accounting practices required and include operational measures to separate the accounts of the companies at different stages of implementation of the necessary changes. The roadmap will include a description of how the separation of accounts for activities related to and not related to the performance of special duties will be implemented in all priority state-owned companies from the list approved by a protocol decision of the Cabinet of Ministers.



Indicator No.7.2. The law on preschool education enters into force
(I quarter of 2025)

Sector: human capital

Status: completed on time

Today, one of the obstacles to business is the lack of labour. At the same time, research shows that the level of women's participation in the workforce remains lower than in many developed countries. One of the reasons is the lack of access to quality pre-school education.

That is why one of the indicators of the Plan of Ukraine is a reform aimed at improving access to quality preschool education in order to attract women with preschool children to the labour market.

The reform is a one-step process - the entry into force of the Law on Preschool Education, which should comply with the EU Council Recommendation of 22 May 2019 on high quality early childhood education and regulate the following issues:

- Guarantees of access to preschool education for children of early and preschool age;
- fair rules for the functioning of educational institutions in the market of educational services in the field of preschool education;
- decent working conditions for employees in the field of preschool education;
- rules for the functioning of a flexible and efficient network of preschool education providers.

The relevant [law](#) was already adopted by the Parliament in June 2024. It regulates the issues identified in the Plan for Ukraine, which can be considered as fulfilment of this indicator. The law came into force on 1 January 2025.



Indicator No. 7.11: Adoption of the Strategy for the Development of Culture of Ukraine

(I quarter of 2025)

Sector: human capital

Status: in progress

Ukraine lacks a coherent policy for the development of Ukrainian culture, while the relevant issues can now be attributed to security issues. These issues were raised several times during public consultations on the preparation of the Plan of Ukraine.

For example, according to the Plan, the government has committed itself to adopting a Strategy for the Development of Culture in Ukraine. The Ministry of Culture and Information Policy (MCIP) has already [started working on](#) the project.

As defined by the ICIP: The strategy will be a medium-term policy planning document, containing a thorough analysis of the current state of affairs, and will define strategic goals, priorities, areas of action and tasks of the state in the field of cultural policy for the period up to 2030.

In the summer, MCIP invited experts and scholars to provide recommendations for the future draft Strategy. In December, the first [discussions](#) of the draft Strategy took place.



Indicator No 9.1. Legislation on reforming the territorial organisation of the executive branch of government enters into force
(I quarter of 2025)

Sector: decentralisation and regional policy

Status: in progress

Legislation to implement this indicator should focus on reformatting local state administrations (LSAs) into prefectural bodies in order to organise a proper system of ensuring the rule of law in the activities of local self-government bodies, and to ensure coordination of territorial bodies of central executive authorities in the implementation of state policy at the local level.

The corresponding draft law No. [4298](#) was registered on 30 October 2020, but a year later, after three versions of the draft, the consideration of the bill for the second reading was postponed.

In February 2024, the Committee on the Organization of State Power, Local Self-Government, Regional Development and Urban Planning [recommended an updated draft law for the second reading](#), including the return of the status of civil servants to the heads of local state administrations and their deputies, an update of the procedure for appointing and dismissing heads of local state administrations, and the introduction of a system for overseeing the legality of local government decisions.

Currently, the draft document is in the final stages of coordination with local government associations. In autumn, the Verkhovna Rada was supposed to start considering the draft law in the second reading, but as of the end of January, this has not yet happened.



Indicator No. 9.4. Enactment of legislation on public consultations on public policy issues

(I quarter of 2025)

Area of expertise: decentralisation and regional policy

Status: in progress

The indicator provides for the entry into force of the Law of Ukraine "On Public Consultations" with its application within 12 months from the date of termination or cancellation of martial law in Ukraine. The law will launch a legal mechanism for public consultations in the formulation and implementation of state policy and the resolution of local issues, which will create preconditions for coordinated, effective and efficient political decision-making.

The relevant [draft law](#) was adopted in June 2024. In October, [the law](#) was finally signed by the President.

The adopted draft law provides for the obligation of executive authorities, local governments, and public authorities to conduct public consultations when developing regulatory acts.

Such consultations may take the form of electronic consultations, as well as roundtables and discussions.

As envisaged in the Plan, it is envisaged that this draft law will enter into force 12 months after the date of termination or cancellation of martial law. Therefore, for the law to become effective in the Q1 2025, there is a need to approve amendments.



Indicator No. 12.3 The automated system for public monitoring of land relations was put into operation. Massive land valuation was carried out (I quarter of 2025)

Industry: agri-food sector

Status: in progress

The indicator envisages the introduction of an automated system for monitoring land relations and conducting a massive land valuation.

The necessary regulatory framework was adopted last year. Public [monitoring of](#) land transactions has been in place to a limited extent since 2021.

According to NACP monitoring, the provision on mass land valuation was duplicated in the State Anti-Corruption Programme. Accordingly, the StateGeoCadastre reported on the [implementation of](#) calculations for the first stage of land valuation. It noted that the work was carried out within the available funding.



Indicator No. 12.7. Long-term plan for the development of the irrigation system of Ukraine adopted
(I quarter of 2025)

Industry: agri-food sector

Status: in progress

The irrigation system development plan with the plan sets an ambitious goal: the plan will use the full economic benefits method, aligned with basin-wide water management, based on environmental impact assessment and strategic environmental reform.

There is no information on progress, but the indicator is marked in progress in the reform matrix, like the vast majority of indicators in the Ukraine Plan.



Indicator No. 13.5. Update of the subsoil user's electronic cabinet (I quarter of 2025)

RRR4U

Sector: management of critical raw materials

Status: in progress

To implement the reform, the State Service of Geology and Subsoil should update the subsoil user's electronic cabinet, digitise secondary geological information, and ensure the issuance of digital special permits for subsoil use.

On March 28, 2023 the Ministry of Environmental Protection and Natural Resources has [issued an order](#) approving the Regulation on the Subsoil User's Electronic Cabinet, which defines the general principles of its functioning. On 19 May 2023, the Cabinet of Ministers [approved the](#) Procedure for the maintenance, operation and access to information of the unified state electronic geographic information system for subsoil use, developed pursuant to Law No. 2805-IX of 01.12.2022.

As of the end of October 2024, [according to](#) the State Service of Geology and Subsoil of Ukraine, the GIS service, online registration of the form for geological works and research, reporting forms for accounting of mineral reserves are in operation, and the service for generating an e-extract from the register of special permits is at the stage of implementation. However, [according](#) to experts, the e-cabinet has its drawbacks and, as long as martial law is in place in Ukraine, will not allow the use of all the announced functionality.

As of the beginning of 2025, work [continued](#) on updating the subsoil user's e-cabinet with additional functionality (access to the state register of special permits and the possibility of obtaining an electronic special permit, as well as access to digitised geological information). On January 20, the functionality [was presented](#) to representatives of the European Commission.

In terms of digitalisation, the first phase of the project with the EBRD [was implemented](#) - the necessary technical equipment and software were purchased and the first 6,000 books of geological reports were scanned and published on an interactive map. In total, it is planned to digitise 60,000 books of geological reports and graphic annexes and translate metadata into English. According to the State Service of Geology and Subsoil's [report as](#) of the end of October 2024, the expected implementation of the second stage with the support of the EBRD, USAID and Microsoft will allow to see the spatial location of deposits and their quantitative and qualitative characteristics.



Indicator No. 14.1: Adoption of a new plan for the distribution and use of radio frequencies in Ukraine

(I quarter of 2025)

Industry: digital transformation

Status: in progress

The Resolution of the Cabinet of Ministers on Amendments to the Resolution of the Cabinet of Ministers "On Approval of the Plan for the Allocation and Use of Radio Frequency Spectrum in Ukraine" is to enter into force. The resolution should define the radio technologies allowed for use in Ukraine, including the radio frequency bands and radio services to which they correspond, as well as the terms of termination of their development and use, and a list of promising radio technologies for implementation in Ukraine, including the radio frequency bands and radio services to which they correspond, as well as the conditions for their implementation in accordance with the acquis.



