

Nº15
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Monitoring of the implementation of the IMF programme and the Ukraine Plan

SPECIAL TOPIC

*"Can Ukraine maintain financial
stability without raising taxes?"*





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Summary.

Implementation of the IMF programme and the Ukraine Plan

On May 20, 2025, the IMF mission for the eighth review of Ukraine's Extended Fund Facility (EFF) **programme began**. The review **will assess our progress** against quantitative performance criteria and structural benchmarks **as of the end of March 2025**.

Ukraine has met all the benchmarks required for the successful completion of the eighth review of the programme.

In total, the IMF program provides up to USD 2.3 billion for 2025. This is based on the results of four reviews. The next review will take place in August.

Ukraine **has not yet reported on the implementation of the indicators of the Ukraine Plan for the 1st quarter of 2025**. In contrast to the successful and timely implementation of the indicators for the 4th quarter of 2024, 4 indicators (including 3 legislative ones) have not yet been met. This means a **risk of losing €1.96 billion** of the expected €4.48 billion tranche.

After all, [the methodology](#) of partial payments approved by the European Commission stipulates that the "price" of an unfulfilled legislative step is the average "price" of an indicator multiplied by 2. The lag in the pace of implementation raises the issue of **updating the Ukraine Plan** - reviewing and updating the indicators while maintaining the ambitiousness of the reform agenda.

Successful cooperation with international partners is critical for Ukraine. It is crucial for the financing of priority state budget expenditures (domestic revenues are used for security and defence).

That is why **the RRR4U consortium continues to regularly monitor** Ukraine's compliance with the IMF financing program and the implementation of the Ukraine Plan.

It is not the donors who need to fulfil their obligations under financial support programmes - **Ukraine needs them to achieve economic sustainability** and to move towards growth and improve the welfare of Ukrainians. It is also a way to gain the trust of all international partners and foreign businesses.

The IMF programme and the Ukraine Plan are not the only commitments that Ukraine has made to its external partners. But they remain important for **coordinating and securing other international support**.

There are still reforms needed to receive funds from the World Bank, as well as a broader reform agenda that Ukraine needs to achieve EU membership.

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Monitoring of the implementation of structural benchmarks under the IMF programme



Completed
on time



Completed,
but not on
time



In
progress



Not completed





Status of the IMF program implementation

On May 20, 2025, **the IMF mission for the eighth review of the Extended Fund Facility (EFF) for Ukraine began.**

The review **will assess our progress** against quantitative performance criteria and structural benchmarks **as of the end of March 2025.**

Ukraine has met all the benchmarks required for the successful completion of the eighth review of the programme, in particular:

- amendments to the Budget Code on the integration of PIM into the budget process, mandatory prioritisation and provision of IT solutions were adopted (benchmark 39, deadline - end of January 2025);
- the necessary methodological framework underlying the PIM process was adopted (benchmark 40, deadline - end of February 2025).

Thus, Ukraine is almost guaranteed to receive the next tranche of about **USD 487 million.**



These benchmarks will be evaluated during the next, ninth review scheduled for August:



New tax reporting requirements for digital platform operators;



Appoint a permanent head of the State Custom Service;



Submit the Budget Declaration for 2026-2028 on time;



Independent verification of compliance and integrity of the NSSMC

The IMF programme provides up to USD 2.3 billion for 2025. This is based on the results of four reviews. The first USD 400 million was disbursed to the state budget in March this year.



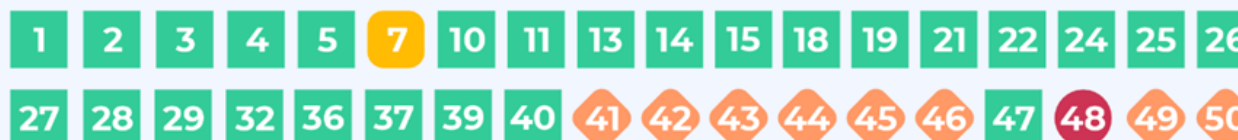
Structural Benchmarks Implementation Map

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The IMF program

Fiscal sector/
Financial sector



Monetary and
Exchange Rate



Governance/
Anti-Corruption



Energy/SOE Corporate
Governance



Completed



Completed,
but not on time



In progress



Not completed



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

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

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BENCHMARK No.1 Budget amendments for 2023 - defence funding (end of April 2023)

The Parliament approved the government's amendments to the State Budget for 2023 to provide for more and more sustainable funding for defence and security, as well as funds for urgent reconstruction. In particular, the expenditures for the reserve fund were doubled. They also optimised the structure of spending units and merged two ministries into a single Ministry of Communities, Territories and Infrastructure, which was given the Fund for the Elimination of the Consequences of Armed Aggression.

BENCHMARK No.2 Limiting spontaneous amendments to the budget law and restoring medium-term planning (end of May 2023)

To this end, the Parliament registered a draft law that, among other things, allowed the Rada to consider only those amendments to the state budget that had received an expert opinion from the Ministry of Finance, and restored medium-term budget planning. In June, the Budget Committee updated the text, which later became the law (see more in benchmark #10)

BENCHMARK No.3 Prepare a tax change 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 assessment of the IMF programme. However, this plan is not publicly available. The document should serve as a basis for the preparation of the National Revenue Strategy (see benchmark 20)

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

These changes are intended to contribute to higher debt sustainability of the state. The provisions for the implementation of this benchmark were included in the draft law No. 9346 together with the provisions for the implementation of benchmark No. 2 (see more on benchmark No. 10)

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

In April 2023, the Parliament passed a law (No. 3035-IX) to increase the transparency and accountability of accounts opened with the NBU by managers of funds for charitable assistance and donations. This primarily concerned accounts on the UNITED24 platform. This finally provided a legal framework for transparent fundraising and spending from public charity accounts.



State of execution of benchmarks No. 6 - 9

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

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

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

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.

On 9 November, the Parliament passed in the second reading [a draft law](#) expanding the range of taxpayers who may be subject to documentary tax audits starting from December 1, 2023. At the same time, the President of Ukraine signed [Law No. 3453-IX](#) in early December, but it did not enter into force until 08 January, 2023.

BENCHMARK No.8 Corporate governance reform of the GTS Operator: transfer of the stake to the Ministry of Energy and update of the charter (end of July 2023)

The first part of the benchmark was completed on 22 September, when the CMU [transferred](#) the corporate rights of the Ukrainian GTS Operator 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 GTSOU charter agreed with the Energy Community Secretariat. The document [appeared](#) on the company's website on 31 October.

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

In September 2023, the parliament passed [a bill](#) that stipulated 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 asset declaration register immediately.

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



State of execution of benchmarks No. 10 - 13

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

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

In July, the Parliament adopted the necessary [amendments to the Budget Code](#) to make fiscal policy more predictable and predictable in the medium term.

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

On 15 September 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 included the following documents: planned KPIs for budget programmes in 2022-2026; forecasts of budget and macroeconomic indicators for 2025-2026; priority fiscal policy objectives; and spending limits for 2022-2026.

BENCHMARK No.12 Strengthening financial monitoring of politically exposed persons (PEPs) (end of September 2023)

On October 17, 2023, the Verkhovna Rada adopted [a draft law](#) 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 banking supervision (end of September 2023)

The implementation of the benchmark will bring Ukraine's banking supervision in line with EU directives.

Point I: On 21 April 2023, the National Bank of Ukraine [separated](#) the Department for Monitoring of Related Parties and the Department for Integrated Banking Supervision.

Point II: The NBU has introduced supervisory panels without publicly communicating this. The panels are supposed to advise the Supervisory Committee on issues and additionally independently analyse its decisions, facilitate horizontal communication between stakeholders, and highlight particularly important issues.

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



State of execution of benchmarks No. 14 - 17

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

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BENCHMARK No.14 Tax and Customs to prepare reform plan

(end of October 2023)

The STS and the SMS had to prepare action plans by the end of October, which will be further integrated into the overall National Revenue Strategy. On 23-27 October, representatives of the STS and the SMS met with the IMF to discuss progress. The second review of the IMF programme revealed that this milestone was met on time and in full.

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

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

BENCHMARK No.16 Simplifying the system of declaration of public officials (end of October 2023)

[The draft law](#) on the restoration 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.

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

On 31 October, the Government [approved](#) the composition of the company's Supervisory Board: three independent members and one state representative, meeting this milestone in a timely manner. At the same time, the issue of appointing another state representative to form a full 5-member board remains to be resolved.

In accordance with the [Charter](#), the Supervisory Board of GTSOU should consist of five members, three of whom should be independent. As of the end of April 2024, 5 members have not been appointed and there are no statements from the Government in this regard.



State of execution of benchmarks No. 18 - 21

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

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BENCHMARK No.18 Better Public Investment Management

(end of December 2023)

Accordingly, to change approaches to PIM, in December, the CMU adopted a draft [Roadmap for Public Investment Management Reform](#) by a protocol decision, 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 a medium-term budgetary framework, their selection in accordance with unified and transparent procedures and clear criteria, and the implementation of

BENCHMARK No.19 Approval of the National Revenue

Strategy by the end of 2023 (end of December 2023)

The National Revenue Strategy is intended to create conditions for increasing domestic budget revenues. To do this, Ukraine needs to strengthen its tax and customs revenue collection capacity. [On 27 December 2023, the government approved](#) the National Revenue Strategy, meeting the conditions for the IMF programme's benchmark to be activated.

BENCHMARK No.20 Strengthening the institutional independence of the SAPO

(end of December 2023)

On December 08, 2023, the Verkhovna Rada adopted the relevant draft law. [Law No. 3509-IX](#) entered into force on January 1, 2024. It aims to: improve the procedure for competitive selection of heads and prosecutors of the SAPO; strengthen the SAPO's ability to regulate its own organisational structure and activities; clarify the powers of the Head of the SAPO; establish a Specialised Disciplinary Commission of SAPO prosecutors; and conduct regular audits of the SAPO's activities with the participation of external experts with international experience.

BENCHMARK No.21 Budget amendments to create new revenue sources (end of February 2024)

Based on the conclusions of the Revenue Working Group established in December 2023, the government was to prepare short-term measures to increase revenues by at least 0.5 percent of GDP, with the aim of amending the 2024 budget accordingly, if necessary.

The measures proposed by the Ministry of Finance to mobilise additional revenues are expected to increase budget revenues by UAH 44.2 billion. The measures include an increase in revenues from military and excise duties, and the introduction of monthly advance payments of corporate income tax by companies engaged in fuel retailing.



State of execution of benchmarks No. 22 - 25

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

In December 2023, [the government adopted amendments](#) to the decree on the provision of support under this programme, 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 can still receive support). In March 2024, the government submitted a concept for the 5-7-9 programme to the IMF, but it has not been made public or officially approved.

BENCHMARK No.23 Optimise and improve the efficiency of the HACC (end of April 2024 (postponed from end of March 2024))

On 24 April 2024, the Verkhovna Rada adopted [Draft Law No. 11130](#), which provides that cases in the court of first instance shall be heard by a single judge. It also stipulates that cases may be heard by a three-judge panel only at the request of the accused in certain categories of crimes.

The law came into force on 16 May 2024.

BENCHMARK No.24 ESBU reset (end of June 2014)

On 20 June 2024, the Verkhovna Rada passed Bill No. 10439, the text of which was agreed with the requirements of international partners. On 28 June, it is signed by the President.

Next, a professional, independent head of the ESBU should be elected and the process of reforming the institution should begin. The law provides for a change of leadership and re-certification of all ESBU employees. The head will be selected by a six-member commission, three of whom will be appointed by international experts and three by the Cabinet of Ministers.

BENCHMARK No.25 Preparation of a methodology for the assessment of tax benefits (end of September 2024, postponed from end of July)

The review of tax privileges should be a step towards broadening the domestic revenue base without raising tax rates.

The Ministry of Finance of Ukraine approved the required methodology by its Order No. 474 dated 27.09.2024 "On Approval of the Methodology for Evaluation of Tax Policy Instruments that Lead to Tax Expenditures".



