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NOTE

Subject:	ANNEX to the COUNCIL IMPLEMENTING DECISION establishing the satisfactory fulfilment of the conditions for the partial payment of the ninth instalment under the Ukraine Plan of the Ukraine Facility

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ANNEX

EXECUTIVE SUMMARY

On 30 September 2026, Ukraine submitted a request for payment of part of the fourth, seventh, eighth and ninth instalments of the Ukraine Plan, in accordance with Article 26 of Regulation (EU) 2024/792 of 29 February 2024 establishing the Ukraine Facility[1]. To support the payment request, Ukraine provided justification for the satisfactory fulfilment of one step in the fourth instalment, three steps in the seventh instalment, one step in the eighth instalment and 17 steps in the ninth instalment, set out in the Annex to Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan[2], as subsequently amended ('the CID Annex'). Ukraine also provided evidence for one step in the 10th instalment.

On the basis of the information provided by Ukraine, 16 steps of the ninth instalment are considered to have been satisfactorily fulfilled.

- Step 3.10, concerning the upgraded IT system for enforcement of court decisions is operational.
- Step 3.17, concerning the adoption of the Presidential Decree approving the Human Rights Protection Strategy.
- Step 4.20, concerning the adoption of the State Programme to combat human trafficking until 2030.
- Step 5.3, concerning the adoption of the strategy for gradual reduction of state ownership in the banking sector.
- Step 5.5, concerning the entry into force of legal acts to improve resolution of non-performing loans.
- Step 7.7, concerning the adoption of the Population Employment Strategy.

1 Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility (OJ L, 2024/792, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/792/oj).

2 Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan (OJ L, 2024/1447, 24.5.2024, ELI: http://data.europa.eu/eli/dec_impl/2024/1447/oj).

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- Step 7.12, concerning investments of at least EUR 300 million in education.
- Step 7.14, concerning investments of at least EUR 200 million in healthcare.
- Step 7.18, concerning investments of at least EUR 200 million for providing housing for veterans with disabilities of the I-II groups, family members of deceased veterans and internally displaced persons.
- Step 7.20, concerning the approval by the Cabinet of Ministers of the Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for Overcoming the Gender Pay Gap for the period up to 2030.
- Step 8.12, concerning the adoption of amendments to the resolution on the designation of the single national metrology institute.
- Step 9.7, concerning the allocation of the equivalent of at least 5% of the overall non-repayable financial support for meeting recovery, reconstruction and modernisation needs of sub-national authorities.
- Step 10.19, concerning the preparation of the Terms of Reference for a third-party of the National Energy and Utilities Regulatory Commission regarding the integrity and robustness of its financial and decision-making processes.
- Step 12.9, concerning investments of at least EUR 30 million in demining of agricultural land.
- Step 14.4, concerning the entry into force of the functioning of the Integrated Electronic Identification System, in line with the principles of Regulation (EU) 2024/1183.
- Step 15.11, concerning the adoption of amendments to the Procedure for State Water Monitoring.

The Commission has assessed that the evidence provided for two of the steps required for the ninth instalment is not sufficient to conclude that they are satisfactorily fulfilled (Step 6.3 concerning the appointment of supervisory boards of state-owned enterprises with a majority of independent members and Step 10.9 concerning the adoption of a roadmap for the gradual liberalisation of gas and electricity markets to be implemented after the expiration of martial law).

In accordance with the methodology for handling the partial fulfilment of steps under the Ukraine Plan ('the methodology'), the progress made in the implementation of the quantitative Step 6.3 was proposed as a mitigating factor:

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- Step 6.3, concerning the appointment of supervisory boards of state-owned enterprises with a majority of independent members.

In addition, and in accordance with the methodology, the following step scheduled for the 10th instalment was declared by Ukraine as fulfilled and was also proposed as a potential mitigating factor:

- Step 10.21, concerning the request for an integrated regulatory review service mission at SNRIU by the International Atomic Energy Agency.

Furthermore, the information provided by Ukraine, shows that one step from the fourth instalment, three steps from the seventh instalment and one step from the eighth instalment have been satisfactorily fulfilled.

- Step 4.3, concerning increased manpower for the High Anti-Corruption Court.
- Step 4.8, concerning the preparation and implementation of the next National Risk Assessment.
- Step 6.7, concerning the entry into force of legislation on the separation of public service obligations (PSO) and non-PSO activities.
- Step 10.3, concerning the entry into force of the legislation to improve permitting procedures for renewable energy investments.
- Step 15.8, concerning the adoption of the Strategy for implementing the principles of the circular economy and its Action Plan.

As part of **Chapter 3** on the judicial system, an upgraded IT system for enforcement of court decisions became operational; and the Presidential Decree approving the Human Rights Protection Strategy was adopted.

As part of **Chapter 4** on the fight against corruption and money laundering, the manpower for the High Anti-Corruption Court was increased, the next National Risk Assessment was conducted and the State Programme to combat human trafficking until 2030 was adopted.

As part of **Chapter 5** on financial markets, the strategy for gradual reduction of state ownership in the banking sector was adopted; and the legislation to improve the resolution of non-performing loans entered into force.

As part of **Chapter 6** on management of public assets, the legislation on the separation of public service obligations (PSO) and non-PSO activities entered into force.

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As part of **Chapter 7** on human capital, the Population Employment Strategy was adopted, there have been investments of at least EUR 300 million in education and investments of at least EUR 200 million for providing housing for veterans with disabilities of the I-II groups, family members of deceased veterans and internally displaced persons. At the same time, the operational plan of measures for the implementation in 2026-2028 of the National Strategy for Overcoming the Gender Pay Gap for the period up to 2030 was approved.

As part of **Chapter 8** on the business environment, amendments to the resolution on the designation of the single national metrology institute were adopted.

As part of **Chapter 9** on the decentralisation and regional policy, the allocation of the equivalent of at least 5% of the overall non-repayable financial support for meeting recovery, reconstruction and modernisation needs of sub-national entities was reached.

As part of **Chapter 10** on the energy sector, the legislation on shortening the permitting procedures for renewable energy investments entered into force; the Terms of Reference for a third-party audit of the National Energy and Utilities Regulatory Commission regarding the integrity and robustness of its financial and decision-making processes were prepared and the request for an integrated regulatory review service mission at SNRIU by the International Atomic Energy Agency was submitted.

As part of **Chapter 14**, on digital transformation, the legislation on the functioning of the Integrated Electronic Identification System, in line with Regulation (EU) 2024/1183, was adopted and entered into force.

As part of **Chapter 15** on green transition and environmental protection, the Strategy for implementing the principles of circular economy and its Action Plan and the legislation amending the Procedure for State Water Monitoring were adopted.

For the assessment of investment Steps 7.12, 7.14, 7.18, 9.7 and 12.9, expenses reported in Ukrainian hryvnia (UAH) were converted into euro (EUR) using the average of the monthly UAH/EUR exchange rates for the relevant budget year. For expenditure reported in 2026, the average monthly exchange rate was calculated with the latest available data as of October 2026.