Indicator No.14.2 Enactment of legislation to strengthen cyber defence capabilities of state information resources and critical information infrastructure

(I quarter 2025)

Industry: digital transformation

Status: in progress

Regulations to be enacted to align with the NIS and NIS2 Directives.

The acts should focus on the following key areas:

- Regulation of mandatory implementation of measures aimed at creating an appropriate legal framework for the implementation of measures to prevent, detect and suppress acts of aggression in cyberspace in the context of the Russian Federation's war against Ukraine;
- Strengthening the level of protection of state information resources and critical information infrastructure from cyberattacks;
- Comprehensive improvement of the regulatory framework in the field of cybersecurity and information protection to enhance the capabilities of the national cybersecurity system to counter cyber threats.



Indicator No. 14.3. Adoption of an action plan for the transfer of public services to electronic form by 2026

(I quarter of 2025)

Sector: digital transformation

Status: in progress

To this end, a Cabinet of Ministers' Order approving an action plan for the transfer of public services to electronic form by 2026 should be developed and adopted with further entry into force.

The action plan should focus on the following key areas:

- recovery;
- education;
- healthcare;
- services for veterans;
- services for the military;
- customs;
- social sphere.

Currently, the Ministry of Digital Transformation of Ukraine has asked government agencies to collect proposals and develop recommendations that will form the basis for the development of the plan's measures and initiatives.



Indicator No. 15.2 Entry into force of the Law "On the Basic Principles of the State Climate Policy"

(I quarter of 2025)

Sector: green transition and environmental protection

Status: completed on time

The adoption of the framework climate law is important in view of the need to bring legislation in line with EU law, in particular Regulation (EU) 2021/1119 establishing a framework for achieving climate neutrality and Regulation (EU) 2018/1999 on the governance of the Energy Union and mitigation of the effects of climate change, as well as to implement the action plan for the implementation of the recommendations of the European Commission presented in the Report on Ukraine's progress under the EU Enlargement Package 2023, approved by the Cabinet of Ministers of 09.02.2024.

On 8 October 2024, the Verkhovna Rada of Ukraine adopted the Law "On the Basic Principles of the State Climate Policy" (Reg. [No. 11310](#)), which was introduced by the Cabinet of Ministers at the end of May 2024, and on 25 October the Law was signed by the President.

The Law [entered into force on](#) the day following the day of its publication (30 October 2024), except for Article 14 on planning of the state climate policy at the regional and local levels, which enters into force in another 1 year, and Article 21 on financing of measures aimed at achieving the goals of the state climate policy, which enters into force 1 year after the date of cancellation or termination of martial law.

Thus, the indicator is considered to be met.



Indicator No. 15.5 Approval of the Action Plan for the establishment of a national greenhouse gas emissions trading system
(I quarter of 2025)

Sector: green transition and environmental protection

Status: in progress

The development and submission by the Ministry of Environmental Protection and Natural Resources in June 2024 of a draft order approving an action plan for the establishment of a national greenhouse gas emissions trading system ([ETS](#)) [is envisaged](#) in the Government's 2024 Priority Action Plan.

On June 5, the Ministry of Environmental Protection and Natural Resources [published a](#) draft order of the Cabinet of Ministers "On Approval of the Strategy for Implementation of the Greenhouse Gas Emissions Trading System in Ukraine for the Period up to 2033", and proposals and comments were collected until 5 July. At the same time, the process of interagency approval was made transparent: the National Securities and Stock Market Commission provided [comments on](#) the draft order.

In addition, on May 30, 2024, the Cabinet of Ministers [approved](#) the Strategy for the Formation and Implementation of the State Policy on Climate Change until 2035 and approved an operational plan for its implementation in 2024-2026. One of the tasks under Goal 2 to mitigate climate change and ensure a socially just and economically efficient transition to low-carbon development of the state is to develop and submit to the Cabinet of Ministers a draft law on the principles of the national greenhouse gas emissions trading system (scheduled for 2025) and implement a national greenhouse gas emissions trading system (pilot project) (scheduled for 2026).

In November, a draft plan of measures for the creation of ETS [was published](#) on the website of the Ministry of Environmental Protection and Natural Resources .

In addition, on January 8, the Verkhovna Rada [passed](#) a law restoring the mandatory system of monitoring, reporting and verification of greenhouse gas emissions. This is an important step towards the establishment of the ETS.



Indicator No 3.5. Legislation on review of judicial integrity declarations and procedures for their verification enters into force

(II quarter of 2025)

Sector: judicial system

Status: in progress

In order to meet the indicator, the law and High Qualification Commission of Judges of Ukraine (HQCJ) acts should come into force, according to which the integrity declarations of judges and the procedure for their verification should be revised.

These legal acts should focus on:

- clarifying the content of the integrity declarations and the grounds for initiating an audit;
- extending the time period covered by the audit;
- Improving the inspection procedure by detailing the mechanisms and timeframes for inspections, defining the rights and obligations of individuals and legal entities involved in the inspection process, and clarifying the legal consequences of inspections.



Indicator No 3.8. Improved enforcement of court decisions. The law on digitalisation of enforcement proceedings came into force
(II quarter of 2025)

Sector: judicial system

Status: in progress

The indicator is considered to be met if the law on the enforcement of court decisions on property and non-property obligations comes into force and further digitalisation of enforcement proceedings is achieved.

In the context of the enforcement of court decisions in Ukraine, a Roadmap for reforming the enforcement of court decisions and improving the activities of public and private enforcement officers will be developed, taking into account the current situation, and a package of draft laws will be adopted to improve the enforcement of court decisions on property and non-property obligations and further digitalise enforcement proceedings. In particular, this will allow:

- expand the functionality of the automated enforcement system;
- to introduce interaction between the Unified Register of Debtors and other registers to prevent alienation of property by the debtor;
- improve the automated seizure of debtors' funds, etc.

Currently, 2 draft laws aimed at changing the regulation of enforcement of court decisions and digitalisation of enforcement proceedings are pending in the Parliament - No. [5660](#) dated 14.06.2021 and No. [9363](#) dated 07.06.2023.

On 20.11.2024, Draft Law No. [9363](#) of 07.06.2023 was adopted by the Verkhovna Rada in the first reading.



Indicator No. 5.4. Improvements in resolving non-performing loans (NPLs)
(Q2 2025)

Industry: financial markets

Status: in progress

A NPL resolution strategy developed in accordance with current EU legislation should be approved. The strategy should focus on the following key areas:

- tightening prudential requirements for the recognition and resolution of non-performing loans;
- Exchange of data on non-performing loans and other relevant market data between financial institutions and government agencies to improve the resolution of non-performing loans;
- reviewing potential obstacles and developing measures to improve the framework for restructuring and resolving non-performing loans.

The Government Reforms Matrix reports that this indicator is met; however, the Strategy has not yet been approved.



Indicator No. 7.1. The law on vocational education enters into force
(II quarter of 2025)

Sector: human capital

Status: in progress

Today, the labour market lacks skilled labour. At the same time, reconstruction will require professionals who can work in construction. The return of the military and their integration into the labour market will also require modern vocational training programmes. That is why one of the indicators of the Plan is the adoption and entry into force of a law on vocational education. People who have acquired new skills will also return from abroad, and it will be important to continue to implement a system for recognising such skills.

That is why it is determined that the law on vocational education should define fair rules for the functioning of educational entities in the market of educational services in the field of vocational education. It should also expand the institutional capacity of educational entities to provide formal and non-formal vocational education. It is also important to regulate the relations between vocational education institutions, national/local and international stakeholders for the sustainable development of human capital in Ukraine.

[The draft law](#) on vocational education, which was presented by the Ministry of Education and Science in April 2024, did not meet all these provisions. Therefore, work on the draft law is ongoing.



Indicator No.7.10: Adoption of the CMU resolution on procurement of social services

(II quarter of 2025)

Sector: human capital

Status: in progress

There is a growing need for various social services in Ukraine, and the system for providing such services remains largely outdated and inefficient. In 2023, the Ministry of Social Affairs launched an experiment to procure social care services, but this is only a small part of the changes needed. At the same time, budget funding is limited and must be spent efficiently.