State of execution of benchmarks No. 26 - 29

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

BENCHMARK No.26 Estimation of fiscal and quasi-fiscal losses from SOEs (end of September 2024)

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

BENCHMARK No.27 Adoption of amendments to the Customs Code of Ukraine in line with the best international practices (end of October 2024)

As stated in the Memorandum, amendments to the TCU should be aligned with EU norms. The SMS should continue to be subordinated to the Ministry of Finance. Since businesses often complain about corruption in the SMS, one of the areas of change should be to strengthen the integrity of staff and introduce a process of selecting management based on a transparent competition with the participation of international experts. Other reforms in 2024 include (i) modernising the framework for bringing to administrative responsibility for violations of customs rules and (ii) developing criteria for assessing the impact of the SCS Anti-Corruption Programme.

The Parliament adopted two draft laws that together comply with the above provisions: [No. 10411](#) and [No. 6490-d](#).

BENCHMARK No.28 Medium-term budget planning: analysis and update (end of October 2024)

According to the Ministry of Finance, a report has been prepared with technical assistance from the IMF, which provides a diagnostic review of pre-war policies and practices on medium-term budget planning in comparison with best practices. As of 30 October, the text of the report was not made public, but we record this milestone as "completed".

BENCHMARK No.29 The NBU's assessment of risks to financial stability under adverse scenarios and preparation of contingency plans (end of October 2024)

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.



State of execution of benchmarks No. 30 - 33

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

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BENCHMARK No.30 Audit of the financial position of DH companies before and after February 2022 (initially end of June 2024, postponed to end of October 2024)

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 20 December 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 condition of the DH companies.

BENCHMARK No.31 Improving the governance of state-owned enterprises (originally end of August 2024, postponed to end of October 2024)

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. Thus, the law on corporate governance of SOEs was adopted ([adopted](#) in February 2024), the financial condition and fiscal risks of state-owned enterprises were assessed in the state ownership policy, and [the Ministry of Economy presented a draft State Ownership Policy in](#) early October 2024,

BENCHMARK No.32 Action plan and timetable for the implementation of the IPO reform roadmap (end of December 2024)

This benchmark is actually a continuation of the steps to improve the efficiency of public investment management, the roadmap for reforming which was adopted to implement structural benchmark 18. It is envisaged that the relevant documents should define the link between PIM management and medium-term budget planning.

To fulfil this benchmark, the government has adopted an [action plan and a 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.33 Adoption of amendments to the law to reform the Accounting Chamber of Ukraine (end of December 2024)

The respective [draft law](#) was adopted in the first reading on 19 September 2024 and in the general reading on 30 October 2024. The adopted draft law meets the requirements set out in the IMF's Letter of Intent.



State of execution of benchmarks No. 34 - 37

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

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BENCHMARK No.34 Strengthening the functional independence of the NEURC (end of December 2024)

On 27 December 2023, [the](#) NEURC [approved](#) the draft Law "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 implementation of [the Action Plan](#) to ensure the NEURC's independence. Law [No. 3915-IX](#) dated 21.08.2024 amended Law [No. 3354-IX](#) "On Lawmaking", which exempted the NEURC from proofreading decisions. Thus, the conflict with the provision of part 6 of Article 14 of the Law on the NEURC ("The Regulator's decisions are not subject to state registration by the Ministry of Justice of Ukraine") was removed. However, the Law "On Lawmaking" has only just entered into force, but most of the provisions, in particular those on the NEURC's functional independence, will come into force a year after the end of martial law.

BENCHMARK No.35 Complete the formation of the Supervisory Board of Ukrenergo, with the majority of 7 members being independent (end of December 2024)

On 26 November, [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 11 December, the Cabinet of Ministers approved a new 7-member Supervisory Board of Ukrenergo, with Yuriy Boyko, Anatoliy Hulei and Oleksiy Nikitin as state representatives.

BENCHMARK No.36 Preparing the framework for bank resolution (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 No.37 New methodology for supervisory risk assessment (initially end of June 2024, postponed to end of December 2024)

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.



State of execution of benchmarks No. 38 - 40

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

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BENCHMARK No.38 Establish a new administrative court to replace the liquidated KDAC (initially end of July 2024, postponed to end of December 2024)

On 26 February 2025, the Parliament, in fact, with a delay of almost 2 months, fulfilled the structural benchmark and adopted as a whole the draft law No. [12368-1](#) on the establishment and functioning of the Specialised District Administrative Court as a court of first instance to consider administrative cases involving state bodies such as the NAPC, the NBU, the ESBU and the Specialised Administrative Court of Appeal, which will act as a court of appeal for these disputes.

On 24 March 2025, the President signed the above draft law. The High Qualification Commission of Judges of Ukraine (HQCJ) was to announce a competition for judges within one month after the law came into force.

BENCHMARK No.39 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)

On 16 January, the relevant amendments to the Budget Code were adopted by the Parliament ([Draft Law No. 12245](#)). However, since the Memorandum defines the adoption of the amendments to the Budget Code as a structural milestone, we consider this milestone to be met. The President signed the amendments to the Budget Code in March.

BENCHMARK No.40 Adoption of the methodological framework underpinning the OGP process (end of February 2025)

On 16 January, the relevant amendments to the Budget Code were adopted by the Parliament ([Draft Law No. 12245](#)) - benchmark 39, and on 28 February (the last day of the benchmark deadline), the CMU adopted the main regulatory acts governing the stages of implementation of the public investment management reform:

- [Procedure](#) for developing and monitoring the implementation of the medium-term plan of priority public investments of the state - line ministries prepare proposals: May 2025.
- [Preparation of investment projects](#) and public investment programmes based on the new methodology - starting in May 2025
- Assessment and prioritisation
- Formation of sectoral and unified portfolios at local, regional and national levels: September-November 2025, with approval in November-December



BENCHMARK No.41 New tax reporting requirements for digital platform operators
(end of April 2025)

Sector: fiscal sector

Status: completed

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.

The Cabinet of Ministers approved the new requirements in the form of a draft law on 29 April. The draft law has not yet been registered in the Verkhovna Rada.

**BENCHMARK No.42** 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 (SCS). The relevant amendments were signed by the President on 17 October 2024.

As of end May 2025, the competition has not been announced.

It will not be possible to complete this benchmark on time, so we hope its deadline is postponed during the review.

**BENCHMARK No.43** Submit the Budget Declaration for 2026-2028

(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 benchmarks 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.

In January, the Ministry of Finance sent an instructional letter to all budget spending units. The Ministry of Economy was working on assumptions for the macroeconomic forecast for 2026-2028.

In March and April, the Ministry of Finance moved towards the preparation of the Declaration, received the first forecast estimates, and made key budget indicators in accordance with the preparation [calendar](#). Accordingly, the assumptions of the main parameters on which the Declaration's indicators are based were agreed upon, the Ministry of Energy provided separate forecasts of economic development, and the Ministry of Finance held coordination meetings with the main spending units.

At the same time, as of end of May there is no information on the submission of the Budget Declaration to the Cabinet of Ministers (due by 15 May and unlikely to be submitted to the Parliament by 1 June). At the same time, the benchmark is likely to be completed on time - by the end of June.

**BENCHMARK No.44** Appoint a new chairman of the **ESBU**

(end of July 2025 (postponed from end of February 2025))

Sector: fiscal sector

Status: in progress (not implemented as of the end of February 2025)

This benchmark is a follow-up to the previous benchmark on the reboot of the Bureau of Economic Security. Whereas the previous benchmark only required the entry into force of the relevant law, the new benchmark aims to implement the reform of the **ESBU**. The **ESBU** should focus on major economic and financial crimes, and its analytical capacity should be strengthened. The law should also enshrine robust mechanisms to ensure transparency, accountability and integrity.

The new head of the **ESBU** will approve the procedure for the appraisal of the **ESBU** employees and form an appraisal 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.

A new **ESBU** governor had to be elected by the end of February 2025. Ukraine failed to meet this deadline on time, as the competition process was only in its early stages. In the seventh review, the IMF moved the deadline to July 2025. As of the end of May, 16 candidates participated in the competition.



BENCHMARK No.45 The Ministry of Finance, the State Tax Service and the State Custom Service will develop an operational plan to update the IT strategy

(end of September 2025)

Sector: fiscal sector

Status: in progress

This structural benchmark stipulates that the Ministry of Finance, together with the State Tax Service (STS) and the State Custom Service (SCS), will develop an operational plan for the implementation of the updated IT strategy. The strategy should include important digitalisation steps necessary for the implementation of the National Revenue Strategy, which was adopted in late 2023.

Thus, the plan will define steps for the digital transformation of the State Tax Service and the State Custom Service with a focus on the modernisation and consolidation of IT systems.

Currently, certain measures to prevent tax evasion and minimise the tax burden are of limited effectiveness, as the STS and the SCS use different IT systems that do not allow for the exchange of information between the various registers and databases of the two services. In 2019, the CMU adopted a resolution to create a unified IT system for the STS and the SCS, but this has never been implemented.

At the same time, the need for consolidation remained high.



BENCHMARK No.46 Adoption of sectoral strategies in line with the reformed PIM system

(end of December 2025)

Sector: fiscal sector

Status: in progress

During the seventh revision of the Programme, another structural benchmark was added to implement the reform of the public investment management (PIM) system.

In accordance with the decisions already taken by the government, by the end of 2025, ministries must ensure the adoption of sectoral strategies that will identify priorities for public investment projects.

This is important, as sectoral priorities need to be clearly defined and agreed upon to ensure that limited funds for public investment projects are spent efficiently. In line with the principles of the new PIM system, a link between strategies and budgeting is necessary.

The government has already made important decisions to implement sectoral strategies. According to available information, the process of developing the relevant strategies has already begun. At the same time, updates to DREAM are expected for the needs of managing the public investment system.



BENCHMARK No.47 Systemic state-owned banks fall under the jurisdiction of the Ministry of Finance. Non-systemic state-owned banks are not recapitalised at the expense of the state
(permanent)

Sector: financial sector

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

Three state-owned banks are registered with the CMU representing the state (Oschadbank, Ukreximbank, and Privatbank). Ukrgasbank and Sens Bank are registered to 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 full-scale war, Sens Bank (formerly Alfa), PINbank (First Investment Bank) and Motorbank were nationalised. Sense Bank was sold to the state for UAH 1 by the DGF as part of the procedure to remove it from the market due to sanctions against its owners. The other two banks were transferred to the state by a decision of the HACC.

The benchmark has now been met: all state-owned banks except PINbank and Motor Bank are systemic banks and the Ministry of Finance is responsible for the management of systemic banks either directly or through government decisions developed by the Ministry of Finance. As of 1 May 2025, PinBank and Motor Bank had capital below UAH 200 million and, accordingly, violated the prudential norm H1 and were also unprofitable in 2024. If the banks do not return to profitability, the NBU will need to transfer them to the DGF for resolution to fulfil the benchmark. On 4 February, state-owned shares of PinBank were transferred to the management of the Ministry of Development for possible transfer to Ukrposhta to form a financial inclusion bank. This may remove the issue of the bank's profitability, but for this, the Verkhovna Rada must pass a relevant draft law (currently 13018-d, awaiting President's signature to become law). In the Q1 2025, Motor-Bank stopped being unprofitable.

**BENCHMARK No.48** Preparing a strategy for the NSSMC

(end of January 2025)

Sector: financial sector**Status:** not completed

The IMF Memorandum stipulates that the NSSMC will 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 was 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.

The seventh review of the IMF programme states that Ukraine has fulfilled all the components of the benchmarks, except for the assessment of the NSSMC. As a result, Structural benchmark No. 48 is considered unfulfilled. Its deadline was not postponed, but instead the assessment of the NSSMC's work was separated into a new separate benchmark No. 49.



BENCHMARK No.49 Independent verification of compliance and integrity of the NSSMC

(end of June 2025)

Sector: financial sector

Status: in progress

To strengthen the institutional framework and effectiveness, as well as to eliminate the delay in the start of the compliance and integrity check (unfulfilled structural benchmark No. 48), the NSSMC will conduct an independent compliance and integrity check of the NSSMC Chairman and members.