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Step 3.10

Name of the step: An upgraded IT system for enforcement of court decisions is operational
Related reform/investment: Reform 2. Reforms of insolvency and enforcement of court decisions
Financed from: loan
Context The requirement for Step 3.10 described in the CID Annex is: *'The upgraded IT system for enforcement facilitating enforcement process, debtor asset tracking, bank account freezing and debt recovery is operational.'* Step 3.10 is one of the five steps under Reform 2 of Chapter 3 (judicial system and human rights). It is the last step in Reform 2 apart from Step 3.7 due by Q1 2026 that remains unfulfilled from the eight payment.
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex; 2) The Strategic Action Plan of the State Enterprise on National Information Systems for 2024 – 2027; 3) A detailed description provided by the Ministry of Justice of the upgrades introduced to the Automated System of Enforcement Proceedings; 4) Copies of Orders of the Ministry of Justice No 9 of 19.1.2024, No 35 of 28.2.2024, No 77 of 27.5.2024, No 94 of 28.6.2024, No 234 of 25.12.2024, No 177 of 1.9.2025, No. 162 of 12.9.2025 and No. 132 of 24.6.2026 to the State Enterprise on National Information Systems on the modernisation of software; 5) Letter dated 10 June 2025 from the State Enterprise on National Information Systems to the Ministry of Justice on the implementation of the upgrades to the Automated System of Enforcement Proceedings; 6) Copies of the minutes of meetings of the Technological Committee of the State Enterprise on National Information Systems.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover the constitutive elements of Step 3.10. The objective of Reform 2 is to improve insolvency and enforcement procedures by aligning the relevant legislation with the EU *acquis* and building institutional and other capacities to properly apply it. To this end, Ukraine has upgraded several functionalities of the Automated System of Enforcement Proceedings (ASEP).

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To facilitate the enforcement process, the option of sending documents linked to enforcement proceedings through ASEP to parties registered in the Unified Judicial Information and Communication System (UJICS) was launched on 15 May 2024. Following this upgrade, individuals and legal entities that have electronic cabinets in the UJICS will receive documents of enforcement proceedings (decrees, acts, etc.) directly in their electronic cabinet. ASEP contains updated document templates for a number of typical procedural actions, such as reports on search warrants sent to the National Police. Furthermore, in 2025 a series of improvements were implemented aimed at the digitalisation of record-keeping for public and private bailiffs.

The upgrades also improve asset tracking by displaying and storing information about debtors' assets. On 8 January 2024 the system was revised to facilitate enforcement officers' work with debtors' assets. Following the upgrades, all information received during enforcement proceedings is stored centrally. The upgraded system improves enforcement officers' ability to track information on a debtor's property, such as cars or apartments. An information exchange with the Ministry of Social Policy, Family and Unity of Ukraine introduced in 2025 will increase the accessibility of information on natural persons. Furthermore, ASEP has been upgraded to include the centralised display of data on the debtors' bank accounts, providing executors faster and easier access to the information on debtors' accounts.

To facilitate the freezing of bank accounts, in total 30 payment service providers have joined the system as of 2024, allowing for automatic information exchange in the procedure for the seizure of funds, contributing to debt recovery.

To facilitate debt recovery, ASEP also allows executive documents to be sent in electronic format. The automated sending of decisions on administrative fines and additional materials in the form of electronic documents was extended to new actors in 2024, in particular to Kyiv City Council and Lutsk City Council. From 2026 onwards the system has allowed orders to recover a debtor's income to be delivered to the debtor's employer(s), increasing the effectiveness of debt recovery.

Commission assessment: satisfactorily fulfilled

Step 3.17

Name of the step: The adoption of the Presidential Decree approving the Human Rights Protection Strategy

Related reform/investment: Reform 5. Enhancing the protection of human rights

Financed from: loan

Context

The requirement for Step 3.17 described in the CID Annex is:

'Adoption of the Presidential Decree approving the Human Rights Protection Strategy. The strategy focuses on these main areas:

- *human rights in the context of the martial law regime and Ukraine's post-war recovery*
- *rights of persons residing in the territory of Ukraine temporarily occupied by the Russian Federation, near frontlines and internally displaced persons*

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- *legal protection to persons who have suffered from gender-based violence*
- *rights of children in armed conflicts*
- *access to services for vulnerable persons.'*

Step 3.17 is the only step in the implementation of Reform 5 in Chapter 3 (judicial system and human rights).

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Copy of the Decree of the President of Ukraine No 1038/2026 'Issues of the National Human Rights Strategy' of 12 October 2026.

Analysis

The justification and evidence provided by the Ukrainian authorities cover all constitutive elements of Step 3.17.

The objective of Reform 5 is to enhance the protection of human rights, including the rights of persons residing in the territory of Ukraine temporarily occupied by the Russian Federation and to enhance access to services for vulnerable people. To this end, the National Human Rights Strategy for the period up to 2035 was adopted by the Decree of the President of Ukraine No. 1038/2026 'Issues of the National Human Rights Strategy' on 12 October 2026.

According to the General Provisions, the National Human Rights Strategy ('the Strategy') is a long-term framework policy document on human rights setting out the strategic objectives, priorities and principles for ensuring and protecting human rights and freedoms in Ukraine until 2035. The Strategy is intended to complement Ukraine's existing commitments in the context of European integration. Its implementation will be supported by action plans to be developed every three years.

The Strategy takes into account the specific challenges to the protection of human rights arising from martial law, such as restrictions on access to documents and on the freedom of peaceful assembly. It recognises challenges that are particularly relevant to Ukraine's post-war recovery, such as the availability of specialised medical, psychological and social rehabilitation programmes for war veterans and the reintegration and return of and services for internally displaced persons. It includes an objective to improve electoral legislation and ensure the exercise of electoral rights in the post-war period.

Special attention is paid to the rights of persons living in territories of Ukraine temporarily occupied by the Russian Federation, in areas near the frontline and of internally displaced persons. The Strategy sets out the objective of developing and implementing state policy on the disoccupation and reintegration of the temporarily occupied territory of Ukraine, as well as mechanisms for restoring the rights and freedoms of persons in the temporarily occupied areas. It also includes a commitment to document human rights violations in the temporarily occupied territory of Ukraine for the purposes of international justice, accountability and the protection of victims' rights.

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The Strategy recognises the need for legal protection for persons who have suffered from gender-based violence. It includes the objective of aligning of Ukrainian legislation with international obligations and EU legal acts in the field of the prevention of violence against women and domestic violence. It also commits to ensuring the accessibility of assistance to persons who have suffered from domestic violence and/or gender-based violence or sexual violence related to the armed aggression of the Russian Federation against Ukraine, in particular through the development and monitoring of the functioning of the national support system for survivors in accordance with European standards. A particular focus is placed on the rights of children in armed conflicts, including ensuring legal protection regarding the return to Ukraine of children who were temporarily displaced (evacuated) outside Ukraine as a result of the armed aggression of the Russian Federation and regarding their reintegration. It sets out an objective to ensure systematic documentation of violations of children's rights during their deportation and forced displacement, as well as facts of deportation and forced displacement as a result of the armed aggression of the Russian Federation against Ukraine. The Strategy aims to improve access to services for vulnerable persons, such as children, elderly persons and persons with disabilities. It sets out concrete objectives to improve the access of these groups to medical services, housing, legal aid as well as educational and cultural services.
Commission assessment: satisfactorily fulfilled

Step 4.3

Name of the step: Increased manpower for the High Anti-Corruption Court
Related reform/investment: Reform 1. Developing the institutional capacity of the anti-corruption framework
Financed from: non-repayable support
Context The requirement for Step 4.3 described in the CID Annex is: *'The personnel number of High Anti-Corruption Court (HACC) judges is increased by 60 %, and the HACC apparatus number is increased by 40 %.'* Step 4.3 is the third of the three steps under Reform 1 of Chapter 4 (fight against corruption and money laundering). It was preceded by Step 4.2 on the appointment of a new head of the National Agency on Corruption Prevention and Step 4.1 on increasing the manpower for the Specialised Anti-Corruption Prosecutor's Office.