That is why the government is planning changes in the procurement of social services to increase their accessibility and efficiency.

It is important that the adopted resolution is fiscally neutral and does not require additional funding, and should provide for this:

- Transition from funding institutions to a result-oriented model of social services procurement;
- introduce a mechanism for procuring certain social services from registered public and private social service providers based on established social service standards and criteria for providers.

**Indicator No.8.4. Adoption of an SME strategy and action plan for its implementation**

(II quarter of 2025)

Industry: business environment

Status: completed

The Government approved [the Strategy for the Recovery, Sustainable Development and Digital Transformation of Small and Medium Enterprises until 2027](#) and its Operational Plan on 30 August. The Strategy has four strategic goals to restore and facilitate business, promote innovation and green transition, develop education and entrepreneurship culture, and strengthen competitiveness in the domestic and foreign markets.

The programme's implementation indicators, among other things, propose an increase in exports of goods to €60 billion by 2027, of which €35 billion will go to the EU by increasing the number of SME exporters to 35,000. It also envisages a reduction in unemployment to 11% and an increase in the share of sales through e-commerce to 20%. In the field of science and education, it is planned to increase the knowledge intensity of GDP to 0.7% due to an increase in research spending to €470 million. Also 1.7 million entrepreneurs are expected to upgrade their skills in full or in part at public expense.



Indicator No..2. Research on the necessary measures to grant territorial communities the status of a legal entity

(II quarter of 2025)

Area of expertise: decentralisation and regional policy

Status: in progress

This indicator does not include the adoption of specific legislative acts. It refers to the approval and publication on the web portal of the Ministry of Recovery of a study on the necessary measures to grant territorial communities the status of a legal entity.

In particular, the research should focus on the impact of granting legal entity status to communities on the efficiency of internal organisation and management, strengthening their accountability and transparency in legal relations.



Indicator No. 10.4 Implementation of the Roadmap for the process of unbundling the renewable energy surcharge from the transmission tariff
(II quarter of 2025)

Sector: energy sector

Status: in progress

According to the [Plan of Ukraine](#), the NEURC (by agreement) is responsible for developing a Roadmap for the process of unbundling the renewable energy surcharge from the transmission tariff, including the necessary legislative acts and implementation timeframes.

In essence, it is a matter of separating the costs of the transmission system operator for performing special duties to ensure an increase in the share of electricity generation from renewable energy sources and covering these costs through a special surcharge to the electricity price or another form.

On October 31, the USAID Energy Security Project (USAID ESP) presented a Green Paper on restructuring the RES support financing scheme, offering three alternative models for unbundling the RES surcharge, but market participants opposed the unbundling of the feed-in tariff, pointing to even greater risks of government default even in the face of the current payment crisis.



Indicator No.13.3 Publication of a package of investment projects for the extraction of critical raw materials
(II quarter of 2025)

Sector: management of critical raw materials

Status: in progress

It is necessary to publish a portfolio of investment projects in the extractive industry for critical raw materials, prepare and promote a list of subsoil plots offered through the mechanism of electronic auctions and production sharing agreements for solid minerals.

Resolution of the Cabinet of Ministers of Ukraine No. 132 of February 14, 2023 [approved the](#) list of subsoil areas (fields) of strategic importance for the sustainable development of the economy and defence capability of the state, which will be provided for use through tenders for production sharing agreements. Obviously, the Plan of Ukraine presupposes the need to update and update this list so that other fields can be offered through e-auctions.

On August 15, 2024, the State Service of Geology and Subsoil of Ukraine [published](#) for discussion a draft resolution of the Cabinet of Ministers of Ukraine "On Approval of the List of Subsoil Areas (Mineral Deposits) of Strategic Importance for the Sustainable Development of the Economy and the State's Defence Capability to be Provided for Use through Auctions for the Sale of Special Permits for Subsoil Use". The draft law proposes to approve a list of 100 unlicensed subsoil sites to be made available for use through auctions. The minerals to be auctioned include aluminium, iron, titanium, lithium, nickel, cobalt, copper, manganese, beryllium, gold, tantalum, niobium, tin, apatite, barite, graphite, potassium salts, and fluorite. In addition, in 2024, the Ukrainian Critical Raw Materials Portfolio was [published](#) with a list of investment opportunities in this sector.

On June 11, at the Ukraine Recovery Conference in Berlin, the Ministry of Economy presented [an Investment Guide](#) containing 95 investment projects worth about 27 bn USD in financing. Among them are 10 projects in the field of critical raw materials (lithium, titanium, uranium, graphite, cobalt, nickel, tantalum, and other rare earth elements), which require 2.7 bn USD in financing. The URC2024 also features [presentations](#) on Ukraine's investment opportunities.



Indicator No. 13.4 Launching international tenders for production sharing agreements (PSAs) and ensuring their transparency
(II quarter of 2025)

Sector: management of critical raw materials

Status: in progress

International tenders for production sharing agreements (PSAs) should be launched using standard terms and conditions of these agreements approved by the Government and made public. Transparency of the tenders and the PSAs themselves should be ensured through open access to the terms and content of the agreements.

Resolution of the Cabinet of Ministers of Ukraine No. 132 dated 14 February 2023 [approved the](#) list of subsoil plots (deposits) of strategic importance for the sustainable development of the economy and defence capability of the state, which will be provided for use through tenders for production sharing agreements. At the same time, there is no information on the resumption of the Government's work on the model PSA.

The publication of copies of subsoil use contracts (agreements), including PSAs, concluded after 15 January 2022 is already required by the Law on Ensuring Transparency in Extractive Industries.



Indicator No. 15.6. Re-establishment of the mandatory MRV system

(II quarter 2025)

RRR4U

Sector: green transition and environmental protection

Status: completed

The indicator is aimed at implementing the reform to introduce market-based emissions pricing mechanisms. To improve the MRV system, as well as to take into account the peculiarities of wartime, the Cabinet of Ministers [adopted](#) Resolution No. 1203 on 14 November 2023, which improves the requirements for monitoring, reporting and verification of greenhouse gas emissions in Ukraine. This Resolution amends Resolution No. 880 "List of Activities, Greenhouse Gas Emissions from Which Are Subject to Monitoring, Reporting and Verification", Resolution No. 959 "Procedure for Verification of the Operator's Report on Greenhouse Gas Emissions", Resolution No. 960 "Procedure for Monitoring and Reporting on Greenhouse Gas Emissions". As [noted](#), the amendments improve the MRV processes and simplify the requirements for operators for the duration of martial law. In particular, the deadlines for submitting monitoring plans in case of changes are doubled; the "transition period" is extended; and the requirements for the laboratory are adjusted.

On June 5, the Ministry of Environmental Protection and Natural Resources [published a](#) draft order of the Cabinet of Ministers "On Approval of the Strategy for Implementation of the Greenhouse Gas Emissions Trading System in Ukraine for the Period up to 2033". Until 5 July, the Ministry of Environmental Protection and Natural Resources collected suggestions and comments. In addition, in November, the Ministry of Environmental Protection and Natural Resources [published](#) a draft action plan for the creation of a national greenhouse gas emissions trading system (ETS) on its website.

On October 1, the Ministry of Environmental Protection and Natural Resources, together with GIZ, [launched](#) training sessions on MRV for facility operators, consultants, verifiers and other stakeholders. It is noted that the training sessions were initiated due to changes in the legislation on MWM that took place in 2023, as well as the lack of mandatory reporting in the relevant area during the war, which led to limited experience of facility operators. Therefore, the Ministry of Ecology decided to organise relevant events to ensure that all stakeholders understand the processes and fulfil their tasks.

On November 21, the Verkhovna Rada approved in the first reading Draft Law [No. 12131](#), which provides for the restoration of the mandatory MRV system. On January 8, 2025, the Law [was adopted](#) in the second reading and as a whole, ensuring that the indicator is completed.



Indicator No. 1.2 Amendments to the legislation on improving the procedure for entering, completing and dismissing civil service enter into force
(III quarter of 2025)

Sector: public administration reform

Status: in progress

Public administration reform has been underway in Ukraine for years, which is designed to promote a professional and efficient civil service in Ukraine. Indicator 1.1. aims to improve the approach to remuneration in the civil service, while indicator 1.2. aims to improve the procedures for recruitment, promotion and dismissal from the civil service.