On 21 May, the NSSMC held a meeting with the IMF mission. The parties discussed several important issues: independent verification of compliance of certain employees of the Commission with legal requirements, measures to regulate capital flows (CFM), and priority areas for the development of financial market infrastructure. The work on the implementation of the respective benchmark is ongoing.



BENCHMARK No.50 Preparation and submission of a draft law to the Parliament on the risk of critical third parties in the financial sector

(end of September 2025)

Sector: financial sector

Status: in progress

This Benchmark is aimed at creating standards for companies that provide services critical to the functioning of a bank. Among other things, this refers to the 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 latest Memorandum on Economic and Financial Policies, the NBU was supposed to prepare a concept for supervision of critical third parties in March, and the deadline for the benchmark was postponed from May to September. However, communication about the NBU's efforts in this area remains limited.



BENCHMARK No.51 **Cancel the “Lozovyi’s amendments” and allow the SAPO to manage extradition and mutual legal assistance requests (Slide 1/2)**

(postponed to the end of July 2025 (not fulfilled at the end of December 2024))

Sector: governance/anti-corruption

Status: in progress

The structural benchmark provides for amendments to the CPC, in particular regarding:

- Enabling the Prosecutor General to delegate to the SAPO the management of extradition and mutual legal assistance requests in connection with the investigation of corruption offences;
- cancellation of the mandatory closure of pre-trial investigations in connection with the expiry of the pre-trial investigation after the notification of suspicion (the so-called "Lozovyi amendments");
- empowering the investigating judge, after the deadline has passed and at the request of the accused or victims, to promptly urge prosecutors to make a decision on the pre-trial investigation (either to close the proceedings or to complete the pre-trial investigation) or to dismiss the request.

The issue of cancelling the Lozovyi 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 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 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.51 **Cancel the “Lozovyi’s amendments” and allow the SAPO to manage extradition and mutual legal assistance requests (Slide 2/2)**

(postponed to the end of July 2025 (not fulfilled at the end of December 2024))

Sector: governance/anti-corruption

Status: in progress

At the end of December 2025, the Government registered a new draft law [No. 12367](#) with the Verkhovna Rada aimed at cancelling the Lozovyi amendments. In addition, 3 more alternative draft laws were registered ([No. 12367-1](#), [No. 12367-2](#), [No. 12367-3](#)). At the same time, on 16 January, the Parliament did not support the inclusion of any 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 (the Union of Ukrainian Entrepreneurs, the Federation of Employers of Ukraine, etc.) and the Ukrainian Chamber of Commerce and Industry [called on the](#) VRU 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](#) an alternative draft law [No. 12367-3](#), which they believe is aimed at improving the effectiveness of pre-trial investigation and ensuring the inevitability of punishment for corruption offences, and called on MPs to support it in the first reading and in general.

The Ukrainian side was unable to fulfil this milestone by the seventh review of the programme, so the deadline was postponed for the second time. Now the Parliament has to adopt the relevant amendments to the CPC by August 1, 2025.



BENCHMARK No.52 Publish the report on the results of the external audit of the NABU (postponed to end July 2025 (not fulfilled by end February 2025))

Sector: governance/anti-corruption

Status: completed

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

Under the current programme, Ukraine also had problems with the NABU audit. It was originally supposed to be completed by the end of September 2024. Instead, in early September, the Cabinet of Ministers only [approved](#) the composition of the Commission for the Audit of the NABU (which was defined as a preliminary measure in the [Memorandum of 04.10.2024](#)). The audit of the NABU could not be completed by the seventh revision of the programme, so the deadline for its implementation was postponed to the end of July 2025.

At the same time, on 2 May 2025, the CMU website published a report on the results of the external independent assessment (audit) of the NABU for the period from March 2023 to November 2024.

Robert Westbrooks, Chairman of the Commission, [commented](#) on the results of the audit: *"We assessed NABU's performance as reasonably effective in its investigations and international cooperation. Overall, we assessed the NABU's performance as moderately effective and made recommendations to further improve its performance."*

More details on the findings of the NABU's external audit can be found [here](#).



BENCHMARK No.53 Review the process of selection and appointment of members of SOE supervisory boards and adopt relevant amendments to the CMU bylaws

(end of August 2025)

Sector: corporate governance in SOEs

Status: in progress

The corporate governance reform at state-owned enterprises (SOEs) continues. In March 2024, the President signed the [Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on Improving Corporate Governance" \(No. 3587-IX\)](#), which launched a new stage of the reform. The next step is its full implementation. In particular, the government has adopted a [procedure for assessing](#) whether SOEs achieve the goals from the owner's expectations, a [procedure for reporting](#) by supervisory boards, and a [procedure for evaluating](#) their performance.

In the [Memorandum on Economic and Financial Policy of 21 March 2025](#), the Ukrainian side committed to review the procedures for selecting and appointing members of SOE supervisory boards in consultation with IMF experts and international partners and to amend the relevant bylaws of the Cabinet of Ministers (Resolutions No. 142 and No. 143 of 10 March 2017).

The first phase of the review will focus on improving the efficiency of the Nomination Committee (NC), in particular by standardising recruitment documentation and increasing the transparency of NC decisions. At the same time, a roadmap for more substantial medium-term reforms in the selection of members of SOE supervisory boards will be adopted in line with international best practices, taking into account the status of the SOE and the results of the selection. In particular, the roadmap will be aimed at: a) streamlining and centralising the selection process for supervisory board candidates, in particular through a monitoring process agreed with the IFIs; b) clearly defining and delineating the roles and responsibilities of key decision makers; c) improving the efficiency of each stage of the process and thus reducing the time to complete the selection; d) ensuring that supervisory boards have the right composition, taking into account the profile of the SOE and the required competencies; and e) improving the onboarding process for new board members.

The text of the updated Memorandum states: "modernisation of such procedures for the appointment of SOE managers will be especially important after the end of martial law to facilitate the attraction of private foreign investment in strategic and backbone state-owned enterprises".



BENCHMARK No.54 Complete and publish an external assessment of the NEURC with the involvement of the Energy Community Secretariat
(end of October 2025)

RRR4U

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 ensure support for regular external assessments of the NEURC's independence and governance systems every 2-3 years. It is envisaged that the first external assessment will be carried out by the Energy Community Secretariat, completed and published by October 2025. It will also be important to take into account and implement the recommendations received.

At the end of February 2025, at the RRR4U event, Andrejs Juris, Head of the ECRB Division of the Energy Community Secretariat, [confirmed his](#) readiness to conduct such an assessment, which would include various aspects of independence enshrined in EU law - both reflected in national legislation and implemented in practice.

On March 26, representatives of the NEURC [met](#) with a delegation from the Energy Community Secretariat to discuss further steps of the Regulator in creating a favorable regulatory environment for the liberalization of energy markets and fulfillment of Ukraine's international obligations.

Monitoring the implementation of the indicators of the Ukraine Plan



complete
d on time



executed
with a delay



in the
process of



not fulfilled



→ Ukraine's plan: the key facts as of the end of May 2025

- **Ukraine has not yet reported to the European Commission on the implementation of the indicators of the Ukraine Plan for the 1st quarter of 2025:**

4 indicators have not yet been fulfilled, but there is hope to make progress on at least two of them

- Thus, there is hope that the President will sign the draft law on remuneration of civil servants No. 8222, and that the law on ARMA will be adopted
- **Since the European Commission has approved [the methodology](#) for partial payments** under the Ukraine Plan, failure to meet 4 indicators could cost the budget more than €1.5 billion
- **In the Q2 2025, Ukraine has to meet 11 indicators.** So far, only three have been met.

By the end of March, Ukraine had to meet **16 Q1 2025 indicators**, and **as of the end of May, it had not met 4**

Do not
done



4

Done



12

Time for correction and implementation: 12 months from the date of the EU negative opinion



Map of the implementation of the indicators of the Ukraine Plan

	I 2025	II 2025	III 2025	IV 2025	I 2026
Public Administration Reform	1.1		1.2	1.2	1.4 1.5 9.3
Public Financial Management / Management of Public Assets	6.6		2.8 6.7 6.9	2.6 2.9	5.1 5.2 5.5
Fight Against Corruption and money laundering / Judicial System	4.3 4.7	3.5 3.8	3.1 3.2	3.3 3.4 3.9 4.8	3.12
Business Environment / Human Capital	7.2 7.11	7.1 7.10 8.4	8.2 8.8	7.4 7.8	8.5
Energy Sector / Green Transition and Environmental Protection / Management of Critical Raw	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	15.8 15.9
Agri-food Sector / Transport	12.3 12.7		12.4	11.3	12.6
Decentralisation and Regional Policy	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

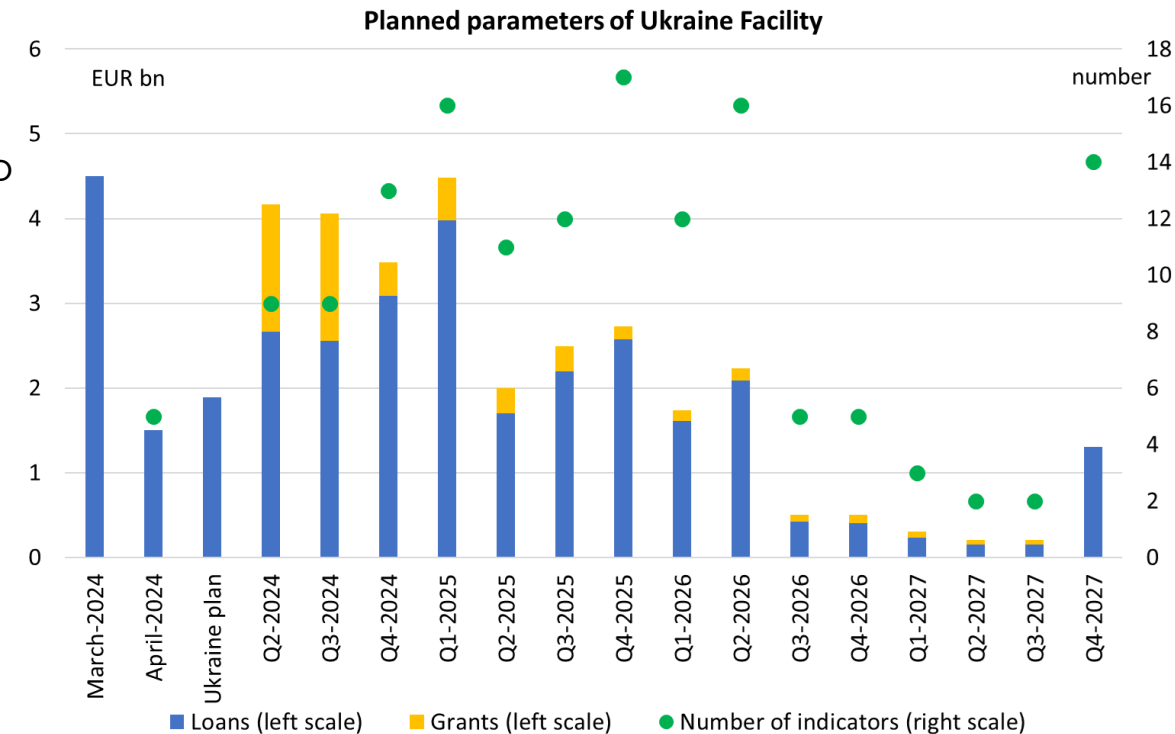
In progress

Not completed



Ukraine's plan: It won't get any easier

- **Many difficult decisions for the next quarters**
- Important: **new legislative and regulatory decisions should bring us closer to EU acqui**, so it is necessary to coordinate the decisions taken with the European Commission - it takes time and negotiations
- **From complex decisions:**
 - The Law on Vocational Education and Training
 - Law on the revision of integrity declarations
 - New court for administrative cases
 - Reinstatement of the law on state aid
 - Law on state support for agriculture
 - Law on Housing Policy
 - Cancellation of the moratorium on tariff increases
 - Law on railway transport
 - The Law on Local Self-Government





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

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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 ESBU 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 ESBU 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 No.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

RRR4U

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 was not 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 Adoption and entry into force of the Law of Ukraine on Prevention, Reduction and Control of Industrial Pollution

At the end of April 2024, the Ministry of Environment 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.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"

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".