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Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Copy of the Decision of the High Council of Judges No. 930/0/15-23 of 26 September 2023 'on determining the number of judges in the High Anti-Corruption Court;
3) Copy of the list of judges appointed to the High Anti-Corruption Court;
4) Copy of the list of personnel selected for the High Anti-Corruption Court;
5) Copy of the Law of Ukraine 'on the State Budget for 2025' and its annexes;
6) Copy of the Law of Ukraine 'on the State Budget for 2026' and its annexes;
7) Copy of draft annexes of the Law of Ukraine 'on the State Budget for 2027'.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover the constitutive elements of Step 4.3.

The objective of Reform 1 of Chapter 4 (fight against corruption and money laundering) is to increase the overall capacity of the anti-corruption infrastructure to fight corruption, including at a high level, through active and efficient investigation. The step aims to help the operationalisation of the High Anti-Corruption Court (HACC) by increasing the number of judges by 60% and the number of staff by 40%. The baseline used to calculate the nominal increase was 38 judges and 270 auxiliary personnel, resulting in an additional 22 judges and 108 auxiliary staff.

The High Council of Justice (HCJ) and the High Qualification Commission of Judges of Ukraine (HQCJ) are the judicial self-governing bodies for the selection of judges, including for the HACC. The HQCJ is supported by a temporary subsidiary body known as the Public Council of International Experts (PCIE) consisting of international legal experts who assist the HQCJ in assessing whether candidates meet integrity and competence requirements. The HQCJ announces and organises competitions and determines, with the support of the PCIE, the successful candidates from those competitions. The HCJ reviews the HQCJ's recommendations and submits the candidates to the President for appointment on the basis of those recommendations. The President formally appoints the judges submitted by the HCJ. In accordance with the constitution, HACC judges are appointed by the President upon submission of the HCJ.

On 26 September 2023, the HCJ adopted Decision No 930/0/15-23, which sets out that the HACC should be composed of 63 judges, 21 of whom are judges of the Appeals Chamber (court of second instance). The increase in the number of judges was justified by the need to handle the higher number and complexity of the criminal proceedings in the HACC.

To this end, on 23 November 2023, the HQCJ announced a competition for 25 vacancies for judges of the HACC: 15 vacancies for the court of first instance and 10 vacancies for the court of second instance. However, on 31 March 2025, the HQCJ announced that only two candidates had successfully passed all stages of the competitive selection and recommended their appointment. On 20 May 2025, the HCJ recommended those two judges to the President for appointment. On 3 May 2025, the President officially appointed those two candidates as judges of the HACC.

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To address the remaining staffing needs, on 3 June 2025, the HQCJ announced a competition for 13 vacancies for the court of first instance and 10 vacancies for the court of second instance. At the same time, Ukraine took steps to further improve the judicial selection framework (detailed below).

As a result of the fact that the selection procedure did not yield the required number of new judges, Step 4.3 was assessed negatively as part of the fourth payment request on 30 June 2025. On 2 July 2025, the Commission notified Ukraine of its decision, stating that Ukraine had 12 months from the notification of the initial negative assessment to take the necessary measures to ensure satisfactory fulfilment of the outstanding step. On 17 July 2026, following the expiry of this 12-month period on 2 July 2026, the Commission invited Ukraine to submit its observations within two months.

Following the competition, announced on 3 June 2025, on 22 June 2026, before the end of 12-month period, the HQCJ recommended a total of 17 judges for appointment. Between 2 July and 13 August 2026, the HCJ recommended those 17 judges to the President for appointment. On 21 August 2026, the President appointed the 17 judges, including 12 candidates as judges of the HACC and five candidates as judges of the appeal chamber of the HACC. In addition, between 7 April 2025 and 1 July 2026, the HACC increased the number of administrative staff by 56 posts before the end of 12-month period and by a further 56 posts between 7 July 2026 and 10 September 2026. This reflected the fact that the recruitment of administrative staff depended on the appointment of the judges, as the former were intended to support the latter.

Overall, the Ukrainian authorities increased the number of judges by 19 compared to the target of 22 and the number of administrative staff by 112, of which 108 posts are required for fulfilment of the step. This corresponds to a total increase of 131 posts against a target of 130 posts. Furthermore, the shortfall in judicial appointments compared to the target is explained by the limited number of candidates meeting the required standards, including general legal competence, anti-corruption specialisation and cognitive abilities.

The Law of Ukraine on the State Budget for 2025 and the Law of Ukraine on the State Budget for 2026 have allocated funding to support an increase in the number of judges and personnel of the HACC. This budgetary support reflects the authorities' recognition of the need to strengthen the institutional and operational capacity of the HACC. In the same vein, the draft annexes to the Law of Ukraine on the State Budget for 2027 are expected to confirm the allocation of additional funding for the increase in the number of judges and staff of the HACC.

The responsible Ukrainian authorities, including the HQCJ, the HCJ, the President of Ukraine and the HACC, took the measures needed to ensure the fulfilment of this step in spite of objective circumstances that caused delays. These efforts can be taken into account in the assessment of this step and in particular to justify the discrepancy between the number of judges appointed and the baseline target. In particular, following the high failure rate observed in the 2023 competition, the HQCJ shortly thereafter launched a new competition to address the remaining staffing needs. In addition, on 14 May 2025, the Verkhovna Rada adopted Law of Ukraine "On amendments to the Law of Ukraine 'on the judiciary and the status of judges' to clarify the procedures for competition for the post of a judge and secondment of a judge" with a view to improve certain procedures governing the competitive selection of judges. The changes made by these amendments directly addressed some of the shortcomings of the previous competition and will improve future competitions beyond the requirements of this step.

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The changes include in particular addressing overly rigid thresholds for some of the early tests in the procedure, a unified application track for both the first-instance court and the Appeals Chamber to reduce duplication and a streamlining of the process to reduce the time required to complete the competition. At the same time, high professional and ethical standards have been maintained. Comparable efforts were also made by the HACC itself, which selected a number of administrative staff exceeding the target established under this step.

Ukrainian authorities also took the necessary measures within the 12-month period ending on 2 July 2026 to ensure the fulfilment of the step. In particular, before the expiry of that period, the HQCJ had completed the competition and, on 22 June 2026, recommended 17 judges for appointment, including the assessment of whether candidates met integrity and competence requirements. The HACC had also increased the number of administrative staff by 56 posts by 1 July 2026. These measures constituted the essential actions required from the Ukrainian authorities to advance the increase in the number of judges and staff of the HACC. The subsequent decisions of the HCJ, the presidential appointments and the further increase in administrative staff after 2 July 2026 followed directly from the measures taken within the relevant period and confirmed their concrete results.

Finally, in line with recitals 10 and 13 of Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan and recital 35 of Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility, the positive outcomes of the implementation of this step go beyond the selection of judges and administrative staff of the HACC. Indeed, the implementation of this step significantly contributes to strengthening the rule of law in Ukraine and, more specifically, to improving the institutional capacity and legal framework for the fight against corruption by ensuring that one of its key institutions, the High Anti-Corruption Court, is able to function with an appropriate level of staff and that future recruitment competitions are streamlined.

Based on the evidence provided by Ukraine during the observation period, as well as the considerations set out above regarding the measures taken by the Ukrainian authorities, the objective circumstances that led to the delayed fulfilment of this step and the discrepancy between the number of judges appointed and the baseline target, and the objectives of the Ukraine Facility with regard to the rule of law, the Commission therefore concludes that the measures taken by the Ukrainian authorities ensured the satisfactory fulfilment of the step.