It is noted that the new legislation (this and bylaws) should come into force by the end of the third quarter of 2025. It should be in line with the OECD principles of public administration (SIGMA) concerning competency-based selection procedures.



Indicator No. 2.8 Implementation of the Roadmap for reforming the public investment management system

(III quarter of 2025)

Sector: public finance management

Status: in progress

The reform of the public investment management (PIM) system is the subject of several IMF structural benchmarks, which Ukraine is successfully and timely implementing. The roadmap was adopted in December 2024, while the implementation plan is scheduled for summer 2025.

Indicator 2.8 refers to the development and implementation of a digital recovery management tool for Ukraine that provides public access to data on recovery projects at all stages, including planning, financing, procurement, construction and commissioning, to ensure public and transparent monitoring of project implementation and better coordination of recovery efforts across sectors.

Today, we are actually talking about DREAM (Digital Recovery Ecosystem for Accountable Management), a platform initially created to ensure transparency and coordination of efforts in reconstruction and recovery.

The DREAM portal has already created a [section on public investment projects](#). However, so far, it is more about informing about such projects rather than having complete and detailed information about the stages of their implementation. The next steps are currently being developed.



Indicator No 3.1 At least 20% of judicial vacancies filled
(III quarter of 2025)

Sector: judicial reform

Status: in progress

The indicator will be considered met if at least 20% of the judicial vacancies available as of 16 October 2023 (total number of vacant positions 2205) are filled on the basis of the amended legislation, which will include the following elements:

- simplified selection stages and shorter periods of mandatory training for judges;
- consistent application of clear and duly published evaluation criteria and methodology for assessing the professional competence and integrity of judicial candidates;
- Involvement of the Public Integrity Council in assessing the integrity of judicial candidates in cases where it is required by law.

As part of this indicator, the [HQCJ](#) announced a large-scale competition for judges in December 2024 for the projected 1800 positions. According to the HQCJ, individuals will be able to submit applications and documents for participation in the selection process during March 2025. The qualification exam is scheduled to start in June 2025, with its stages lasting from June to August 2025.



Indicator No. 3.2 Establishment of a new court for administrative cases
(III quarter of 2025)

Sector: judicial reform

Status: in progress

The indicator will be considered met if a new court for administrative cases involving state bodies is established, consisting of first instance and appellate courts, with judges selected after integrity and professionalism checks involving independent experts.

To implement this indicator, the VRU received draft laws No. [12206](#) on the operation of the High Court for Public Disputes, No. [12206-1](#) on the operation of the High Specialised Administrative Court, and [No. 12206-2](#) on the operation of the High Administrative Court.

On 03.12.2024, the Verkhovna Rada of Ukraine did not support any of the three draft laws. The proposals to send these draft laws for a second “first reading” procedure or to the subjects of the legislative initiative for revision were also not supported.

On 30.12.2024, the Government submitted to the VRU another draft law No. [12368](#), which addresses the issue of regulating the activities and establishing a new court to hear administrative cases. In addition, an alternative draft law [12368-1](#) was also submitted.

Following the consideration in the Parliament, the draft law No. [12368](#) was rejected, while No. [12368-1](#) was supported as a basis.

The draft law proposes to establish the Kyiv City District Administrative Court, and to review its decisions on appeal - the Kyiv City Administrative Court of Appeal. Currently, the draft law does not meet the conditions for fulfilling the indicator, in particular, the draft law proposes to establish two separate courts, and there are no provisions for the election of judges to this court after verification of integrity and professionalism with the involvement of independent experts.



Indicator 6.7 Assessment and, if necessary, amendment and entry into force of legislation on the separation of PSO and non-PSO activities in SOEs
(III quarter of 2025)

Industry: state asset management

Status: in progress

This indicator is a logical continuation of indicator 6.6, which provides for the adoption of a Roadmap for the separation of activities related to the performance of special obligations (PSO) and activities not related to the performance of special obligations by state-owned enterprises.

Yes, it is planned to separate accounts between PSO and non-PSO activities in SOEs to avoid cross-subsidisation. Thus, at the first stage (indicator 6.6 to be achieved in the first quarter of 2025), it is envisaged to adopt a relevant Roadmap that defines the steps for mandatory structural separation of PSO and non-PSO activities for all state-owned companies engaged in PSO.

Indicator 6.7 refers to the assessment of the legislation identified in the Roadmap and, if necessary, amendments will be made. This will be done to ensure that the appropriate segregation of accounts between PSOs and non-PSOs is effectively implemented in all state-owned companies.

By the third quarter of 2027, the government should ensure that SOEs involved in PSOs conduct an independent audit of the effectiveness of their compliance with the law.



Indicator No. 6.9 Cancellation of the suspension of the law on state aid and restoration of state aid control and harmonisation of the law on state aid with the EU acquis

(III quarter of 2025)

Sector: state asset management

Status: in progress

In November 2024, the Government submitted draft laws [No. 12179](#) and [No. 12181](#) to the Verkhovna Rada, which establish liability for violations of state aid legislation. However, they have not yet been put to a vote.

In May 2024, the Verkhovna Rada restored effect of the State Aid Law in respect of aid provided through the Entrepreneurship Development Fund. However, the main provisions of the Law on State Aid to Business Entities remain suspended for the duration of the martial law. The Antimonopoly Committee is currently working on a draft law to reinstate the State Aid Law. It is important that the state aid regulation should be adapted to EU law.

**Indicator No. 8.2 Deregulation in selected sectors**

(III quarter of 2025)

Sector: business environment

Status: in progress

Legislation should be adopted (and enacted) to deregulate and simplify the business environment, focusing on the following areas:

- digitalisation of permitting and licensing procedures through the implementation of a pilot project to introduce a Unified State Electronic System of Permits;
- reducing business inspections by introducing voluntary insurance and auditing;
- Regulation of the issue of succession of permits and licences in case of change of the organisational and legal form of a business entity



Indicator No.8.8 Adoption of harmonised standards for three groups of industrial products
(III quarter of 2025)

Sector: business environment

Status: in progress

It is necessary to adopt European standards as national standards for 3 groups of industrial goods (machinery, electromagnetic compatibility of equipment, low-voltage electrical equipment) by translation. The Ministry of Economy and the State Enterprise "Ukrainian Research and Training Centre for Standardisation, Certification and Quality" (upon agreement) are responsible for implementation.

It is worth noting that in 2018, the Ministry of Economic Development and Trade (now the Ministry of Economy) [approved](#) an order that defines a list of national standards that are identical to harmonised European standards as part of the implementation of Directive 2014/30/EU on the harmonisation of the laws of the Member States relating to electromagnetic compatibility.

In addition, the Government's Priority Action Plan for December 2024 [envisages](#) the adoption of national standards in three priority sectors of industrial products (machinery, electromagnetic compatibility of equipment, low-voltage electrical equipment) by means of translation to prepare for the conclusion of the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACCA) (the so-called "industrial visa-free regime").



Indicator No. 10.14 Support the development of efficient and more sustainable district heating

(III quarter of 2025)

Sector: energy

Status: in progress

The indicator is aimed at improving the efficiency of the district heating sector. In order to achieve this indicator, the Law of Ukraine "On Amendments to Certain Laws of Ukraine on Supporting the Development of Efficient and Sustainable District Heating" needs to be adopted and come into force.

As of the end of January 2025, the relevant draft law was not registered in the Verkhovna Rada. In turn, it is worth noting [the approval](#) in November 2023 of the Concept of the State Targeted Economic Programme for Energy Modernisation of State-owned or Communally Owned Heat Producers for the Period up to 2030, which provides for an increase in the efficiency of district heating systems.