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.



Status of implementation of the KPIs set for the fourth quarter of 2024

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

INDICATOR 2.1. Adoption of the strategic plan for the digitalisation of the STS

As part of this indicator, the adoption of the Strategic Plan for the Digitalisation of the State Tax Service was envisaged, taking into account the recommendations set out in the National Revenue Strategy until 2030.

At the end of 2024, the Ministry of Finance published a [Plan](#) containing the measures previously mentioned in the NDS. Integration with the international information exchange system DAC7 should also be ensured. Stakeholders should pay attention to ensuring that the STS monitors 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 3.6. Legislation to improve the bankruptcy regime came into force

The indicator is part of the reforms of insolvency resolution and enforcement of court decisions.

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 relevant law (draft law No. 10143 of 12.10.2023). On 22 September, the law was signed by the President. The law came into force on 23 January 2025.

INDICATOR 6.1. Adoption of state ownership policy and ranking of state-owned companies

In March 2024, a law updating the rules for the management of state-owned enterprises came into force (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 goals 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](#).

INDICATOR 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

The indicator is part of the reform to improve social infrastructure.

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, 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, No. 1315-p.



Status of implementation of the KPIs set for the fourth quarter of 2024

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

RRR4U

INDICATOR No.8.7. Legislation to restore market surveillance and control over non-food products, including product safety inspections, enters into force

In order to resume market surveillance and control of non-food products, including product safety inspections, the Cabinet of Ministers adopted and entered into force [Resolution No. 261](#) dated 08.03.2024 "On Amendments to the Resolutions of the Cabinet of Ministers of Ukraine No. 303 dated 13 March 2022 and No. 550 dated 3 May 2022".

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

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](#) 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. Introduction of a market-based concept for renewable energy

On 1 March, the Cabinet of Ministers approved [Resolution No. 232](#), which improves the procedure for holding auctions for the allocation of support quotas for renewable energy facilities.

On 13 August, the Cabinet of Ministers issued a decree [setting](#) an additional annual support quota of 110 MW for 2024.

On 29 November, the Cabinet of Ministers [approved](#) a schedule for 2025 for auctions to allocate renewable energy support quotas, as well as forecast indicators for renewable energy support quotas until 2029.

INDICATOR No.10.10. Ensuring the NEURC's independence

The regulator [has developed an](#) Action Plan to ensure its independence in line with Ukraine's international commitments.

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](#).

Law [No. 3915-IX](#) of 21.08.2024 amended Law [No. 3354-IX](#) "On Lawmaking", exempting the NEURC from proofreading decisions. Thus, the conflict with the provision of Part 6 of Article 14 of the Law on the NEURC was removed. However, the Law "On Lawmaking" has only just entered into force, but most of the provisions, in particular those on the NEURC's functional independence, will come into force a year after the end of martial law.



Status of implementation of the KPIs set for the fourth quarter of 2024

RRR4U

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

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

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 unhindered 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

On 24.12.2024, the CMU approved the Strategy and the operational plan for its implementation in 2024-2030 [by Resolution No. 1337-r.](#)

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

The Government approved [the final version of](#) the Strategy on 15 November 2024.

The strategy is aimed at achieving food security, ensuring the sustainability of the agricultural sector, and efficient land use.

INDICATOR No.12.5. The law on the State Agrarian Register came into force

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

On 19 September 2024, the Verkhovna Rada passed a law that was signed into [law](#) by the President on 17 October.

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"

As part of the reform to improve Ukraine's investment attractiveness, 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".

On 18 December, the Verkhovna Rada [adopted](#) in the second reading and in general an updated state programme for the development of Ukraine's mineral resources until 2030.



Indicator 1.1. Legislation on civil service remuneration reform comes into force
(Q1 2025)

Sector: public administration reform

Status: not completed

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%.

The relevant changes for 2024 have already been partially 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 [No. 8222](#) was adopted as a basis on 28 July 2023, and was adopted in its entirety on 11 March 2025, and sent to the President for signature on 17 March.

As of 28 May, the draft law has not been signed, and the bylaws have not been adopted, so the indicator is considered not met. At the same time, according to the CMU, the bylaws have been developed and are only waiting for the law to be signed.



Indicator 4.3. Increase the number of staff of the High Anti-Corruption Court
(SLIDE 1/3)
 (Q1 2025)

Sector: fight against corruption and money laundering

Status: not completed

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 number of 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 SJA 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 target of 40%.

The competition for 24 positions in the HACC started in November 2023, but it was delayed, in particular due to the expiration of the powers of the PCIE. At the end of April 2024, [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".

[On 17.02.2024](#), the [HQCJ and PCIE found](#) that **2 out of 7 candidates** met the criteria and continued to participate in the competition to the High Anti-Corruption Court. **On 19 March 2025**, [the HQCJ approved 2 winners of](#) the [competition](#) for vacant positions of judges in the High Anti-Corruption Court.



Indicator 4.3. Increase the number of staff of the High Anti-Corruption Court
(SLIDE 2/3)
(Q1 2025)

Sector: fight against corruption and money laundering

Status: not completed

In addition to the competition for the selection of judges to the High Anti-Corruption Court as a court of first instance, the HQCJ, by its decision of 23 January 2025, also [launched a competition](#) for vacant positions of judges in the Court of Appeal.

For the purposes of this competition, 10 positions are vacant. The deadline for submitting documents and applications for participation in the competition [was postponed](#) by the HQCJ from April to June.

According [to](#) the HQCJ, as of 17.03.2025, 25 positions (almost 40% of the established maximum number of judges) remain vacant in the High Anti-Corruption Court, including 10 positions in the Court of Appeal (not including 2 judges to be approved by the HQCJ by decision of 19.03.2025).

However, in the end, **the implementation of the indicator within the timeframe set out in the Plan of Ukraine is unrealistic, as was highlighted in previous issues of the monitoring.**

The indicator can only be assessed as fulfilled if the EU takes a flexible approach to the assessment, when a formal decision to increase the number of judges and HACC staff is assessed, without actually filling the vacancies.

The Accounting Chamber's [report](#) on the HACC activities approved on 19 December 2024 once again highlighted the problem of lack of staffing. According to the report, 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.

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



Indicator 4.3. Increase the number of staff of the High Anti-Corruption Court
(SLIDE 3/3)
 (Q1 2025)

Sector: fight against corruption and money laundering

Status: not completed

In order to correct the problems with the previous waves of HACC selections, in March 2025, MPs of Ukraine introduced Draft Law No. [13114](#).

They proposed to ease the conditions for the competition for judicial candidates through the following steps:

- the list of potential participants in the competition was expanded;
- The HQCJ is proposed to independently determine the passing score in the history of Ukrainian statehood (compared to the existing requirement at the level of the law to score at least 75% of the maximum score);
- the requirement to conduct an interview with the competition commission should apply only to candidates for a position in a local court; for other courts, the commission should make a recommendation on appointment or refusal to appoint based on the results of its own meeting;
- it is proposed to cancel the requirement to prevent a candidate from repeatedly participating in the competition. Currently, the relevant law establishes a one-year rule for keeping such candidates from participating in the competition. This rule should be in force for the period of martial law in Ukraine and a year after it.

At the same time, the draft law contains some **controversial provisions**. In particular, the eligibility criteria for applying to the competition for persons who previously worked at the NABU and the SAPO were not reduced. Their work experience in these agencies should have exceeded 10 years, not 5, as for other agencies proposed in the amendments. In addition, questions arise as to the complete restriction of access to information about persons performing military service or those who are in the occupied territories or where hostilities are taking place. Such a restriction may be applicable only to information that is sensitive during martial law.

In its [conclusion](#), the relevant committee supported the draft law and **proposed to include it in the agenda of the Verkhovna Rada**. In addition, the Committee granted the HQCJ's request to reduce the deadline for submitting amendments and proposals to the draft law by half. The HQCJ's motivation was to start selecting candidates for the HACC, and the draft law's provisions contain opportunities to expand the list of potential participants, which may increase the chances of a successful selection.

However, **the Verkhovna Rada has failed three times to include** this draft law on its agenda, so there **is no** chance that it will be adopted before the new competition to the HACC begins.

As of the end of May, the indicator remained **unmet**.



Indicator 4.7. Law on ARMA reform enters into force (Q1 2025)

Sector: fight against corruption and money laundering

Status: not completed

To achieve 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 process for the head of the agency, including a background check 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 on Improving the Efficiency of Asset Finding, Tracing 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 duplicating the 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.

On 12.02.2025, the Parliament adopted draft law No. [12374-d](#) in the first reading. After the draft law was reviewed by the relevant VRU committee, most of the proposals paved the way for the implementation of the ARMA reform in accordance with the agreements under the Ukraine Plan.

Currently, there are reservations about the adoption of the draft law due to [amendment No. 886](#), which goes beyond the scope of this draft law and concerns the process and timeframe for monitoring the lives of the NACP's declarants. The Main Committee rejected this amendment and recommended the VRU to adopt the draft law, but the **indicator remains unfulfilled**.



Indicator 6.6. Adopt a roadmap for unbundling public service obligations (PSO) and other activities

(Q1 2025)

Sector: state asset management

Status: completed

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.

[The Action Plan for the separation of activities of public sector entities entrusted with special duties from the performance of such duties and activities not related to their performance](#) was approved by the Cabinet of Ministers on 4 April 2025.



Indicator 7.2. The law on preschool education enters into force
(Q1 2025)

Sector: human capital

Status: completed

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 preschool 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 pre-school 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 7.11. Adoption of the Strategy for the Development of Culture of Ukraine
(Q1 2025)

Sector: human capital

Status: completed

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 Strategic Communications (MCSC) has already [started working on](#) the project.

As defined by the MCSC: 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, the MCSC invited experts and scholars to provide recommendations for the future draft Strategy. In December, the first [discussions](#) on the draft Strategy took place.

In February 2025, the MCSC held several public discussions of the Strategy. In March, the text of the Strategy was finalised. The Cabinet of Ministers adopted [the Culture Development Strategy](#) on 28 March 2025, in time to meet the deadline.



Indicator 9.1. Legislation on reforming the territorial organisation of the executive branch of government enters into force

Slide 1/2

(Q1 2025)

Sector: decentralisation and regional policy

Status: not completed

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 Organisation 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.

At a [meeting of the](#) Committee on the Organisation of State Power, Local Self-Government, Regional Development and Urban Planning **on 21 March 2025, a decision was made to revise draft** Law of Ukraine No. [4298](#). This decision was also supported by [the Association of Ukrainian Cities](#) and the [All-Ukrainian Association of Communities](#).

Instead, **on 20 March 2025**, a group of Ukrainian MPs submitted Draft Law No. [13124](#) "Draft Law on Amendments to the Law of Ukraine 'On Local State Administrations' and Certain Other Legislative Acts of Ukraine on Reforming the Territorial Organisation of Executive Power in Ukraine", which was supported by the [AUC](#).



Indicator 9.1. Legislation on reforming the territorial organisation of the executive branch of government enters into force

Slide 2/2

(Q1 2025)

Sector: decentralisation and regional policy

Status: not completed

As a second de facto alternative to draft law No. [4298](#), MPs registered draft law No. [13150](#) of 03.04.2025 on amendments to certain legislative acts of Ukraine to ensure the rule of law in the activities of local self-government bodies and officials.

On 14 April 2025, a group of Ukrainian MPs registered an alternative draft law No. [13150-1](#) on amendments to certain laws of Ukraine to ensure the legality of acts of local self-government bodies and coordination of activities of territorial bodies of central executive authorities.

On 29 April 2025, the Verkhovna Rada Committee on the Organisation of State Power, Local Self-Government, Regional Development and Urban Planning recommended that the Verkhovna Rada adopt Draft Law [13150](#) as a basis and reject the rest.

On 13 May 2025, the VRU included Draft Law 13150 in its agenda and adopted it in the first reading, with the provisions of the future law being finalised in the Committee for the second reading.

To date, no action has been taken to adopt the above draft laws, so the indicator remains unmet.