Commission assessment: satisfactorily fulfilled

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Step 4.8

Name of the step: Conduct of the next National Risk Assessment
Related reform/investment: Reform 3. Anti-money laundering measures
Financed from: loan
Context The requirement for Step 4.8 described in the CID Annex is: *'Preparation and implementation of the next National Risk Assessment in accordance with the updated Methodology for the National Assessment of money laundering and terrorist financing risks in Ukraine'* Step 4.8 is the first of the seven steps in the implementation of Reform 3 of Chapter 4 (fight against corruption and money laundering). It is followed by Step 4.9 on the entry into force six months after publication in the Official Gazette of legislation to further reinforce the anti-money laundering system, including for the purpose of Ukraine's application to join the geographical scope of the Single European Payment Area scheme, Step 4.16 on the entry into force of the legislative amendments on information accompanying transfers of funds and certain crypto-assets; and Step 4.18 on the entry into force of amendments aimed at establishing criminal liability for illegal actions with payment cards or other payment instruments in the interests of third parties (all steps due by Q3 2026).
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex; 2) Copy of the Minutes of the Council on Prevention and Counteraction to Legalisation (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction No 2 of 31 August 2026 on the '2025 National Risk Assessment Report on Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction in Ukraine'; 3) Copy of the '2025 National Risk Assessment Report on Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction in Ukraine' dated 31 August 2026; 4) Copy of the 'Methodology for conducting a National Risk Assessment Report on Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction in Ukraine' dated 26 December 2024.

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Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover the constitutive elements of Step 4.8.

The objective of Reform 3 of Chapter 4 (fight against corruption and money laundering) is to further align Ukraine's legal framework with the EU *acquis* and FATF standards and to create an effective anti-money laundering system in Ukraine to better tackle economic crime and improve the overall business climate in Ukraine. To this end, the Council on Prevention and Counteraction to Legalisation (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction approved the 2025 National Risk Assessment Report on Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction in Ukraine (hereinafter 'the 2025 NRA Report') on 31 August 2026.

The 2025 NRA Report was compiled on the basis of the Methodology for conducting a National Risk Assessment of money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction in Ukraine (updated in 2024).

The document sets out a comprehensive and structured identification of risks across the relevant sectors and threat areas, with 30 risks identified in total. The distribution of these risks by level 7 high, 21 medium and 2 low indicates that the exercise was conducted on the basis of a differentiated, risk-based methodology. This breakdown suggests a sufficient degree of granularity to distinguish the most significant threats from those that, while still relevant, appear comparatively more manageable, thereby providing a credible basis for prioritisation and for the design of targeted mitigation measures.

Despite some methodological shortcomings in terms of data collection and interpretation, as well as the heterogeneous level of analytical depth across the risk factors, the 2025 NRA Report suggests that the assessment constitutes a methodologically robust exercise capable of supporting effective policy and supervisory and operational follow-up. The identification and grading of risks provide a basis for setting priorities, allocating resources and strengthening preventive measures in the areas of greatest concern, while ensuring continued attention to medium- and lower-level risks. Taken together, the assessment reflects a well-developed understanding of the risk environment and provides a solid foundation for proportionate, targeted and evidence-based action.

Commission assessment: satisfactorily fulfilled

Step 4.20

Name of the step: Adoption of the state programme to combat human trafficking until 2030
Related reform/investment: Reform 4. Combating Human Trafficking
Financed from: loan

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Context

The requirement for Step 4.20 described in the CID Annex is:

'Developing and approving the State Programme for Combatting Human Trafficking until 2030 in line with the principles of Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011, as amended by Directive 2024/1712 of the European Parliament and of the Council of 13 June 2024, the EU Strategy on combatting trafficking in human beings, and the recommendations of the Council of Europe Group of Experts on Action against Trafficking in Human Beings (GRETA).'

Step 4.20 is the only step in the implementation of Reform 4 of Chapter 4 (fight against corruption and money laundering).

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Copy of the publication of the programme in Official Gazette No. 199 of 23 September 2026;
3) Copy of Order No. 875-r of the Cabinet of Ministers of 3 September 2026 'on Approval of the State Target Social Programme for Combating Trafficking in Human Beings for the period up to 2030';
4) Copy of the 'State Target Social Programme for Combating Trafficking in Human Beings for the period up to 2030' as an attachment to Order 875-r of 3 September 2026.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 4.20.

The objective of Reform 4 of Chapter 4 (fight against corruption and money laundering) is to ensure the strategic approach to combating trafficking in human beings, improve organisational settings and strengthen Ukraine's capacity in this area in line with the EU principles. To this end, the Cabinet of Ministers adopted Order No. 875-r of 3 September 2026 '*on Approval of the State Target Social Programme for Combating Trafficking in Human Beings for the period up to 2030'* (hereinafter 'the programme'). The programme is attached to the approved Order No. 875-r.

The programme establishes a comprehensive policy framework for addressing trafficking in human beings in Ukraine for the period up to 2030. It covers the main areas of action, including prevention, protection and assistance for victims, investigation and prosecution of perpetrators and interinstitutional coordination, within a single and coherent strategic framework. The approach is broadly aligned with the relevant international standards and with the EU *acquis*, as required by the step description.

The programme pays particular attention to persons in situations of vulnerability, including children, internally displaced persons, refugees, persons with disabilities and persons affected by the consequences of the Russian Federation's armed aggression against Ukraine. It refers to trauma-informed support, non-discrimination, access to assistance and the prevention of secondary victimisation, thereby reflecting a rights-based and victim-centred approach.

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The programme also includes a number of operational components. It sets out tasks, indicators, implementation timelines for the 2026–2030 period, responsible authorities and expected results, including measures related to public awareness raising, victim identification and assistance, investigations and institutional capacity building. It further refers to the use of digital tools, professional training, cross-border cooperation and legislative approximation.

Overall, the programme provides a structured basis for policy action in the area of trafficking in human beings and indicates the authorities' intention to address the issue through a coordinated and comprehensive approach over the period covered.

Commission assessment: satisfactorily fulfilled

Step 5.3

Name of the step: Adoption of the strategy for gradual reduction of state ownership in the banking sector

Related reform/investment: Reform 2. Adoption of the strategy for gradual reduction of state ownership in the banking sector

Financed from: loan

Context

The requirement for Step 5.3 described in the CID Annex is:

'Adoption of the resolution of the Government or other legal act of the Government adopting the reform strategy for the SOBs, which sets out a gradual reduction in state ownership in the banking sector. The strategy focuses on these main areas:

- *financial health and stability;*
- *management of non-performing loans;*
- *mitigation of fiscal risks;*
- *enhancement of bank governance and operational efficiency;*
- *bank value enhancement, long-term viability, and steps towards privatisation (when relevant).'*

Step 5.3 is one of the two steps of Reform 2 in Chapter 5 (financial markets). It was preceded by Step 5.2 on the entry into force of the updated legislation on the sale of state-owned banks.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Copy of the main (strategic) areas of activities of public-sector banks;
3) Copy of Order of the Cabinet of Ministers of Ukraine of 30 June, 2026, 'on the approval of the main (strategic) activities of public-sector banks';
4) Copy of the publication of the strategy in Official Gazette No 147 of 15 July 2026.

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Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 5.3.

The objective of Reform 2 is to lay down the principles for the sale of state-owned banks and the strategy for gradually reducing state ownership in the banking sector.