Indicator No.12.4 Legislation on state support for agriculture in Ukraine enters into force
(III quarter of 2025)

Sector: agri-food sector

Status: in progress

The indicator envisages the adoption of amendments to the Law on State Support of Agriculture. According to the indicator, the law will determine:

- New measures to support agriculture and its sectors based on SWOT analysis
- New approaches to supporting small farmers' investments
- Financial support instruments with the participation of IFIs
- Using the State Agrarian Register to provide support

The law on the State Agrarian Register (Indicator 12.5) has now entered into force, which is a prerequisite for changes to the rules of state support for agriculture. A number of support programmes for farmers are already being implemented through the State Agrarian Register. However, no draft laws amending the Law on State Support of Agriculture have been submitted to the Verkhovna Rada since November 2023.



Indicator No. 13.2 Publication of a report on the results of verification of Critical Raw Materials' reserves of Ukraine
(III quarter of 2025)

Sector: management of critical raw materials

Status: in progress

The indicator is aimed at improving planning and ensuring optimal conditions for attracting strategic investors. To meet the indicator, the State Service of Geology and Subsoil should publish a report on the verification/reassessment of critical mineral reserves in Ukraine, taking into account international classification systems, and the results should be made publicly available to investors.

[Following the results of](#) the pilot phase of the project supported by the EBRD and the European Commission in 2023, geological reports will be made available through an interactive map called Geoinform of Ukraine, which represents 125 of the most important deposits. These materials can be used by investors for analysis with a view to further nominating such fields for e-auctions. Currently, free access to the State Geological Portal is closed due to martial law. It is also known that the geological services of Ukraine and France, with the support of the Association of European Geological Surveys (EuroGeoSurveys), have prepared [a monograph](#) "Strategic Minerals of Ukraine and their Investment Attractiveness", which contains cartographic materials, a description of EU and Ukrainian legislation, positive international examples of mining projects, etc.

On December 18, 2024, the Verkhovna Rada [approved in](#) the second reading an updated state programme for the development of Ukraine's mineral resources until 2030, which, among other things, defines the conditions for classifying minerals as critical or strategic, establishes a mechanism for compiling their lists and regular risk assessment of the security of their supply.

As of the end of January 2025, there is no publicly available information on the work on the verification/reassessment report.



Indicator No. 15.4 Adoption of the second Nationally Determined Contribution of Ukraine to the Paris Agreement
(III quarter of 2025)

Sector: green transition and environmental protection

Status: in progress

The implementation of the indicator requires the entry into force of the order of the Cabinet of Ministers "On approval of the second Nationally Determined Contribution of Ukraine to the Paris Agreement".

In addition, according to the conditions of the indicator, the second NDC of Ukraine to the Paris Agreement should be more ambitious compared to the current Updated NDC of Ukraine. This obligation is also [recorded](#) in the final and transitional provisions of the Law "On the Basic Principles of State Climate Policy".

The updated NDC of Ukraine to the Paris Agreement was adopted by Cabinet of Ministers Decree No. [868-r](#) on July 30, 2021, and the preparation process [has been ongoing](#) since 2018. The document was published [on the UN website](#).

In addition, in July 2021, the Ministry of the Environment published an analytical review of the Updated NDC [in Ukrainian](#) and [English](#). In July 2023, the draft of the plan of measures for the implementation of NDC [was made public](#) with identified key measures that will contribute to the reduction of greenhouse gas emissions.



Indicator No. 2.6 Adoption of a medium-term public debt management strategy
(IV quarter of 2025)

Sector: finance management

Status: in progress

Several IMF structural frameworks are dedicated to the public debt management strategy: No. 10 and No. 15 (due in 2023).

Effective state debt management allowed Ukraine to reduce its state and guaranteed by state debt from 80% of GDP at the end of 2016 to 50% of GDP at the end of 2019, and to keep the debt unchanged in relation to GDP two years after Covid. As a result, at the beginning of the full-scale war, Ukraine had a sustainable fiscal situation

At the same time, as a result of Russia's full-scale war against Ukraine, state and guaranteed by state debt is rapidly approaching 100% of GDP. In 2024, Ukraine restructured its Eurobonds, which was envisaged in the current Public Debt Management [Strategy](#). The Strategy states that the government will prepare a new Public Debt Management Strategy after the restructuring.

Therefore, the issue of approving the new Strategy is urgent. The Strategy adds predictability and transparency to public debt management and thus contributes to fiscal sustainability.



Indicator No. 2.9 Adoption and entry into force of amendments to the resolutions of the Cabinet of Ministers on state financial control
(IV quarter of 2025)

Sector: public financial management

Status: in progress

To meet the indicator, amendments to resolutions of the Cabinet of Ministers or other legislative acts on state financial control should be adopted and come into force, in particular in the following areas:

- enabling the State Audit Service to ensure that it has the means to protect the EU's financial interests, in particular with regard to funds used under Component I of the Ukraine Plan, using international audit standards;
- strengthening measures to monitor procurement procedures.

The reform is expected to improve the efficiency and quality of the State Audit Service's work in line with EU practices and the SIGMA principles of financial inspection.

Based on the analysis of the legal framework regulating the functions of the State Audit Service and taking into account the SIGMA principles of public administration, legislative changes will be introduced to ensure a clearer definition of the mandate of the State Audit Service.

The institutional independence of the State Audit Service will be preserved.



Indicator No. 3.3 20% of old disciplinary proceedings (cases) pending as of the end of 2023 are resolved
(IV quarter of 2025)

Sector: judicial reform

Status: in progress

In order to count this indicator as fulfilled, 20% of old disciplinary proceedings (complaints) not considered as of 31 December 2023 must be resolved with the involvement of the Service of Disciplinary Inspectors and based on the criteria for priority consideration of disciplinary complaints set out in clause 13.7 of the Rules of Procedure of the High Council of Justice (as amended on 21 November 2023 No. 1068/0/15-23), which are published on the official website of the High Council of Justice.

The indicator is necessary to address the backlog of complaints that have expired. This will ensure that judges are held accountable for committed and proven disciplinary offences. Determining the list of priority cases for consideration and involving the Service of Disciplinary Inspectors in the review will help to increase the level of transparency of disciplinary cases, ensure predictability and sustainability of disciplinary practice against judges.

Following the restoration of the disciplinary function in the HCJ (from 01 November 2023), as of the end of 2023, more than 14,000 complaints were distributed among the HCJ members. As of the end of 2023, 2,125 complaints (15%) [were fully resolved](#), while 12,106 complaints (85%) remained pending.

On 23.12.2024, the Service of Disciplinary Inspectors began its work. They are supposed to review disciplinary proceedings in which the Disciplinary Chamber has not made a decision to open a disciplinary case as of the day the Service started working. According to the latest [HCJ](#) data, there are currently about 11,000 such complaints.



Indicator No. 3.4 Qualification assessment (vetting) is conducted with predictability, consistency and transparency of disciplinary practice against judges

(IV quarter of 2025)

Sector: judicial reform

Status: in progress

50% of judges who had to undergo qualification assessment (verification) as of 30 September 2016 in accordance with the established procedure and with the involvement of the Public Integrity Council must undergo qualification assessment (verification).

The indicator will make it possible to verify that judges' qualifications are appropriate for their positions.

It is worth recalling that for a long time, the HQCJ did not hold meetings on the procedure for qualification assessment of judges for their suitability for the position. They were resumed for a short time (less than a week) at the end of 2019 and were suspended due to the termination of the powers of the Commission's second-term members.

[The new composition of the HQCJ](#) was elected in June 2023. This allowed the Commission to resume its procedures, including the qualification assessment of judges. Almost 2,000 judges are subject to the assessment, and almost everyone has to pass it, starting from the second stage (dossier research and interviews).

The Public Integrity Council is involved in the interview stage, which is supposed to assist the Commission in determining whether a judge or a candidate for the position of judge meets the criteria of professional ethics and integrity.



Indicator No. 3.9 A system for collecting data on the enforcement of court decisions is in place
(IV quarter of 2025)

Sector: judicial reform

Status: in progress

In order to meet this indicator, a system for collecting data on the enforcement of court decisions should be put in place.

The system of collecting data on the enforcement of court decisions is an important tool that should be used for monitoring and control. Poor efficiency and traceability of the enforcement of court decisions [lead](#) to a levelling of the value of the judicial process and have a negative impact on the investment climate, as investors are not confident in the protection of their rights and interests.