Indicator 9.4. Enactment of legislation on public consultations on public policy issues

(Q1 2025)

Sector: decentralisation and regional policy

Status: completed

RRR4U

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 drafting regulatory acts.

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

As envisaged in the Plan, it is proposed that this draft law will enter into force 12 months after the date of termination or cancellation of martial law.



Indicator 12.3. The automated system for public monitoring of land relations was put into operation. Mass land valuation was carried out (Q1 2025)

Sector: agri-food sector

Status: completed

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

The necessary regulatory framework for both components of the indicator was adopted in 2023. The public [monitoring of land transactions](#) has been in place on a limited scale since 2021, and should be fully operational by the end of March, but as of 24 March, it has not been made public.

According to the NACP's monitoring, the provision on mass land valuation was duplicated in the State Anti-Corruption Programme, but it was subsequently amended. In accordance with the updated task, the StateGeoCadastre reported on [the approval of the terms of reference for the mass land valuation by the Ministry of Agrarian Policy in October 2024](#). At the end of 2024, [the mass assessment was carried out](#) and further improvements are planned for this year. [The results of the assessment](#) are now publicly available.

At the end of March, [the portal of the automated system for public monitoring of](#) land relations was launched and as of 28 April is operating in test mode with incomplete functionality.



Indicator 12.7. Long-term plan for the development of the irrigation system of Ukraine adopted
(Q1 2025)

Sector: agri-food sector

Status: completed

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

[The Long-Term Development Plan for the Irrigation Complex of Ukraine until 2050 and the Action Plan for its implementation until 2030](#) were approved at a government meeting on 25 March 2025.

**Indicator 13.5. Update of the subsoil user's electronic cabinet**

(Q1 2025)

Sector: management of critical raw materials**Status:** completed

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.

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. On 21 March, [it was reported](#) that as part of the implementation of the Roadmap to the Memorandum of Strategic Partnership with the EU in the field of raw materials, the State Service of Geology and Subsoil of Ukraine together with the EBRD are working on the start of the second stage of digitisation of secondary geoinformation and its placement on the State Geoportal. The materials will become part of a "data room" and can be used by Ukrainian and international investors for analysis with a view to further nominating subsoil use objects for open tenders and auctions.

The work [plan](#) for 2025 envisages, among other things, finalizing the creation of the Unified State Electronic Geographic Information System for Subsoil Use, expanding the functionality of the State Geoportal, and improving the e-cabinet. 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 digitized geological information). On January 20, a presentation of the functionality was [held](#) for representatives of the European Commission.

On April 1, the State Register of Special Permits for Subsoil Use ([Order of the State Geological Survey](#)) [was](#) put into commercial operation. The special permit is granted in the form of an extract from the [Register](#) in electronic form, which is generated by means of the electronic cabinet of the Unified Geoinformation System, the electronic cabinet of the subsoil user, and the electronic cabinets of the Unified Environmental Platform EcoSystem. Thus, the indicator is considered to be met, despite the fact that access to the resource is temporarily restricted during the martial law period, except for law enforcement agencies, state authorities and local governments.



Indicator 14.1. Adoption of a new plan for the distribution and use of radio frequencies in Ukraine

(Q1 2025)

Sector: digital transformation

Status: completed

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.

The government adopted the necessary Resolution No. 1253 "On Amendments to the Plan for the Allocation and Use of Radio Frequency Spectrum in Ukraine" on 1 November 2024, so the indicator can be considered met.



Indicator 14.2. Enactment of legislation to strengthen cyber defence capabilities of state information resources and critical information infrastructure

(Q1 2025)

Sector: digital transformation

Status: completed

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.

The relevant law No. 4336-IX came into force on 20 April 2025, three weeks after the deadline.



Indicator 14.3. Approval of the action plan for the transfer of public services to electronic form by 2026

(Q1 2025)

Sector: digital transformation

Status: completed

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 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.

On 24 February 2025, the Ministry of Digital Transformation sent a letter to the Cabinet of Ministers of Ukraine "On Approval of the Action Plan for the Transformation of Public Services into Electronic Form by 2026" for approval by the interested authorities.

On 21 March 2025, at its meeting, the Cabinet of Ministers approved the [Action Plan](#) by decree.



Indicator 15.2. Entry into force of the Law "On the Basic Principles of the State Climate Policy"
(Q1 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 15.5. Approval of the Action Plan for the establishment of a national greenhouse gas emissions trading system

(Q1 2025)

RRR4U

Sector: green transition and environmental protection

Status: completed on time

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).

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.

In November, the Ministry of Environmental Protection and Natural Resources [published](#) a draft action plan for the creation of the ETS on its website. On December 30, the Ministry of Environmental Protection and Natural Resources announced the completion of the public discussion procedure and reported that no suggestions or comments on the draft regulation had been received from the public.

On February 21, 2025, the Government [approved the](#) ETS implementation plan. Thus, the indicator is considered to be met on time.



Indicator 3.5. Legislation on review of judicial integrity declarations and procedures for their verification enters into force

(Q2 2025)

Sector: judicial system

Status: in progress

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

To this end, the Ministry of Justice prepared and the CMU submitted to the VRU the relevant draft law No. [13165](#) of 09.04.2025.

The draft law stipulates that within 24 months, the High Qualification Commission of Judges with the participation of the Public Integrity Council (PIC) must verify the declarations of integrity and family ties of judges of the Supreme Court and higher specialised courts - the High Anti-Corruption Court of Ukraine, the Specialised District Administrative Court and the Specialised Administrative Court of Appeal.

The PIC's opinion should be taken into account by the HQCJ when determining the results of the vetting and career-related procedures of a judge, and should be included in the judge's dossier.

The draft law also stipulates that until 1 May 2025, the submission of a judge's declaration of family ties and declaration of integrity shall be carried out in accordance with the rules that were in force before this draft law came into force.

In its conclusion, the Committee on European Integration points out that the draft law does not take into account the requirements of the provisions of the Ukraine Plan, in particular, that the updated integrity check should provide for an extension of the time period covered by the check, which is not currently observed in the draft law.

The draft law has now been submitted to MPs for review.



Indicator 3.8. Improved enforcement of court decisions. The law on digitalisation of enforcement proceedings came into force

(Q2 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.

On 20.11.2024, Draft Law No. [9363](#) dated 07.06.2023 was adopted by the Verkhovna Rada in the first reading. The draft law provides for the expansion of the capabilities of the automated enforcement system, the establishment of interaction between the Unified Register of Debtors and other registers, and the introduction of automated seizure of funds.

On 13.05.2025, the draft law No. [9363](#) was considered for adoption in the second reading, which was eventually sent by the MPs for a repeated second reading.

As of the end of May, preparatory work was underway on the draft law to adopt it as a whole.

**Indicator 5.4. Improvements in resolving non-performing loans (NPLs)**

(Q2 2025)

Sector: financial markets

Status: completed

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 NPL resolution strategy was approved as a separate section of the Lending Development Strategy.



Indicator 7.1. The Law on vocational education and training enters into force
(Q2 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 be returning 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 presented by the Ministry of Education and Science in April 2024 did not meet all these provisions. Therefore, an updated version of the draft law was prepared. The Verkhovna Rada adopted the draft Law of Ukraine "On Vocational Education" ([No. 13107-d](#)) as a basis on 16 April 2025. The draft law provides for the introduction of financial and personnel autonomy, the establishment of supervisory boards in institutions, support for dual education, the development of curricula with the participation of business, and simplification of licensing procedures for vocational education institutions. Consultations with the European Commission are underway to ensure that the draft law complies with EU law.



Indicator 7.10. Adoption of the CMU resolution on procurement of social services

(Q2 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.

According to the Ministry of Social Policy, work on preparing changes to the procurement of social services is ongoing.

**Indicator 8.4. Adoption of an SME strategy and action plan for its implementation**

(Q2 2025)

Sector: 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 August 30, 2024. 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 and 1.7 million entrepreneurs who have upgraded their skills in full or in part at public expense.



Indicator 9.2. Research on the necessary measures to grant territorial communities the status of a legal entity

(Q2 2025)

Sector: 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
(Q2 2025)

Sector: energy

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 into a separate component of tariff revenue, 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, which offers three alternative models for separating the RES surcharge, but market participants opposed the separation of the transmission costs from the feed-in tariff, pointing to even greater risks of the state's default even compared to the current payment crisis. In addition, [according](#) to Energoreforma, at the end of January 2024, this issue was also discussed at a working group under the NEURC. According to the participants, it was decided to maintain the current conditions for producers under the feed-in tariff until 2030, but to separate the premium for the winners of the green auctions held in 2024 without significant results. No specific decisions were made, but the discussion was decided to continue.

On February 18, the Government [approved the](#) Priority Action Plan for 2025, according to which the NEURC, if agreed, should submit a draft order in June 2025 to approve a roadmap for the separation of the renewable energy surcharge from the transmission tariff. This roadmap should define the necessary legislation and timelines for the implementation of such unbundling.

As of the end of May, there is no publicly available information on the work on the roadmap.



Indicator No. 13.3. Publication of a package of investment projects for the extraction of critical raw materials
(Q2 2025)

RRR4U

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 14 February 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 June 11, at the Ukraine Recovery Conference in Berlin, the Ministry of Economy of Ukraine presented [an Investment Guide](#) containing 95 investment projects worth about USD 27 billion 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 billion in financing. The URC2024 also features [presentations](#) on Ukraine's investment opportunities.

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". In addition, in 2024, the Ukrainian Critical Raw Materials Portfolio was [published](#) with a list of investment opportunities in this sector.

On March 4, 2025, the State Service of Geology and Subsoil of Ukraine [published a](#) new draft resolution "On the Approval of Lists of Minerals and Components of Strategic and Critical Importance, and of Subsoil Areas (Mineral Deposits) of Strategic and/or Critical Importance." The annexes include two lists of subsoil areas: one to be granted through electronic auctions for special subsoil use permits, and another through PSA tenders. The PSA list largely mirrors the existing Resolution No. 132 of February 14, 2023, with one exception - one potassium salt site is proposed to be replaced by another. On April 9, a revised regulatory impact analysis was [published](#).



INDICATOR No.13.4 Launching international tenders for production sharing agreements (PSAs) and ensuring their transparency (Q2 2025)

Sector: management of critical raw materials

Status: in progress

International tenders for the conclusion of production sharing agreements (PSAs) should be launched using standard terms and conditions of these agreements approved by the CMU and made public. The 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 February 14, 2023 [approved the](#) list of subsoil areas (deposits) of strategic importance for the sustainable development of the economy and defense 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 contracts (agreements) for subsoil use, including PSAs concluded after January 15, 2022, is already provided for by the requirements of the Law "On Ensuring Transparency in Extractive Industries".

At the end of the year, representatives of the State Service of Geology and Subsoil [reported](#) that in the spring of 2025, the Cabinet of Ministers plans to announce tenders for PSAs for sites with critical mineral deposits. On February 25, the Head of the State Service of Geology and Subsoil [named the](#) preparation of subsoil sites for electronic bidding and tenders for PSAs for subsoil sites with deposits of critical and strategic minerals as a priority for 2025. The work [plan](#) for 2025 envisages general functions for processing materials for launching tenders.

On March 4, 2025, the State Service of Geology and Subsoil of Ukraine [published a](#) draft resolution of the Cabinet of Ministers "On Approval of Lists of Minerals and Components of Strategic and Critical Importance and Lists of Subsoil Areas (Mineral Deposits) of Strategic and (or) Critical Importance". The list of sites to be provided for use through a PSA tender almost completely duplicates the current CMU Resolution No. 132 of February 14, 2023, except for one site (potash), which is proposed to be replaced by another. On April 9, a revised regulatory impact analysis was [published](#).

On April 8, the Cabinet of Ministers approved the proposals of the Interagency Commission for Organizing the Conclusion and Implementation of PSAs to hold a tender for a production sharing agreement for hydrocarbons to be produced at [Mezhyhirska](#) and [Svichanska](#) *oil and gas fields*. The tender for both blocks [will last](#) up to six months. Within two months, the announcement of the tender will be published on the website of the Ministry of Energy, and applications will be accepted within three months from the date of publication. Another month after the submission of applications will be allocated for evaluation and selection of winners. Thus, these two competitions are not considered activities aimed at fulfilling the indicator.