The strategy focuses on increasing banks' profitability, managing non-performing assets, minimising fiscal risks, improving corporate governance and gradually reducing the state's share in the banking sector. The strategic objectives include ensuring state-owned banks' support for priority sectors of the economy such as critical infrastructure, the defence industry, energy resilience and the development of frontline regions, as well as participation in state programmes as part of banks' business models. It is envisaged that state-owned banks should develop or update their own strategies by the end of 2026, as well as ensure the proper functioning of supervisory boards and conduct annual assessments of their activities. Particular attention is paid to reducing the level of non-performing assets to not more than 15%, including through the sale of non-core assets and work with the largest non-performing loans. The strategy also provides for a gradual reduction in the state's share through the sale of shareholdings in certain banks to strategic investors, taking into account martial law and market conditions.

Commission assessment: satisfactorily fulfilled

Step 5.5

Name of the step: Entry into force of legal acts to improve resolution of non-performing loans

Related reform/investment: Reform 3. Improved resolution of non-performing loans

Financed from: non-repayable support

Context

The requirement for Step 5.5 described in the CID Annex is:

'Entry into force of the legal acts implementing the recommendations of the strategy for resolution of non-performing loans improving the system of NPLs resolution. In particular, these legal acts aim to:

- *improve the definition of NPL and implement requirements on preventive restructuring, in line with the principles of the EU* acquis*;*
- *reinstating the requirement for banks to update and submit plans and strategies for dealing with NPLs;*
- *improve the procedure for selecting a bankruptcy trustee and supervising their activities and for conducting auctions to sell the bankrupt's property;*
- *improve the procedure and access to bankruptcy and restructuring procedures for individuals, micro and small enterprises;*

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- *introduce safeguards in the Code of Ukraine on Bankruptcy Procedures to prevent fraudulent actions of participants and limit the influence of related parties of the debtor on bankruptcy proceedings;*
- *improve the legislation on debt collection and debt treatment*
- *introduce in Ukraine regulatory conditions favouring the NPL market's development and operation, and to attract foreign investment to this market.'*

Step 5.5 is one of the two steps of Reform 3 in Chapter 5 (financial markets).

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Copy of Law of Ukraine No. 4833 - IX of 7 April 2026 on Amendments to Certain Legislative Acts of Ukraine on Improving the Procedure for Enforcement of Court Decisions, Decisions of Other Bodies and Digitalization of Certain Stages of Enforcement Proceedings;
3) Copy of Law of Ukraine No. 3985 – IX of 19 September 2024 on Amendments to the Code of Ukraine on Bankruptcy Procedures and Certain Other Legislative Acts of Ukraine on the Implementation of Directive (EU) 2019/1023 of the European Parliament and of the Council and the Introduction of Preventive Restructuring Procedures;
4) Copy of the Resolution No 1566 of the Cabinet of Ministers of Ukraine of 3 December 2025 on Amendments to the Procedure for Organising and Conducting Auctions for the Sale of Debtors' Property in Bankruptcy Cases (Insolvency);
5) Copy of Law of Ukraine No. 4863-IX of 29 April 2026 on Amendments to the Civil Code of Ukraine regarding Regulation of Relations in the Sphere of Factoring;
6) Copy of Resolution of the Board of the National Bank of Ukraine No 12 of 7 February 2025 on Approval of Amendments to the Regulations on the Organisation of the Process of Management of Problem Assets in Banks of Ukraine;
7) Copy of Resolution of the Board of the National Bank of Ukraine No 351 of 30 June 2016 on Approval of the Regulations on Determination by Banks of Ukraine of the Size of Credit Risk for Active Banking Transactions;
8) Copy of Law of Ukraine No. 4466 - IX of 3 June 2025 on Factoring;
9) Copy of Law of Ukraine No. 2923 - IX of 23 February 2023on Compensation for Damage to and Destruction of Certain Categories of Real Estate as a Result of Hostilities;
10) Copy of Law of Ukraine No. 4340-IX of 27 March 2025 on Amendments to the Final and Transitional Provisions of the Civil Code of Ukraine Regarding the Specifics of Lending and Financial Leasing During the Period of Martial Law.

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Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 5.5.

The objective of Reform 3 is to improve the resolution of non-performing loans. Ukrainian authorities have brought into force the legal acts implementing the recommendations of the strategy for resolution of non-performing loans improving the system of NPL resolution, as described below.

The improvement of the definition of NPLs in line with the principles of the EU *acquis* was implemented through amendments to the NBU regulatory framework. In particular, NBU Resolution No. 12 of 7 February 2025 amended the '*Regulation on the Organisation of the Process of Management of Problem Assets in Banks of Ukraine*', while the applicable credit-risk framework builds on the requirements established under NBU Resolution No. 351 of 30 June 2016. The category of non-performing assets has been expanded to include assets that are not in default but are impaired in accordance with International Financial Reporting Standards (IFRS), including assets that were impaired at initial recognition (Purchased or Originated Credit-Impaired - POCI). The requirements for ceasing to classify assets as non-performing have been clarified. Specifically, the period for monitoring non-performing assets prior to a change in status has been extended and the requirements for asset quality control have been tightened. The introduction of this provision strengthens the framework for monitoring and resolving non-performing assets.

The reinstatement of the requirement for banks to update and submit plans and strategies for dealing with NPLs and providing recommendations based on the results of their analysis was implemented through amendments to the NBU Regulation 'o*n the Organisation of the Process of Management of Problem Assets in Banks of Ukraine',* approved by NBU Resolution No 97 of 18 July 2019. The relevant amendments were adopted by NBU Resolution No 12 of 7 February 2025 and entered into force on 1 January 2026. Under the amended Regulation, banks must update their strategies for non-performing loans and their sale plans and then update them annually.

Law No 3985-IX introduced the relevant amendments to the Code of Ukraine on Bankruptcy Procedures, including the framework for preventive restructuring and related bankruptcy-procedure reforms. The changes are reflected in articles covering the requirements for the arbitration manager, the rights and liabilities of the arbitration manager, the control over the activities of arbitration managers, the disciplinary penalties, the appointment and removal of the arbitration manager and the temporary suspension of the right to carry out the activities of the arbitration manager. These changes strengthen the responsibility of the arbitration manager for the performance of their duties, impose additional requirements on arbitration managers and regulate their rights and enforcement measures in the event of violations. The detailed electronic auction procedures were subsequently aligned with the amended Code through CMU Resolution No 1566 of 3 December 2025, which entered into force on 10 December 2025.

The measures identified in the NPL Strategy concerning the improvement of the procedure for and access to bankruptcy and restructuring procedures for individuals, micro and small enterprises were implemented through Law No. 3985-IX of 19 September 2024 and the subsequent implementing amendments to the electronic auction framework introduced by CMU Resolution No. 1566 of 3 December 2025. These changes introduce more flexible and predictable rules for the sale of assets in bankruptcy proceedings.

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They clarify the conduct and outcome of auctions, including the treatment of guarantee fees, the obligations of the winning bidder, and the procedure to be followed where the winner refuses to complete the purchase. In such cases, the electronic trading system automatically identifies the bidder offering the next-highest price, while failed auctions are subject to a defined procedure for determining their outcome. The amendments also provide that seizures or other restrictions on bankrupt property, where properly disclosed in the auction announcement, do not prevent the auction or the completion of the sale.