Instead, the introduction of a system for collecting data on the enforcement of court decisions will allow tracking the progress towards enforcement, analysing the reasons for non-enforcement, identifying systemic problems and ensuring greater transparency and control over the activities of the State Enforcement Service and other entities responsible for the enforcement of court decisions.

**Indicator No 4.8 Conduct the next National Risk Assessment**

(IV quarter of 2025)

Sector: fight against corruption and money laundering

Status: in progress

To meet this indicator, the next National Risk Assessment should be prepared and conducted in accordance with the updated Methodology for Conducting the National Risk Assessment of Money Laundering and Terrorist Financing in Ukraine.

Previously, Ukraine had another commitment related to this indicator under Ukraine's Plan for Transitional Funding, which was fulfilled in a timely manner. This refers to the approval and entry into force of the Government's order approving an action plan aimed at preventing and/or minimising the negative consequences of the risks identified in the third round of the National Risk Assessment in the field of preventing and combating money laundering, terrorist financing and financing the proliferation of weapons of mass destruction for the period up to 2026.

This indicator follows logically from the previous one, and the risk assessment is aimed at developing solutions for the transparency and legality of financial transactions.

Thus, the use of the results of the National Risk Assessment [should be aimed](#) at:

- Identification of those risks that should be accepted, prevented, reduced or transferred to the supranational level of their solution;
- Identifying priority areas for change;
- specifying the necessary management decisions aimed at mitigating the consequences of the identified risks, levelling the factors that cause the existence of these risks, as well as strengthening the institutional capacity and increasing the level of resilience of the national AML/CFT system.



Indicator 5.6. Enactment of the Law on Improving State Regulation of Capital Markets and Organised Commodity Markets
(IV quarter of 2025)

Sector: Financial markets

Status: Completed

According to the indicator, the new law should bring capital markets regulation in line with IOSCO principles.

It is aimed at increasing the capacity and independence of the NSSMC as a market regulator and enhancing opportunities for international cooperation. [The law](#) aimed at improving the regulation of the state capital market came into force on 27 April 2024, although some provisions will become effective on 1 January 2026 and 1 January 2028.

According to the Verkhovna Rada's European Integration Committee, the Law's provisions are generally in line with IOSCO principles, despite comments on certain provisions. The indicator is marked as completed in the reform matrix



Indicator 7.4 Legislation on the system of changes to implement the system of transition from military service to civilian life enters into force

(IV quarter of 2025)

Scope: Human capital

Status: in progress

The Law of Ukraine on Amendments to Certain Legislative Acts of Ukraine on the Implementation of the System of Transition from Military Service to Civilian Life should enter into force, and the Cabinet of Ministers should adopt resolutions on the approval of procedures and conditions for receiving services by participants of the transition system. The acts should focus on ensuring the establishment of:

- rehabilitation and medical care, including psychological assistance;
- training, retraining and professional development programmes;
- the necessary conditions for the employment of veterans as a separate category;
- measures to support veteran businesses.



Indicator No 7.8 Enactment of the Law of Ukraine "On the Basic Principles of Housing Policy"

(IV quarter of 2025)

Sector: human capital

Status: in progress

In order to meet this indicator, the Law of Ukraine "On the Basic Principles of Housing Policy" should come into force. The law should focus on the following main areas:

- accessibility of housing for the most vulnerable categories of citizens should become a basic principle in the provision of housing;
- creating a variety of support mechanisms for citizens with different financial capacities and defining the criteria for accessing them;
- regulating the legal basis for the introduction of lease of communal housing and lease of communal housing with the right to buy;
- creating a transparent system for registering the housing needs of citizens to ensure prompt response at the local level;
- creating a transparent framework for monitoring by the public, civil society and the international community.

To meet this indicator, the Verkhovna Rada of Ukraine adopted Draft Law No. [12377](#) on 06 January 2025. The draft law provides for:

- Establishment of EU-compliant housing policy principles, including accessibility and barrier-free housing;
- Implementation of the principle of strategic planning of housing policy, including the need to create a State Strategy for Housing Policy;
- Development of public-private partnerships in the sector;
- Definition of housing stock;
- Implementation of financial and credit mechanisms for citizens to acquire housing in their ownership;
- Setting minimum requirements for the consumer quality of housing;
- Formation of the Unified Information and Analytical Housing System.

The draft law is currently awaiting consideration in the session hall of the Verkhovna Rada of Ukraine.

**Indicator No. 10.5 Adoption of legislation for the electricity integration package**

(IV quarter of 2025)

Sector: energy sector**Status:** in progress

To meet the indicator, legislation on the transposition of the Electricity Integration Package should be adopted. The legislation to be enacted should align Ukraine's national legislation with the Electricity Integration Package, which was included in the Energy Community acquis in December 2022.

On October 2, 2024, the Verkhovna Rada registered [Draft Law](#) No. 12087 "On Amendments to the Laws of Ukraine on the Unification of Electricity Markets of Ukraine and the European Union". The draft law is aimed at transposing the European Electricity Integration Package into Ukrainian legislation.

The [Energy Community Secretariat](#) and the [USAID](#) Energy Security Project welcomed the initiative to submit the draft law.

As of the end of January 2025, the draft laws (main and alternative) are being considered by the Verkhovna Rada committees.

**Indicator No. 10.7 Appointment of the nominated electricity market operator**

(IV quarter of 2025)

Sector: energy sector

Status: in progress

The indicator envisages the appointment of a nominated electricity market operator by the NEURC by the end of 2025, which is one of the prerequisites for full market coupling of the electricity markets of Ukraine and the EU.

As early as 2023, the NEURC began actively [discussing](#) the appointment of a nominated market operator at meetings, where it was noted that the NEURC had no grounds to independently determine who would be the only nominated participant for the European spot energy market and that it was necessary to enable the NEURC to make appropriate changes to the said Licence Conditions at the legislative level.

Thus, the national legislation currently does not contain adapted rules on market coupling and the appointment of a nominated market operator. However, the draft law registered on October 2, in the Verkhovna Rada on the integration of the electricity markets of Ukraine and the EU provides for the functions, rights and obligations of the nominated market operator as an entity that ensures market coupling, requirements for the appointment of the nominated market operator, as well as additional powers of the Regulator in relation to the nominated market operator.

In its turn, JSC Market Operator [believes](#) that it should be recognised by NEURC as a nominated market operator, as it already has the status of an observer in the NEMO Committee.

**Indicator No. 10.11 Determining the special status of the NEURC**

(IV quarter of 2025)

Sector: energy sector**Status:** in progress

The indicator envisages the adoption and entry into force of amendments to the legislation that will define a special status to ensure the independence of the Regulator, as provided for by Directive 2009/72/EC and Directive 2009/73/EC.

On December 27, 2023, the NEURC [approved](#) the draft Law of Ukraine "On Amendments to Certain Laws of Ukraine on Strengthening the Independence of the Regulator in the Energy and Utilities Sectors". With this decision, the NEURC launched [the Action Plan](#) to Ensure the NEURC's Independence, which was developed to fulfil Ukraine's international obligations in the context of European integration, in particular, the recommendations of the Energy Community.

The draft law, among other things, clarifies the special status of the NEURC as a central executive body.

The Energy Community has repeatedly [pointed](#) out that the Regulator's independence from private individuals or public authorities is a key pillar of European energy legislation, but the Energy Community also [recognises](#) that to ensure the NEURC's independence, Ukraine may need to amend its Constitution, which cannot be discussed in wartime. Therefore, the Energy Community Secretariat is exploring with the Ukrainian side ways to strengthen the Regulator's independence within the current constitutional framework.



Indicator No. 10.12 Cancellation of the moratorium on raising tariffs for heat and hot water
(IV quarter of 2025)

Sector: energy sector

Status: in progress

The indicator envisages the cancellation of the moratorium introduced by the Law of Ukraine [No. 2479-IX](#) dated July 27, 2023 "On Peculiarities of Regulation of Relations in the Natural Gas Market and in the Field of Heat Supply during Martial Law and Further Restoration of Their Functioning" in order to achieve economically justified tariffs for heat and hot water. According to the Law, the moratorium on tariff increases is valid until the end of martial law and for 6 months after its termination.