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

(Q2 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 1.2. Amendments to the legislation on improving the procedure for entering, completing and dismissing civil servants enter into force
(Q3 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. envisages improving 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 Q3 2025. It should be in line with the OECD principles of public administration (SIGMA) concerning competency-based selection procedures.



Indicator 2.8. Implementation of the Roadmap for reforming the public investment management system

(Q3 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 2023, while the implementation plan was approved in summer 2024.

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 3.1. At least 20% of judicial vacancies are filled
(Q3 2025)

Sector: judicial system

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.

According to the records of the High Qualification Commission of Judges of Ukraine, the situation with filling vacancies is as follows:

- the number of vacant judicial positions in courts as of 16.10.2023 was 2,205 (20% - 441 vacancies);
- the number of positions that were filled in the period from 16.10.2023 to 23.05.2025 - 367.

Thus, according to the HQCJ, 74 more vacancies need to be filled to meet indicator 3.1.



Indicator 3.2. Establishment of a new court to hear administrative cases
(Q3 2025)

Sector: judicial system

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 a vetting process 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 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.

On 09.01.2025, the Parliament rejected Draft Law No. [12368](#) and supported Draft Law No. [12368-1](#) as a basis. In addition, on 18.02.2025, a comparative table of changes to the second reading was submitted.

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, as it proposes to establish two separate courts, and there are no provisions for the election of judges to this court after integrity and professionalism checks involving independent experts.

On 26.02.2025, the Parliament approved the draft law No. [12368-1](#) in its entirety. Thus, Ukraine will establish the Kyiv City District Administrative Court as a court of first instance for disputes concerning the NACP, the NBU, the ESB, etc. and the Kyiv City Administrative Court of Appeal, which will act as a court of appeal for the said disputes.



Indicator 6.7. Evaluation and, if necessary, amendment and entry into force of legislation on the separation of PSO and non-PSO activities in SOEs
(Q3 2025)

Sector: 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 met in the Q1 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 6.9. Cancellation of the suspension of the law on state aid and restoration of control over state aid and harmonisation of the law on state aid with the EU acquis

(Q3 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. In February, they were included in the Parliament's agenda, but the relevant committee has not yet provided its opinion on the draft laws.

In May 2024, the Verkhovna Rada restored operation of the Law on State Aid to Business Entities in respect of assistance 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.

In March 2025, the Antimonopoly Committee published for public discussion [a draft law on the renewal of the provisions of the State Aid Law](#). The draft law proposes to renew the Law until the end of martial law in the territories where no hostilities are taking place and to make a number of changes to the substantive provisions of the Law.

At the same time, Ukrainian authorities are currently engaged in a dialogue with the European Commission on the compliance of the draft law with EU law. We expect that the restoration of the rules will be a difficult process in the parliament.

**Indicator 8.2. Deregulation in selected sectors**

(Q3 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 8.8. Adoption of harmonised standards for three groups of industrial products
(Q3 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" (by 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 10.14. Supporting the development of efficient and more sustainable district heating
(Q3 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.

It is worth noting [the approval](#) in November 2023 of the Concept of the State Target 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. In addition, on February 9, 2025, the Law "On Amendments to Certain Laws of Ukraine in the Fields of Energy and Heat Supply to Improve Certain Provisions Related to Business Activities and the Effect of Martial Law in Ukraine", [adopted](#) on 14 January, came into force, aimed at settling debts, improving payment discipline, developing the renewable energy market and bringing Ukrainian legislation closer to EU standards.

In late February, the Ministry of Development [mentioned in](#) a news article that steps to reform the district heating sector include further deepening cooperation with international partners, developing a roadmap and introducing modern mechanisms for financing modernisation.

On May 5, the Ministry of Communities and Territories Development of Ukraine [published](#) the draft Law "On Amendments to Certain Laws of Ukraine on Supporting the Development of Efficient and Sustainable District Heating". It is reported that comments and suggestions are accepted within one month from the date of publication.



Indicator 12.4. Enactment of legislation on state support for agriculture in Ukraine
(Q3 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. On 21 April, the Government submitted to the Verkhovna Rada a draft law on [amendments to certain laws of Ukraine on the organisational principles of support in the agricultural sector](#). The draft law envisages the implementation of a number of provisions of the EU Common Agricultural Policy (CAP) regulations, the creation of an independent payment agency, the formation of a farm sustainability data system (FSDN), and the introduction of an Integrated Administration and Control System (IACS) for agricultural aid.



Indicator 13.2. Publication of a report on the results of the verification of strategic mineral reserves in Ukraine

(Q3 2025)

RRR4U

Sector: critical minerals management

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. However, according to the State Service of Geology and Subsoil of Ukraine's report on the results of 2024, a pilot project with the EBRD Roadmap (2023-2024) was completed and 6,000 books of geological reports for 125 deposits and subsoil areas of strategic and critical mineral resources were scanned. However, another 113,000 geological report storage units are to be digitised. 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](#) entitled 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.

It is worth noting that before the war, the State Service of Geology and Mineral Resources [published](#) a report entitled Strategic Minerals: A Development Roadmap for Ukraine, but the information obviously needs to be updated.

At the end of January 2025, the State Service of Geology and Subsoil of Ukraine [published](#) a draft resolution of the Cabinet of Ministers "On Amendments to the Classification of Mineral Reserves and Resources of the State Subsoil Fund". The draft was developed to adapt (harmonise) the national Classification of Mineral Reserves and Resources of the State Subsoil Fund to the provisions of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2019 (UNFC 2019). The 2025 Action Plan of the State Service of Geology and Subsoil of Ukraine provides for the implementation of an action plan to assess reserves and maintain balance sheets in accordance with international standards.



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

(Q2 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 15.4. Adoption of the 2nd Nationally Determined Contribution of Ukraine to the Paris Agreement
(Q3 2025)

Sector: green transition and environmental protection

Status: in progress

The indicator requires the entry into force of the Cabinet of Ministers' resolution approving Ukraine's 2nd Nationally Determined Contribution to the Paris Agreement. In addition, according to the indicator, the second NDC of Ukraine to the Paris Agreement should be more ambitious than the current Updated NDC of Ukraine. This obligation is also [enshrined](#) in the final and transitional provisions of the Law "On the Basic Principles of the State Climate Policy".

Ukraine's updated Nationally Determined Contribution to the Paris Agreement was adopted by the Cabinet of Ministers of Ukraine by Resolution [No. 868-r](#) on 30 July 2021, and the preparation process [had been underway](#) since 2018. The document is published [on the website of the UNFCCC](#). In addition, in July 2021, the Ministry of Ecology published an analytical review of the Updated IED [in Ukrainian](#) and [English](#). In July 2023, a draft action plan for the implementation of the INDC [was published](#), identifying key measures that will help reduce greenhouse gas emissions.

As Minister of Environmental Protection and Natural Resources Svitlana Hrynychuk [announced](#) in March 2025, the NDC 3.0 should set a medium-term target for reducing greenhouse gas emissions by 2035. At the same time, the new NDC should take into account the goal of achieving climate neutrality by 2050, as well as the impact of the war and the upcoming reconstruction (which will lead to an increase in emissions for some time).

On 27 May, the Ministry of Environmental Protection and Natural Resources [held](#) a discussion of the draft Nationally Determined Contribution of Ukraine until 2035, where model scenarios of NDCs were presented.



Indicator 2.6. Adoption of a medium-term public debt management strategy
(Q4 2025)

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

At the same time, as a result of Russia's full-scale war against Ukraine, public and publicly guaranteed 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 2.9. Adoption and entry into force of amendments to the resolutions of the Cabinet of Ministers on state financial control
(Q4 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
(Q4 2025)

Sector: judicial system

Status: in progress

In order to count this indicator as fulfilled, 20% of old disciplinary proceedings (complaints) pending 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.

According to the High Council of Justice's automated record-keeping system, as of the end of May 2025, disciplinary inspectors of the High Council of Justice, pursuant to the requirements of paragraph 13.7 of the Rules of Procedure of the High Council of Justice, identified 76 complaints as priority (out of those received by 31 December 2023) and have already considered 13 complaints (17%).



Indicator 3.4. The qualification assessment (review) is conducted with the aim of ensuring predictability, consistency and transparency of the disciplinary practice against judges (Q4 2025)

Sector: judicial system

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 check whether the qualifications of judges 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. 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 a judicial position meets the criteria of professional ethics and integrity.

According to the HQCJ, the number of persons appointed (elected) to the positions of judges as of 30.09.2016 was 6,958, including as of 23.05.2025:

- 3,144 judges (45.18%) confirmed their suitability for the position (successfully passed the initial qualification assessment, assessment for suitability for the position, qualification assessment within the competition to the Supreme Court or the High Anti-Corruption Court);
- 141 judges (2.03%) do not meet the requirements of their positions.

Thus, **the qualification assessment of 3,285 judges (47.21%) has been completed to meet indicator 3.4.**



Indicator 3.9. A system for collecting data on the enforcement of court decisions is in place (Q4 2025)

Sector: judicial system

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 4.8. Conduct the next National Risk Assessment****(Q4 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 transparency and legality of financial transactions.

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

- identifying those risks that need to be accepted, prevented, reduced or transferred to the supranational level of their resolution;
- 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
(Q4 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 be enacted 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. In the reform matrix, the indicator is marked as completed



Indicator 7.4. Entry into force of legislation on the system of changes to implement the system of transition from military service to civilian life
(Q4 2025)

Sector: 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 7.8. Enactment of the Law of Ukraine "On Basic Principles of Housing Policy"

(Q4 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 10.5. Adoption of legislation for the electricity integration package
(Q4 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 2 October 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. On 18 October 2024, [an alternative](#) draft law No. 12087-1 was submitted. The initiative to submit the draft law was positively assessed by the Energy Community [Secretariat](#) and the [USAID](#) Energy Security Project.

At the end of January, the Ministry of Energy [reviewed](#) Draft Law No. 12087 and supported it with comments. In addition, the Antimonopoly Committee of Ukraine provided comments and suggestions to the draft law, the State Tax Service and the Ministry of Finance issued an opinion on the need for revision.

As of the end of May 2025, both draft laws are under consideration by the Verkhovna Rada committees.

[On](#) 28 March, the Cabinet of Ministers [approved the](#) Action Plan for the implementation of the European Commission's recommendations presented in the Ukraine Progress Report under the 2024 EU Enlargement Package. Thus, according to the plan, by August 2025, it is planned to adopt and implement an integration package of EU legal acts in the electricity sector.



Indicator 10.7. Appointment of the nominated electricity market operator (Q4 2025)

RRR4U

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 2 October 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 a 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 the NEURC as a nominated market operator, as it already has the status of an observer in the NEMO Committee. In particular, the Owner's Letter of Expectations of JSC Market Operator for 2025 [states](#) that the Company's goal within the framework of market coupling is to obtain the status of a nominated market operator (NEMO) and organise trading on the combined SDAC/SIDC markets.

On March 28, the Cabinet of Ministers [approved the](#) Action Plan for the implementation of the European Commission's recommendations presented in the Ukraine Progress Report under the 2024 EU Enlargement Package. Thus, according to the plan, by August 2025, it is planned to intensify the reform of the electricity market by adopting and implementing the EU integration package of acts in the electricity sector, including by appointing NEMO.



Indicator No. 10.11. Determining the special status of the NEURC
(Q4 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.

At the end of February 2025, at the RRR4U event, Andriy Gerus, Chairman of the Committee on Energy and Utilities of the Verkhovna Rada of Ukraine, [expressed](#) the opinion that the NEURC's independence is sufficiently ensured at the legislative level, and that it is now worth focusing on the quality of implementation of these norms.



Indicator 10.12. Cancellation of the moratorium on raising tariffs for heat and hot water
(Q4 2025)

Sector: energy sector

Status: in progress

The indicator envisages the lifting 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 lifted the moratorium on raising gas distribution tariffs for non-household consumers (enterprises, budgetary institutions, heat supply organizations, and municipal facilities). The corresponding amendment appeared [in the draft law No. 10393](#) before the second reading. Thus, after the adoption of the law, the moratorium remained in place only for household consumers.