In addition, CMU Resolution No 865 of 2 October 2019, '*Issues of the Functioning of the Electronic Trading System for the Sale of Debtors' Property in Bankruptcy Proceedings'*, has been brought into compliance with the updated Code of Ukraine on Bankruptcy Procedures. The respective amendments were introduced by CMU Resolution No. 1566 of 3 December 2025. More specifically, they brought the electronic auction procedure under CMU Resolution No. 865 into line with the updated Code of Ukraine on Bankruptcy Procedures by extending its application to preventive restructuring proceedings and introducing the corresponding role of the preventive restructuring administrator. The rules governing guarantee fees, the consequences of a winner's refusal to purchase and the transfer of winning status to the participant offering the next-highest price were aligned with the revised provisions of the Code, including the automatic generation of a new auction-results protocol. The amendments also updated procedural requirements for auction announcements, participation applications, signing and publication of auction-results protocols and the sale of seized or encumbered property.

Additionally, safeguards have been introduced in the Code of Ukraine on Bankruptcy Procedures to prevent fraudulent actions of participants and limit the influence of related parties of the debtor on bankruptcy proceedings. This was done by amending Articles 45 and 47 of the Code of Ukraine on Bankruptcy Procedures introduced by Law No. 3985-IX of 19 September 2024. These amendments strengthen safeguards against conflicts of interest in bankruptcy proceedings by requiring creditors to disclose any interest in or relationship with the debtor when submitting claims against the debtor. It also provides that creditors with an interest in the debtor's property do not have a deciding vote at meetings of creditors or the creditors' committee, thereby limiting their influence over decisions in the proceedings.

The legislation on debt collection and debt treatment was also improved. Namely, Law of Ukraine No 2923-IX '*on Compensation for Damage to and Destruction of Certain Categories of Real Estate as a Result of Hostilities' of* 23 February 2023, which entered into force on 22 May 2023, provides a framework for compensation in respect of certain damaged or destroyed real estate and thereby supports the treatment of war-affected collateral and related debt exposures. Law of Ukraine No 4340-IX '*on Amendments to the Final and Transitional Provisions of the Civil Code of Ukraine Regarding the Specifics of Lending and Financial Leasing During the Period of Martial Law'* of 27 March 2025, which entered into force on 10 August 2025, establishes a temporary moratorium mechanism for qualifying borrowers affected by Russia's war of aggression against Ukraine, including certain businesses whose assets and activity are affected. Law of Ukraine No. 4833 - IX '*on Amendments to Certain Legislative Acts of Ukraine on Improving the Procedure for Enforcement of Court Decisions, Decisions of Other Bodies and Digitalisation of Certain Stages of Enforcement Proceedings*' was adopted in the Verkhovna Rada on 7 April 2026 with certain provisions entering into force earlier, on 24 April 2026 and 23 May 2026. It will be fully in force from 23 October 2026.

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Together, these measures strengthen the framework for debt treatment and recovery by addressing the consequences of war-related destruction and loss of productive assets, while providing clearer rules for borrowers and creditors affected by such circumstances. Taken together, the measures address the debt collection and treatment elements identified in the NPL strategy.

Lastly, regulatory conditions favouring the NPL market's development and operation were introduced. This was implemented through Law of Ukraine No 4466 - IX of 3 June 2025 'o*n Factoring',* which entered into force on 30 July 2025 and was put into effect from 30 July 2026, following the entry into force of Law of Ukraine No 4863 of 29 April 2026 'o*n Amending the Civil Code of Ukraine's Provisions on Relations in the Factoring Business'*. The first law establishes a new legal framework for factoring and clarifies the legal framework for the assignment and enforcement of monetary claims, while its amendments to banking and consumer credit legislation establish rules governing the transfer of certain credit claims to eligible new creditors. The second law aligns the relevant Civil Code provisions with this new framework, creating greater legal clarity and predictability for market participants. These measures are intended to facilitate the development and operation of the factoring market and create a clearer legal framework for market participants.

As part of Council Implementing Decision (EU) 2026/2230 of 24 September 2026 establishing the satisfactory fulfilment of the conditions for the partial payment of the eighth instalment under the Ukraine Plan of the Ukraine Facility, this step was taken into account as a mitigating factor, in accordance with the methodology for assessing the partial fulfilment of steps under the Ukraine Plan, solely for the purposes of the application of that Decision. The assessment of this step has not changed since the adoption of that Decision.

Commission assessment: satisfactorily fulfilled

Step 6.7

Name of the step: Entry into force on legislation on the separation of public service obligations (PSO) and non-PSO activities

Related reform/investment: Reform 3. Separation of accounts between public service obligations (PSO) and non-PSO activities in public service obligations

Financed from: loan

Context

The requirement for Step 6.7 described in the CID Annex is:

'Entry into force of the legislation identified in the Roadmap adopted under step 6.6 to align with the Directive 2006/111 of the European Commission, which will ensure that mandatory structural separation of accounts between PSO and non-PSO activities is defined and implemented in all top key SOEs approved by the Cabinet of Ministers protocol decision which are engaged in PSOs.'

Step 6.7 is the second of the three steps in the implementation of Reform 3 of Chapter 6 (management of public assets). It was preceded by Step 6.6 on the adoption of a roadmap on the separation of public service obligations (PSO) and non-PSO activities. It is followed by Step 6.8 (due by Q3 2027), which entails the submission of an audit report confirming the separation of public service obligations (PSO) and non-PSO activities.

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Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of Law of Ukraine No 4961-IX of 2 September 2026 on Amendments to Certain Legislative Acts of Ukraine on Improving the Functioning of Industrial Parks.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 6.7.

The objective of Reform 3 of Chapter 6 (management of public assets) is to strengthen the level playing field with the private sector, as well as further convergence with the EU *acquis* by a separating account between activities connected to Public Service Obligations (PSOs) and non-PSO activities.

Step 6.7 is the second element of Reform 3 and builds on Step 6.6 by implementing legislation identified in the roadmap defining the steps for mandatory structural separation of PSO and non-PSO activities for all SOEs engaged in PSOs, which was adopted and published under Step 6.6.

The adopted legislation has entered into force and provides the legal basis for the implementation of accounts separation in all SOEs engaged in PSOs but pays particular attention to those outlined in the Cabinet of Ministers' protocol decision as top key SOEs. It thus allows strategic SOEs – in sectors such as, but not limited to, energy and transport – to continue honouring commitments to public service provision, while also engaging in commercial activities transparently and on a level playing field with other market participants.

The law defines, among other things, PSOs, special rights and exclusive rights, and establishes mandatory separate accounting for relevant financial and economic transactions. It also requires the disclosure of financial relations with public authorities, reporting on the provision and actual use of public funds and the retention of supporting documentation, thereby strengthening financial transparency and helping prevent cross-subsidisation between public service and commercial activities.

That Law, in particular, contains provisions that:

- define the terms 'special obligation', 'exclusive rights' and 'special rights' with respect to business entities;
- introduce a requirement for separate accounting for business entities assigned special obligations or performing other specific duties based on exclusive or special rights;
- establish requirements for the disclosure of financial information, particularly regarding the sources of funding for special obligations.

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These provisions establish the legal basis for the mandatory structural separation of accounts between PSO and non-PSO activities, in line with the requirements of Commission Directive 2006/111/EC.
Commission assessment: satisfactorily fulfilled

Step 7.7

Name of the step: Adoption of the Population Employment Strategy
Related reform/investment: Reform 6. Improved functioning of the labour market
Financed from: loan
Context The requirement for Step 7.7 described in the CID Annex is: *'Adoption of the Order of the Cabinet of Ministers of Ukraine on approving the Population Employment Strategy. The strategy focuses on these main areas:* - *creation of favourable conditions for employment, including through entrepreneurship and with a particular focus on women;* - *simplification of access to the labour market;* - *retraining and re-qualification;* - *reform the state employment service;* - *reform the labour market forecasting;* - *incentives to attract foreign talent to the Ukrainian labour market foreign entrepreneurs, highly skilled and working personnel and students.'* Step 7.7 is the second step in the implementation of Reform 6 of Chapter 7 (human capital). Step 7.6 on the adoption of the Demographic Development Strategy for the period up to 2040 was positively assessed as part of the second instalment (Q3 2024). It will be followed by Step 7.20 on the adoption of the Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for Overcoming the Gender Pay Gap for the period up to 2030 (due by Q2 2026) and Step 7.21 on entry into force of the legislation on occupational health and safety (due by Q4 2026).