On June 4, 2024, the Verkhovna Rada cancelled the moratorium on raising gas distribution tariffs for non-household consumers (enterprises, budgetary institutions, heat supply organisations, and municipal facilities). The corresponding amendment appeared [in draft law No. 10393](#) before it was considered for the second reading. Thus, after the law was passed, the moratorium remained in place only for household consumers.

In turn, according to the NBU's Inflation Report of October 2024, the current tariffs for gas, heating and hot water supply will not be revised in 2024-2025. However, given the challenging situation in the energy sector, it is expected that starting in 2026, these tariffs will be gradually brought back to their economically justified levels.



Indicator No. 10.13 Adoption of the State Targeted Economic Programme for Energy Modernisation of Heat Generating Enterprises for the period up to 2030
(IV quarter of 2025)

Sector: energy sector

Status: in progress

The indicator envisages the adoption by the Cabinet of Ministers of the State Targeted Economic Programme for Energy Modernisation of Heat Generating Enterprises until 2030, which aims to:

- Identifying measures to improve the sustainability, quality and affordability of heat supply services;
- Identify measures to support decarbonisation, reduce GHG emissions and expand the use of RES;
- Ensure the implementation of measures to strengthen the governance and management skills of local authorities in the district heating sector.

On November 28, 2023, the Cabinet of Ministers [approved](#) the Concept of the State Targeted Economic Programme for the Energy Modernisation of State-owned or Communally Owned Heat Producers for the period up to 2030, and provided for the development and submission of a draft programme.

On July 19, 2024, the Ministry of Infrastructure [published a](#) draft State Targeted Economic Programme for the Energy Modernisation of State-owned or Communally Owned Heat Producers for the period up to 2030. Comments and suggestions were accepted until mid-August 2024.



Indicator No. 11.3 Adoption of the Law of Ukraine "On Railway Transport of Ukraine", entry into force of the final provisions of the Law
(IV quarter of 2025)

Sector: transport

Status: in progress

The Verkhovna Rada registered two draft laws [No. 12142](#) "On the System and Peculiarities of the Functioning of the Ukrainian Railway Transport Market" from the Cabinet of Ministers and an alternative draft law [No. 12142-1](#) from members of the Verkhovna Rada Transport Committee.

Both draft laws provide for the establishment of the National Commission for State Regulation of Transport, the unbundling of Ukrzaliznytsia, and the admission of private traction operators to the railway. In addition, they envisage the establishment of the Railway Transport Service and the National Bureau of Investigation of Transport Accidents, which will be responsible for transport safety and railway interoperability (the ability of railway transport to maintain safe traffic).

However, the draft law No. 12142 does not specify the timeframe for the creation of the National Commission, and private traction operators will be allowed on the tracks at least 7 years later: the law will only come into force 5 years after the end of martial law in Ukraine, and non-state sector entities will be able to operate on the 1520 mm railway network in two more years.

Draft law No. 12142-1 focuses on the reform of Ukrzaliznytsia, which should begin with the division into separate segments and spin-off into separate companies (freight, passenger, infrastructure) that will have independent accounting for costs and revenues. This is the version of the draft law that was discussed with the business community and comments were taken into account.

Both draft laws implement European directives and regulations into Ukrainian law, such as Directive 2012/34/EU establishing a single European railway area, Directive (EU) 2016/797 on the interoperability of the railway system within the European Union and Directive (EU) 2016/798 on rail safety.



Indicator No. 13.6 Publication of a report on the current legislation in the field of ESG reporting

(IV quarter of 2025)

Sector: management of critical raw materials

Status: in progress

The indicator is aimed at approving and publishing a study on the assessment of the current legislation on the introduction of ESG reporting for the extractive sector and recommendations for closing gaps in the legislation.

On October 24, 2024, the Ministry of Environmental Protection and Natural Resources [approved](#) the Strategic Work Plan for 2024-2028, which, among other things, provides for the development and publication (together with EU partners) of a report on the current legislation on the introduction of mandatory environmental, social and governance (ESG) reporting in Q4 2025 as part of the introduction of ESG reporting for the mining and extractive sectors.



Indicator No. 15.3 Approval of the resolution on the Scientific and Expert Council on Climate Change and Preservation of the Ozone Layer
(IV quarter of 2025)

Sector: green transition and environmental protection

Status: in progress

The indicator envisages the adoption of the Cabinet of Ministers Resolution "On Approval of the Regulation on the Scientific and Expert Council on Climate Change and Ozone Layer Preservation".

On October 8, 2024, the Verkhovna Rada [adopted](#) Law of Ukraine 3991-IX "On the Basic Principles of State Climate Policy", which provides for the establishment of the Scientific Expert Council on Climate Change and Ozone Layer Preservation as an independent advisory scientific and expert body to provide scientific support for the development of state climate policy. The law also defines the tasks of the Scientific Expert Council, which, along with its composition, must be approved by the Cabinet of Ministers within a year of the law's entry into force.

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SPECIAL

"Public Investment Management Reform"





Reform of the public investment management system

The public investment management (PIM) reform has been discussed for years. A number of decisions had already been taken before the full-scale war to facilitate effective PIM system. At the same time, the need for comprehensive reform remained on the agenda

It is in the focus not only of the Ukrainian government and parliament, but also among the reforms promoted and facilitated by the World Bank, IMF and EU.

In 2023, the World Bank presented [a diagnostic report on](#) public investment management in Ukraine, which showed the urgency of reform, especially given the need to build an effective system before the start of active recovery from the war:

- *Despite some progress, the public investment management system remains fragmented, lacks strategic orientation and is vulnerable to corruption.*
- *Significant problems are observed in the areas of project evaluation and selection, multi-annual budgeting, and public investment management.*
- *There is no single transparent mechanism for allocating funding, which allows some projects to receive funding without proper evaluation.*
- *Significant discrepancies between planned and actual budget expenditures due to underfunded and unfinished projects.*



PIM reform

The goal of the PIM reform is to create a transparent, strategically coordinated and efficient public investment system that will ensure transparent selection, efficient financing and monitoring of projects for sustainable economic development of Ukraine

According to the [World Bank report, the PIM](#) reform envisages:

- Creating a unified, transparent and strategically oriented public investment management system
- Introduce mandatory analysis of the cost and efficiency of projects before they are included in the budget
- Ensuring transparency of financing and monitoring of investment projects through a single information system
- Strengthening the role of the Ministry of Finance as a "controlling body" that will block unevaluated or inefficient projects
- Harmonisation and unification of PIM procedures, including the introduction of clear criteria for selecting investment projects.
- Developing the human resource capacity of central and local authorities in the area of public investment management.
- Create a unified project database that will cover the full life cycle, from evaluation to implementation.
- Develop a long-term infrastructure development strategy and introduce medium-term investment planning

In fact, these steps were foreseen in the IMF structural pillars and indicators of the Ukraine Plan



Structural benchmarks in current IMF program

BENCHMARK No.18 Better Public Investment Management (end of December 2023)

The CMU has approved the draft [Roadmap for Public Investment Management Reform](#), which aims to "create a context, vision of the basic principles and directions for building a holistic, sustainable and effective public investment management system that ensures the planning of investment projects based on strategic priorities and the medium-term budgetary framework, their selection in accordance with unified and transparent procedures and clear criteria, and their implementation within the planned timeframe and funding".

BENCHMARK No.25 Action plan and timeline for the Roadmap (end of December 2024)

The government has approved [an action plan and timetable for the implementation of a roadmap](#) for the development of public investment management procedures, as well as [criteria for prioritising public investment projects](#) for 2025.

BENCHMARK No. 34 Amendments to the Budget Code on the integration of PIM into the budget process, mandatory prioritisation and provision of IT solutions (end of January 2025)

According to the text of the Letter of Intent, the amendments to the TCU to be introduced in accordance with BENCHMARK 34 should form the basis for the CMU's decision to adopt a methodological framework underlying the EITI process. In particular, this includes the adoption of criteria and procedures for: (i) preparation of projects, (ii) formation of a single project portfolio, (iii) project evaluation, (iv) project selection, (v) identification of sources and mechanisms of financing, (vi) implementation, monitoring and evaluation of projects. The relevant amendments were adopted to the Budget Code on 16 January 2025.