In turn, [according to](#) the NBU's Inflation Report of April 2025, gas, heating, and hot water tariffs are not likely to change this year. At the same time, starting in 2026, they are expected to gradually approach economically reasonable levels. Uncertainty about the timing and extent of tariff increases poses risks to the inflation forecast: postponing decisions will reduce inflation but worsen the financial condition of energy companies. On the other hand, a rapid increase in tariffs could increase inflation and the need for subsidies.



Indicator 10.13. Adoption of the State Target Economic Program for Energy Modernization of Heat Generating Enterprises for the period up to 2030
(Q4 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.

In turn, the Action Plan for the Implementation of the Energy Strategy of Ukraine for the period up to 2050 [provides for](#) the development of the State Target Economic Program for the Energy Modernization of Heat Producers in State or Communal Ownership for the period up to 2030.

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 11.3. Adoption of the Law of Ukraine "On Railway Transport of Ukraine", entry into force of the final provisions of the Law
(Q4 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 creation 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 13.6. Publication of a report on the current legislation in the field of ESG reporting
(Q4 2025)

RRR4U

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 implementation 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.

In turn, in early March 2025, a public discussion of the National Sustainability Reporting Strategy, a document that defines the future of Ukrainian business in the context of global environmental and social challenges, [took place](#). Summarizing the discussion, the participants agreed that one of the key areas of work is the synchronization of Ukrainian legislation with European requirements. It was also noted that in the near future the Ministry of Finance plans to establish an interagency working group on the implementation of ESG reporting, as well as to develop an operational plan for the implementation of the national Sustainability Reporting Strategy.

At the end of March, the Green Transition Office (an independent advisory body under the Ministry of Economy implemented by DiXi Group) [presented](#) the first comprehensive study of the readiness of Ukrainian businesses to implement ESG practices.



Indicator 15.3. Approval of the resolution on the Scientific and Expert Council on Climate Change and Preservation of the Ozone Layer
(Q4 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, together with its composition, must be approved by the Cabinet of Ministers within a year of the law's entry into force.

On February 18, the Cabinet of Ministers [approved the](#) Government's Priority Action Plan for 2025, which, among other things, requires the Ministry of Ecology to develop and submit to the Cabinet of Ministers a draft resolution approving the Regulation on the Scientific and Expert Council on Climate Change and Ozone Layer Preservation by October 2025. The development and submission of the resolution is also [provided for in](#) the Work Plan of the Ministry of Environmental Protection and Natural Resources of Ukraine for Q4 2025.

According to our information, as of May, the Ministry of Ecology has already developed a draft decision.



Indicator 1.4. Restore and modernise the Unified Civil Service Vacancies Portal (career.gov.ua)

(Q1 2026)

Sector: public administration reform

Status: in progress

The indicator provides for the resumption of the work of the Unified Civil Service Vacancies Portal (career.gov.ua). The portal should be fully operational and generate statistics on all vacancies and appointments.

Such a portal will promote transparency in civil service recruitment and increase efficiency. The NAUCS is responsible for the implementation of the indicators.



Indicator 1.5. Full launch and use of the human resources management information system (HRMIS)

(Q1 2026)

Sector: public administration reform

Status: in progress

The indicator provides for the introduction and use of a human resource management information system (HRMIS) in all ministries and all other central executive authorities and their territorial bodies.

The idea to introduce such a system is not new. Work on its implementation began in 2018-2019. It is designed to reduce the cost of human resource management in executive bodies, make management processes more transparent, clearer and more efficient.



Indicator 3.7. Enactment of legislation on simplified insolvency procedures for MSMEs.

(Q1 2026)

Sector: financial markets

Status: in progress

Legislation on simplified insolvency procedures for micro, small and medium-sized enterprises (MSMEs) should enter into force.



Indicator 3.12. Legislation ensuring transparent and merit-based selection of prosecutors to senior positions in the prosecution service is in force
(Q1 2026)

Sector: judicial system

Status: in progress

According to the Ukraine Plan, "increasing the accountability and integrity of the prosecutor's office is key to combating the abuse of power and pressure on business and investors by law enforcement agencies, which is widespread in Ukraine".

The indicator envisages the entry into force of legislation that will ensure transparent and merit-based selection of prosecutors for senior positions. This legislation will include:

- Clear evaluation criteria, including professional competence and integrity/ethics;
- a transparent, competitive and meritocratic selection procedure, including verification of professional competence and integrity;
- Strengthening the institutional capacity and powers of the Office of the Prosecutor General and prosecutorial self-government, in particular the Council of Prosecutors, in terms of selecting prosecutors for senior positions.



Indicator 5.1. Publication of the banking system's resilience assessment
(Q1 2026)

Sector: financial markets

Status: in progress

The indicator envisages the publication of a resilience assessment of the 20 largest banks by assets. If the necessary conditions are met, the assessment should include a stress test that assesses the bank's position under a negative economic scenario and an independent assessment of asset quality (AQR).

In December 2024, the NBU approved the terms of reference for the 2025 bank assessment and defined the specifics of the [assessment](#). In May 2025, the NBU [approved a methodology for stress testing banks](#). Approved assessment procedure seems to be in line with the indicator



Indicator 5.2. Legislation on the sale of state-owned banks enters into force
(Q1 2026)

Sector: financial markets

Status: in progress

The indicator provides for the entry into force of amendments to the rules for the sale of state-owned banks. In particular, it is proposed to update Law No. 4524-VI, which defines the specifics of the sale of stakes in state-owned banks. The updated legislation should allow the sale of minority and majority stakes in banks and banks as a whole in accordance with the priorities set by international partners.

The central component of the indicator has already been met: in October 2024, [Law 3983-IX](#) On the peculiarities of the sale of state-owned stakes in the authorised capital of banks came into force. However, this indicator is not marked as met in the Ministry of Economy's monitoring, which indicates plans to adopt additional legislation in this area.



Indicator 5.5. Legislative amendments to improve the resolution of non-performing loans enter into force

(Q1 2026)

Sector: financial markets

Status: in progress

The indicator provides for the entry into force of legislative acts that will implement the recommendations of the strategy for resolving non-performing loans (Indicator 5.4).

The NPL strategy was approved as part of lending development Strategy. Its implementation is currently under way..



Indicator 8.5. Ensuring that issues of connection to utility networks are resolved
(Q1 2026)

RRR4U

Sector: business environment

Status: in progress

The indicator envisages the entry into force of the Law on Amendments to Legislative Acts to Simplify the Connection of Real Estate to External Engineering Networks and Improve Legal Regulation in the Field of Pipeline Transport. The law will

- on a unified procedure for connecting to utility networks
- disclosure of information on utility networks in electronic registers
- entering data on utility networks and their protection zones into state property registers



Indicator 9.7. Better distribution of powers between local self-government and executive authorities

(Q1 2026)

Sector: public administration reform

Status: in progress

Legislation should be enacted to ensure a better distribution of powers between local governments and executive authorities.



Indicator 12.6. Implementation of support through the State Agrarian Register (SAR)

(Q1 2026)

Sector: agri-food sector

Status: in progress

Previously, in Q4 2024, Ukraine fulfilled indicator 12.3, which provided for the entry into force of the law on the State Agrarian Register. In particular, the Law of Ukraine "On the Information and Communication System "State Agrarian Register" was adopted, which defines the legal, organisational and financial principles for the creation and operation of the information and communication system "State Agrarian Register" in order to protect the rights and interests of individuals and legal entities during the creation, storage, processing and use of register information in public electronic registers.

The next step in improving the official public electronic register of agricultural enterprises is the implementation of indicator 12.6, which stipulates that a report will be submitted stating that by the end of 2025, 80% of state support will have come through the SAR.



Indicator 15.8. Development of a Strategy for implementing circular economy principles and an Action Plan for its implementation

(Q1 2026)

Sector: green transition and environmental protection

Status: in progress

The indicator requires the Cabinet of Ministers to approve a strategy for implementing circular economy principles and an action plan for its implementation. The strategy is expected to identify potential opportunities and consequences of the transition to a circular economy in Ukraine for 5-10 pre-selected priority sectors and value chains, such as waste, textiles, plastics, batteries, electronics, agriculture, construction and repair, as well as metals and minerals. The Ministry of Economy is responsible for implementation.

At the end of May 2024, the Ministry of Economy [hosted](#) a meeting of the interdepartmental working group on the development of the circular economy, where the results and further work plan for the development of the strategy were presented.



Indicator 15.9. Adoption of the National Waste Management Plan until 2033
(Q1 2026)

Sector: green transition and environmental protection

Status: completed

The indicator envisages the adoption of the Cabinet of Ministers' Resolution "On Approval of the National Waste Management Plan of Ukraine until 2033". The document should focus on the following main areas:

- household waste management;
- hazardous waste management;
- infrastructure needs;
- analysis of the economic and financial sustainability of the action plan for the implementation of economic instruments to improve waste management;
- monitoring and control of waste management;
- strategic planning of waste management in Ukraine;
- introducing waste management at the regional level.

At the same time, such a plan has already been [approved](#) by the Cabinet of Ministers of Ukraine in its Resolution No. 1353-r dated December 27, 2024. Thus, the indicator is considered to be already met. The National Waste Management Plan is subject to review every 4 years from the date of entry into force.

SPECIAL TOPICS

***"Can Ukraine maintain financial stability
without raising taxes?"***





Ukraine maintained macrofinancial stability thanks to external support

Since 2022, despite a full-scale war, Ukraine has managed to avoid financial destabilisation and keep key macroeconomic indicators within controlled parameters. This was made possible by unprecedented external support, which included:

- grant funding to cover part of the deficit without increasing the debt burden;
- concessional loans with deferred repayments and low interest rates;
- military and humanitarian aid, which reduced the pressure on the expenditure side of the state budget.

This made it possible:

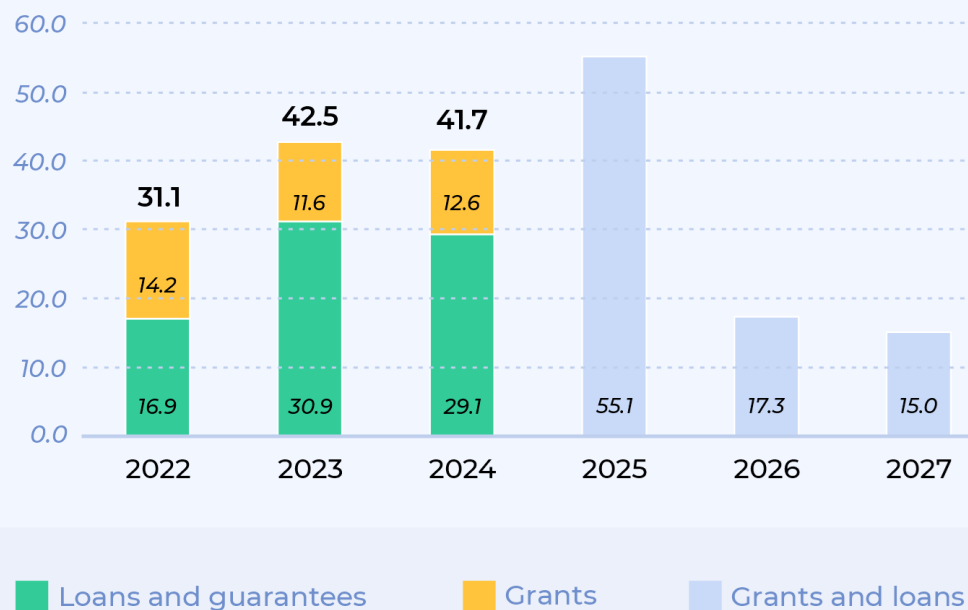
- timely finance all mandatory expenditures - defence, social, and pension;
- to maintain confidence in public finances by avoiding a loss of control over inflation and the exchange rate;
- avoid the need for equity financing from 2023

However, a sharp reduction in funding is likely from 2026. At the same time, the cost structure will remain stretched as the war continues. This poses a systemic risk to financial stability in the near term.