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Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of the publication of the strategy in Official Gazette No 40 of 18 February 2026;
3) Copy of Order No. 92-r of the Cabinet of Ministers of 7 January 2026 ‘on the approval of the Population Employment Strategy of Ukraine for the period up to 2030 and the approval of the operational action plan for its implementation in 2026-2028'6;
4) Copy of the ‘Population Employment Strategy of Ukraine for the period up to 2030’ as an attachment to the Order 92-r of 7 January 2026.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 7.7.

The objective of Reform 6 of Chapter 7 (human capital) is to contribute to the functioning of the labour market. To this end, the Cabinet of Ministers of Ukraine adopted Order No 92-r of 7 January 2026 ‘o*On the approval of the Population Employment Strategy of Ukraine for the period up to 2030 and the approval of the operational action plan for its implementation in 2026-2028'* (hereinafter the ‘the strategy’). The strategy is attached to the approved Order No 92-r and is accompanied by the operational plan for 2026-2028.

The strategy aims to simplify access to the labour market while reskilling and upskilling key segments of the population. To achieve this, it introduces an integrated reform package designed to: minimise information gaps between jobseekers and employers; expedite job matching; and make employment pathways clearer, faster and more inclusive. A central component of this approach is the rollout of Obrii, a Unified Information and Analytical System serving as a single digital gateway for citizens and businesses. This platform will consolidate job vacancies and CVs, enable competency-based matching and provide e-recruitment services.

Additionally, the strategy seeks to promote entrepreneurship as a key route to employment, with a particular focus on supporting women in business. Both the overarching strategy and its operational plan aim to bolster women’s entrepreneurship through measures such as: reducing administrative and regulatory hurdles to starting and running a business, particularly for women-led enterprises; expanding financial support and access to capital to foster the growth of small and medium-sized enterprises (SMEs); evaluating the impact of government policies on women’s entrepreneurship and providing recommendations to enhance targeted support and dismantle systemic barriers.

The strategy also includes the development of a dedicated Roadmap for the State Employment Service (2026–2030), outlining a phased approach to institutional reforms and service modernisation. Key initiatives include: adopting a competency-based framework for human resource management across employment agencies to enhance performance tracking and ensure that teams meet service effectiveness targets; updating training programmes to systematically upskill managers and staff in line with evolving labour market needs; strengthening cross-agency cooperation, led by the State Employment Centre, to improve coordination with other government bodies and frontline professionals.

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To future-proof the labour market, the strategy proposes reforms in labour demand forecasting and attracting international talent, including foreign entrepreneurs, skilled workers and students. This involves: establishing a robust system for analysing and forecasting labour demand, using standardised data collection, analytics and indicators – broken down by age, gender and locality; introducing an economic forecasting model with a 5-10 year outlook, accounting for macroeconomic trends, demographic shifts and sectoral changes.

Finally, the strategy will deploy a mix of promotional, regulatory and digital tools, including: targeted awareness campaigns; international promotion of Ukrainian education and research to attract foreign students and academics; analytical studies and a roadmap on managed labour migration, alongside regular reviews of the list of professions and qualifications eligible for immigration – including pathways to permanent residency.

As part of Council Implementing Decision (EU) 2026/1204 of 28 May 2026 establishing the satisfactory fulfilment of the conditions for the partial payment of the seventh instalment under the Ukraine Plan of the Ukraine Facility and amending Implementing Decision (EU) 2024/1447, this step was taken into account as a mitigating factor, in accordance with the methodology for assessing the partial fulfilment of steps under the Ukraine Plan, solely for the purposes of the application of that Decision. The assessment of this step has not changed since the adoption of that Decision.

Commission assessment: satisfactorily fulfilled

Step 7.12

Name of the step: Investments of at least EUR 300 million in education

Related reform/investment: Investment 1. Investments in education

Financed from: loan

Context

The requirement for Step 7.12 described in the CID Annex is:

'Interim report of the government (or State Treasury report) showing that in the State Budgets for 2024 and 2025 the general government budgeted in particular, to the regional and local levels (as part of step 9.7), at least EUR 300 million (in UAH equivalent) for improving the access to safe and quality education, including preschool education in line with the new legislation on preschool education, among others for the following:

- *shelters and safe conditions in educational establishments;*
- *school buses;*
- *modern teaching method, including through digitalisation;*
- *materials and equipment for educational establishments;*
- *quality nutrition;*
- *establishment of workshops and laboratories in educational institutions;*
- *improvement of the energy efficiency of educational buildings.'*

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Step 7.12 is the first of two steps in the implementation of Investment 1 of Chapter 7 (human capital). It is followed by Step 7.13 (due on Q3 2027) on investments of at least EUR 650 million in education.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of Law of Ukraine No 3460-IX of 9 November 2023 'on the State Budget of Ukraine for 2024' and its annexes;
3) Copy of Law of Ukraine No 4059-IX of 19 November 2024'on the State Budget of Ukraine for 2025' and its annexes;
4) Copy of Resolution No 925 of the Cabinet of Ministers of Ukraine of 30 November 2016 for BP 2211210 VEC in 2024 and BP 2211800 VEC in 2025;
5) Copy of Resolution No 419 of the Cabinet of Ministers of Ukraine of 28 April 2023 for BP 2211310 Shelters in 2024 and BP 2211810 Shelters in 2025;
6) Copy of Resolution No 418 of the Cabinet of Ministers of Ukraine of 28 April 2023 for BP 2211320 Buses in 2024 and BP 2211830 Buses in 2025;
7) Copy of Resolution No 120 of the Cabinet of Ministers of Ukraine of 16 February 2022 for BP 2211330 Canteens in 2025;
8) Copy of Resolution No 237 of the Cabinet of Ministers of Ukraine of 4 April 2018 for BP 2211230 NUS;
9) Copy of Resolution No 1554 of the Cabinet of Ministers of Ukraine of 31 December 2024 for BP 2211850 NUS in 2025;
10) Copy of Resolution No 1530 of the Cabinet of Ministers of Ukraine of 30 December 2024 for BP 2211840 Fire protection;
11) Copy of Resolution No 1477 of the Cabinet of Ministers of Ukraine of 30 December 2022 for BP 3511280 Shelters and Buses and Resolution No 1392 of the Cabinet of Ministers of Ukraine of 29 October 2025, which entered into force with Order No 1308 of the Ministry of Education and Science of Ukraine of 11 September 2024 and Order No 1310 of the Ministry of Education and Science of Ukraine of 11 September 2024;
12) Copy of the Reporting form on Subsection II.1 'Expenditure by the Programme Classification of State Budget Expenditure and Lending' of Section II 'Expenditure' of the Report on the Execution of the State Budget of Ukraine', for 2024 and 2025 of the Report on the Execution of the State Budget of Ukraine, approved by Order No 41 of the Ministry of Finance of Ukraine of 30 January 2018;
13) Copy of the Reporting form on 'Information on the Implementation of Intergovernmental Transfer Indicators (Other Grants and Subventions) from the State Budget of Ukraine to Local Budgets' for 2024 and 2025 of the Report on the Execution of the State Budget of Ukraine, approved by Order of the Ministry of Finance of Ukraine No 41 of 30 January 2018;
14) Copy of the technical simplified calculations;

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15) Copy of the list of Orders of the Ministry of Education and Science of Ukraine or other decisions defining the list of projects to be financed under the respective budget programme;
16) Copy of the list of all projects implemented under the respective budget programme.
17) Copy of the list of projects implemented under the respective budget programme and the related procurements.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 7.12.