BENCHMARK No.36 Adoption of the methodological framework underpinning the PIM process (end February 2025)

It is important to note that the CMU has already approved the prioritisation criteria for 2025, but they may be changed in the future. In general, it is expected that this BENCHMARK will be met on time, as amendments to the Budget Code have already been adopted, which are the basis for the government's decision

The text of the Memorandum also states that by the end of 2025, the government will:

- establish IT infrastructure and increase investment capacity of agencies involved in the PIM process
- adopt legislation to better integrate PIM into medium-term budget planning and fiscal risk management



Indicators of the Ukraine Plan

INDICATOR 2.7 Adoption of the Action Plan for the implementation of the Roadmap for Public Investment Management Reform

Improving the quality of public investment management (PIM) will allow for more economical and efficient use of public funds in the context of limited budgetary resources. One of the steps should be the unification of PIM approaches and the competitive selection of projects for budget funding.

The Action Plan for the implementation of the IPO Reform Roadmap was approved [in June 2024](#).

INDICATOR 2.8 Implementation of the Roadmap for reforming the public investment management system (third quarter of 2025)

Indicator 2.8 refers to the development and implementation of a digital recovery management tool for Ukraine that provides public access to data on recovery projects at all stages, including planning, financing, procurement, construction and commissioning, to ensure public and transparent monitoring of project implementation and better coordination of recovery efforts across sectors.

Today, we are actually talking about DREAM (Digital Recovery Ecosystem for Accountable Management), a platform originally created to ensure transparency and coordination of efforts in reconstruction and recovery.

The DREAM portal has already created a [section on public investment projects](#). However, so far, it is more about informing about such projects rather than having complete and detailed information about the stages of their implementation. The next steps are currently being developed.



PIM reform calendar: much has been done during the year

- December 2023: [the Roadmap for the PIM reform](#) approved
- May 2024: [Strategic Investment Council](#) established
- June 2024: [action plan and timeline for the](#) PIM roadmap approved
- August 2024: [criteria for prioritising public investment projects](#) for 2025 are determined
- September 2024: The Strategic Investment Council [approved the Single Project Pipeline \(SPP\) for Public Investment](#) projects, which identifies priority sectors for funding from the state and international partners
 - ◆ More than 750 projects worth of close to UAH 2.5 trillion have been submitted: the selection process was fast, so 30% of projects are at the idea stage, 15% have ready-made project design documents, and 17% are ready for procurement
 - ◆ Required funding for 2025: UAH 256 bn, including UAH 187 bn from IFIs, with UAH 36 bn allocated in the general fund of the state budget for the relevant budget programme
 - ◆ All projects are available on the [DREAM](#) platform
- November 2024: The World Bank [announces](#) a new assistance package of USD 750 million. The project, [Supporting Recovery through Responsible Fiscal Governance \(SURGE\)](#), is designed to help the Government improve PIM at the central level and improve public financial management and fiscal governance at the local and regional levels.
- January 2025: important amendments to the Budget Code adopted



Public investment project

Public investment project - a set of measures (organisational, legal, managerial, analytical, financial, engineering and technical) determined on the basis of the national system of strategic planning documents for the development of certain industries, economic sectors, regions and territorial communities aimed at the creation (acquisition), reconstruction, technical re-equipment of fixed assets, other non-current tangible assets, intangible assets with an expected useful life of more than one year, not limited to a particular

(source: draft law on amendments to the Budget Code [No. 12245](#))



Submitted public investment projects for SPP

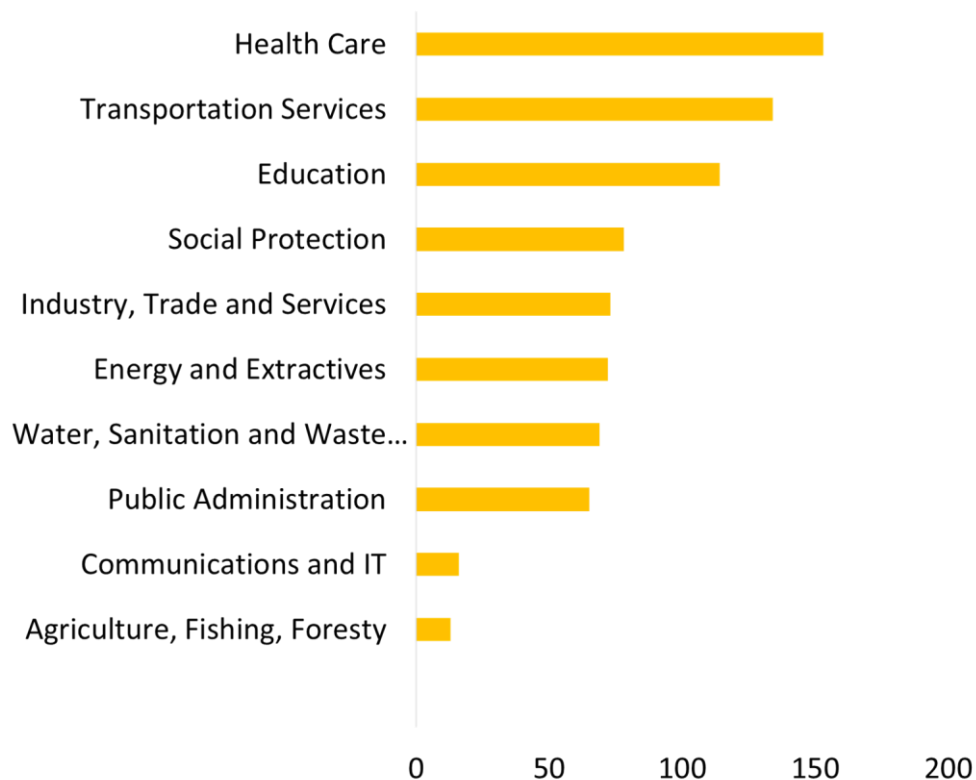
Sector	Total budget of projects, UAH bn	Budget of projects for 2025, UAH bn	Committed funding, UAH bn	Available financing from central budget, UAH bn	Available financing from local budgets, UAH bn
Water, Sanitation and Waste Mngmt	139,54	61,58	47,26	0,68	0,11
Public Administration	103,17	34,27	34,90	5,67	0,08
Energy and Extractives	1386,34	305,10	289,59	17,57	-
Communications and IT	1,28	1,10	0,02	-	0,02
Education	196,72	93,13	24,58	1,38	1,41
Health Care	170,77	94,05	31,71	6,02	0,87
Industry, Trade and Services	178,88	59,11	116,78	0,75	0,00
Agriculture, Fishing, Forestry	0,77	0,77	-	-	-
Social Protection	101,81	58,94	35,56	7,39	0,01
Transportation Services	313,58	87,01	183,00	10,02	0,10
Total	2592,87	795,06	763,39	49,48	2,61

Source, DREAM, as of Jan.2025



Public investment projects in SPP by sector and stage of preparation

Number of projects by sectors



Number of projects by stage



Source, DREAM, as of Jan.2025



Expected results of the PIM reform and challenges

According to the Roadmap and Plan of Ukraine, the implementation of the PIM reform should:

- simplify decision-making procedures,
- unify approaches to project evaluation and selection, regardless of funding sources,
- ensure the creation of a single project portfolio,
- Improve the reporting and oversight process.

It is planned to create IT environment for a transparent project management cycle that will be available to the public and allow

- submit electronic applications;
- monitor funding;
- Ensure audit control.

Challenges in implementation:

- Insufficient capacity of local authorities and other players to prepare high-quality investment projects
- When it comes to reconstruction investment projects, prioritisation also requires determining which objects / facilities are to be rebuilt, which do not, and on what principles
- Legislation in this area needs to be changed for construction projects, in particular, regarding the determination of salaries in projects budgets, standards

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**Monitoring the implementation of the
IMF program and Ukraine Plan**