State budget deficit and external support: the scale of the gap

Amounts of external support to Ukraine (USD billions)



Source: Ministry of Finance (2022-2024, actual), NBU (2025-2027, forecast)

In 2022-2023, the state budget deficit exceeded 26% of GDP, in 2024 it was almost 24%, and in 2025 it is planned to reach 19.4%. It was covered mainly by grants, concessional loans, and in 2022, by issuing debt.

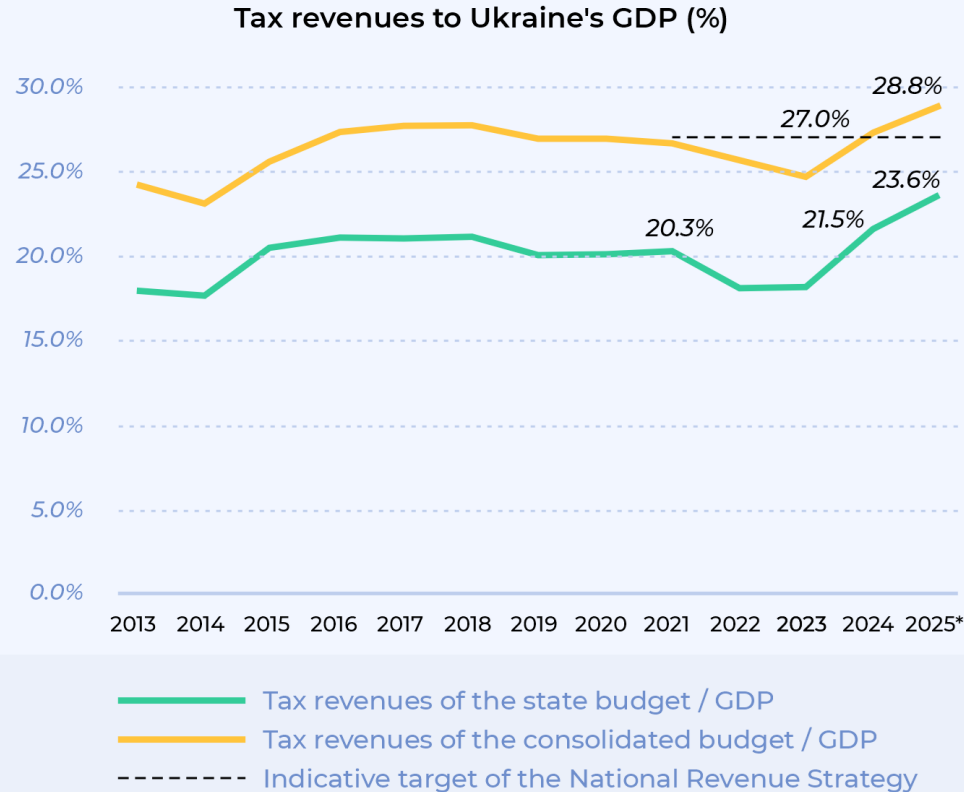
In 2025, a record amount of foreign aid is expected to reach more than \$55 billion, primarily through the ERA and Ukraine Facility programmes. Some of these resources are planned to be carried over to 2026. The estimated financing need for 2026 is estimated at \$39 billion, which is the same as the planned deficit for 2025.

According to the available estimates of the Centre for Economic Strategy:

- If additional growth in defence spending is avoided in 2025, up to \$15 billion could be allocated in 2026, leaving a gap of about **\$7 billion**;
- if the deficit is higher than planned in 2025, but is kept at \$39-40 billion in 2026, **\$17 billion**;
- If additional defence needs have to be financed in both years, the unmet need could reach **\$27 billion**.



Fiscal potential within the current tax base is limited (1)



*2025 - planned values Source: Ministry of Finance, Ministry of Economy

In 2022-2023, tax breaks were introduced to support businesses during the war. In 2024, there was a return to the pre-war level of taxation. At the same time, additional solutions were introduced, in particular:

- Increase in the military tax rate to 5% at the end of 2024, and its extension to individual entrepreneurs from 2025;
- increased taxation of bank profits (up to 50%) in 2023-2024;
- cancellation of most of the benefits that had been in place since the beginning of the Russian invasion.

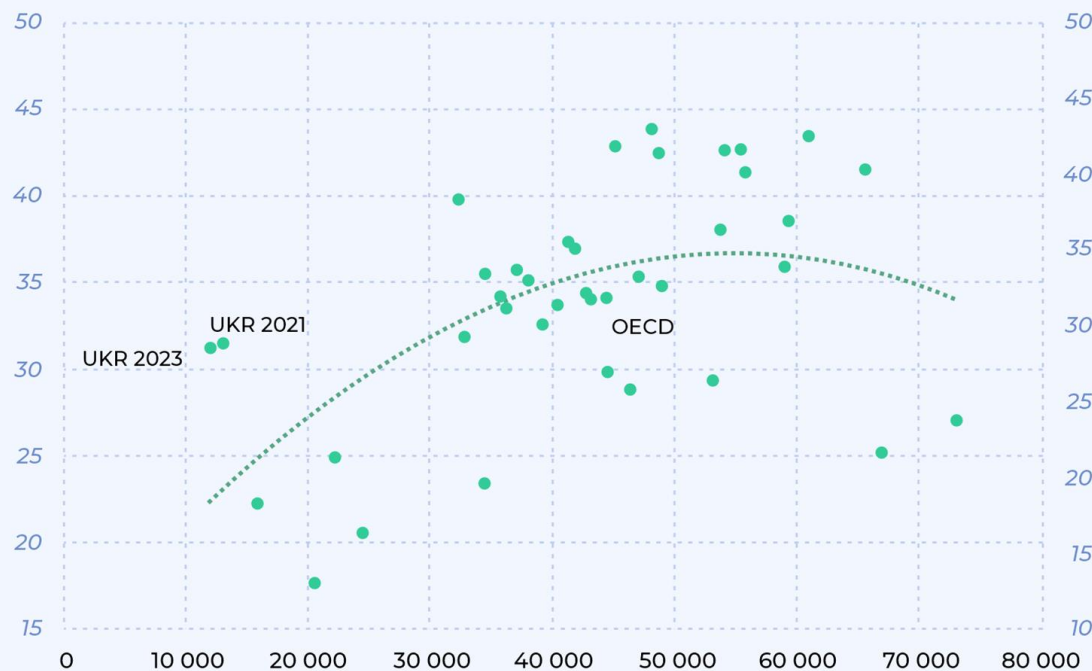
These measures have already been implemented. As a result, in 2024, the level of tax revenues of the consolidated budget without the unified social tax reached 27.3% of GDP, and in 2025 it is expected to reach 28.8% of GDP, which exceeds the target of the National Revenue Strategy (27% of GDP).

At the same time, there is limited room for further increases in tax rates within the current tax base. Further revenue mobilisation should be achieved through structural reforms and de-shadowing measures.



Fiscal potential within the current tax base is limited (2)

Tax and unified social contributions of the consolidated budget in relation to GDP and income level (2017 PPP), 2023, %



Source: OECD Economic Surveys (Ukraine 2025)

In 2023, total tax and social revenues in Ukraine accounted for 31% of GDP (at \$12,026 per capita at 2017 PPP). This is higher than in countries with similar and higher incomes, including Mexico (18%, \$20,430), Chile (21%, \$24,431), Colombia (22%, \$15,770), Turkey (23%, \$34,401), and Costa Rica (25%, \$22,134).

Ukraine is also ahead of some developed economies in this respect: Israel (30%, \$44,478), South Korea (29%, \$46,250), Australia (29%, \$52,965), Switzerland (27%, \$72,987), and the United States (25%, \$66,762).

Comparisons with other countries also show that Ukraine is already at the top of the tax burden among economies with similar levels of development, outstripping many countries with higher per capita incomes. In such circumstances, **further growth of fiscal revenues by raising rates is inefficient.**

Instead, attention should be focused on **reducing tax losses, broadening the tax base and improving the quality of administration.**



Certain tax liabilities of Ukraine to the IMF

April 2025 - submit to the Verkhovna Rada a draft law on the introduction of tax reporting requirements for digital platform operators **(completed) - structural benchmark**

Previous measure - enactment of Law No. 11090 on tobacco excise taxes **(completed) - structural benchmark**

September 2025 - the Ministry of Finance, together with the State Tax Service and the State Migration Service, should develop an operational plan for the implementation of the updated IT strategy to support the digital transformation of the National Revenue Strategy - a **structural benchmark**

September 2025 - a reference tax system for the main taxes (EPT, VAT, PIT and excise) should be defined

December 2025 - to submit to the Verkhovna Rada legislative amendments to introduce rules to combat tax evasion practices that take into account the requirements of EU Directives and BEPS approaches and ensure the protection of the tax base from erosion and profit shifting.

By the end of 2025, an IT database should be developed to launch an electronic audit programme that will automatically check the compliance of tax returns with other data

By the end of 2026, measures to ensure confidentiality and data protection in the STS systems (including information from taxpayers and tax agents) should be implemented, subject to adequate funding

Start of 2027 - a comprehensive reform of the simplified taxation system (STS) should be carried out to limit its scope and prevent its abuse

During the programme:

- tax privileges should be granted in a more targeted and rational manner to minimise the loss of budget revenues
- Revenue mobilisation should be enhanced by introducing the principles of taxation of virtual assets in line with EU rules and OECD initiatives (work in some areas has already begun and is supported by technical assistance from the IMF and other partners)



Covering the deficit: potential, cost and macroeconomic risks

When looking for sources to cover the fiscal gap, it is important not only to assess their effectiveness, but also to take into account the associated risks and limits:

- **De-shadowing:** offers the greatest long-term potential (UAH 400-450 billion), but requires systemic changes and improved administration.
- **VAT:** generates UAH 31-40 billion for each additional 1 pp of the rate. Capable of covering the shadow sector, which does not pay taxes on income. The basic rate in Ukraine (20%) is lower than the EU average (23-27%), but the main reserve is not in raising the rate but in limiting exemptions. In 2023, tax losses due to VAT exemptions exceeded UAH 76 billion (1.2% of GDP).
- **Domestic government** bonds: were a source of funding in 2022-2024, but from 2025 onwards, they have a negative effect due to significant redemptions and servicing costs.
- **NBU emission financing:** a temporary instrument that is available in times of extreme need. However, it is expensive for the state budget due to the high interest rates on domestic government bonds purchased by the NBU and poses risks to inflation, the exchange rate, and confidence in economic policy.

These examples show that no single tool provides a simple and quick solution. Financial resilience requires a careful mix of sources - with a focus on qualitative changes in the system, not just quantitative pressure.



Ukraine Initiative: a new framework for support through integration into the EU security system

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During meetings of the G7 financial bloc in Canada, Finance Minister Sergiy Marchenko proposed an initiative for a new form of external support: EU countries' participation in financing the Armed Forces in exchange for integration into the European defence system.

The proposal provides for:

- sharing the costs of the Armed Forces between EU countries;
- counting these costs towards fulfilling obligations to NATO;
- saving time and money compared to building a new defence capability in the EU.

For Ukraine, it is:

- a significant reduction in the burden on the state budget in 2026 and beyond;
- strategic rapprochement with the EU at the security level.

The initiative could become the basis for new long-term financial support for Ukraine.



Challenges

In the context of the ongoing war and high uncertainty, no single solution can have a sustainable effect on closing the fiscal gap.

A clear and balanced budget stabilisation strategy is needed, taking into account the limited fiscal space and the needs of the economy.

A comprehensive solution should include both:

- mobilising resources through the de-shadowing of the economy;
- optimising tax benefits while minimising fiscal losses and distortions;
- cutting non-priority expenditures;
- avoiding additional fiscal burden on bona fide taxpayers who already form the basis of tax revenues.

At the same time, political agreement on a new framework for external support needs to be reached.

Ukraine should act systematically, fulfilling its commitments and offering its partners constructive formats for long-term cooperation.

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**Monitoring the implementation of the
IMF programme and EU assistance**