The objective of Investment 1 of Chapter 7 (human capital) is to improve access to safe and quality public education.

To this end, the State Budgets of Ukraine for 2024 and 2025 earmarked and implemented a set of dedicated budget programmes specifically targeting investments in safe, accessible and quality education at regional and local level. These programmes covered, inter alia, the development of shelters and fire protection measures in educational institutions, the purchase of school buses, the modernisation of canteens, the provision of teaching and learning materials and equipment under the 'New Ukrainian School' reform and the upgrading of workshops and laboratories in vocational education institutions, including measures related to energy efficiency, safety and inclusiveness.

Overall, the total volume of expenditure reported under these dedicated budget programmes amounted to UAH 4.64 billion (EUR 107 million) in 2024 and UAH 11.42 billion (EUR 244 million) in 2025, corresponding to a combined investment of approximately UAH 16.06 billion (EUR 351 million) over the two years exceeding the minimum target of EUR 300 million set out under Step 7.12. It should be noted, that as Ukraine reported only verified expenditure and the verification is still ongoing, this amount may increase to approximately UAH 17.38 billion (EUR 380 million).

Commission assessment: satisfactorily fulfilled

Step 7.14

Name of the step: Investments of at least EUR 200 million in healthcare

Related reform/investment: Investment 2. Investments in healthcare

Financed from: loan

Context

The requirement for Step 7.14 described in the CID Annex is:

'Interim report of the government (or Treasury report) showing that in the State Budgets for 2024 and 2025 the general government budgeted, part of which will be budgeted to the regional level (as a part of step 9.7), at least EUR 200 million (in UAH equivalent) for strengthening healthcare, among others for the following:

— *laboratory equipment for micro-biological, chemical, and physical analysis;*

— *shelters and safety measures for healthcare facilities;*

— *hospital equipment for medical analysis, surgery, and patient care;*

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— *healthcare infrastructure and facilities;*

— *IT systems s to improve efficiency and effectiveness of healthcare services.'*

Step 7.14 is the first step in the implementation of Investment 2 under Chapter 7 (human capital). It will be followed by Step 7.15 (due on Q3 2027) on investments of at least EUR 400 million in healthcare.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of Law of Ukraine No 3460-IX of 9 November 2023 'on the State Budget of Ukraine for 2024 and its annexes;
3) Copy of Law of Ukraine No 4059-IX of 19 November 2024'on the State Budget of Ukraine for 2025 and its annexes;
4) Copy of Law of Ukraine No 4695-IX of 3 December 2025 'on the State Budget of Ukraine for 2026'and its annex;
5) Copy of Resolution No 1886 of the Cabinet of Ministers of Ukraine of 24 December 2019 for BP 2308060;
6) Copy of Resolution No 298 of the Cabinet of Ministers of Ukraine of 17 March 2011 for BP 2301400;
7) Copy of Resolution No 374 of the Cabinet of Ministers of Ukraine of 2 April 2024 for BP 2311590;
8) Copy of Resolution No 73 of the Cabinet of Ministers of Ukraine of 23 January 2024 for BP 2311500;
9) Copy of Resolution No 289 of the Cabinet of Ministers of Ukraine of 15 March 2024 for BP 2301060;
10) Copy of Resolution No 1121 of the Cabinet of Ministers of Ukraine of 27 November 2019 for BP 2301040;
11) Copy of Resolution No 271 of the Cabinet of Ministers of Ukraine of 7 March 2025 for BP 2301800;
12) Copy of Resolution No 312 of the Cabinet of Ministers of Ukraine of 18 March 2025 for BP 2311800;
13) Copy of Resolution No 312 of the Cabinet of Ministers of Ukraine of 18 March 2025 (as amended);
14) Copy of Order No 2195 of the Ministry of Health of Ukraine of 30 December 2024 for BP 2301170 and its annex;
15) Copy of Order No 2192 of the Ministry of Health of Ukraine of 30 December 2024 for BP 230110 and its annex;
16) Copy of Passport No 39 of the National Academy of Science of Ukraine of 22 May 2024 for BP 6561190 and its annex;

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17) Copy of Order No 464 of the Ministry of Health of 6 April 2026 for BP 2301800;
18) Copy of the Reporting form on Subsection II.1 'Expenditure by the Programme Classification of State Budget Expenditure and Lending' of Section II 'Expenditure' of the Report on the Execution of the State Budget of Ukraine' for 2024 and 2025 of the Report on the Execution of the State Budget of Ukraine, approved by Order No 41 of the Ministry of Finance of Ukraine of 30 January 2018;
19) Copy of the Reporting form on 'Information on the Implementation of Intergovernmental Transfer Indicators (Other Grants and Subventions) from the State Budget of Ukraine to Local Budgets' for 2024 and 2025 of the Report on the Execution of the State Budget of Ukraine, approved by Order No 41 of the Ministry of Finance of Ukraine of 30 January 2018;
20) Copy of the letter dated 15 July 2026 from the State Treasury Service of Ukraine and its annex;
21) Copy of the letter dated 15 September 2026 from the State Treasury Service of Ukraine and its annex;
22) Copy of the technical simplified calculations;
23) Copy of the list of Orders of the Ministry of Health of Ukraine or other decisions defining the list of projects to be financed under the respective budget programme;
24) Copy of the list of all projects implemented under the respective budget programme.
25) Copy of the list of projects implemented under the respective budget programme and the related procurements.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 7.14.

The objective of Investment 2 under Chapter 7 (human capital) is to improve Ukraine's public healthcare system.

To this end, the State Budgets of Ukraine for 2024 and 2025 earmarked and implemented a set of dedicated budget programmes covering, among other areas, the safety of healthcare facilities and the installation of protective structures; the restoration, reconstruction and modernisation of medical infrastructure; the development of rehabilitation care and specialised medical care, including paediatric care, cardiology, oncology, medical education and science; support for healthcare facilities at regional and local level; the provision of modern medical equipment; and the strengthening of healthcare system capacity and continuity of care.

The Ukrainian authorities reported eligible expenditure under these budget programmes amounting to UAH 4.33 billion (EUR 100 million) in 2024 and UAH 4.10 billion (EUR 87 million) in 2025, corresponding to a total of approximately UAH 8.43 billion (EUR 187 million) over the two-year period.

The implementation of the above-mentioned budget programmes continued in 2026 as required by Step 7.15, which requires investment of at least EUR 400 million in healthcare. In this respect, the State Budget of Ukraine for 2026 implemented dedicated budget programmes on healthcare infrastructure and facilities for UAH 4.12 billion (approximately EUR 81 million).

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Information on projects and related procurements is collected on a quarterly basis, and the total reported expenditure for the first six months of 2026 for which this information can be provided amounted to UAH 597 million (approximately EUR 12 million). Accordingly, for the purpose of the positive assessment, the Commission considers as valid only the expenditure amounting to EUR 12 million, corresponding to a total of approximately UAH 9 billion (EUR 199 million).While there is a minimal deviation from the financial resources relevant to the implementation of Step 7.14, the evidence submitted demonstrates continued implementation of the relevant healthcare investment over the subsequent period and confirms the substantive achievement of the policy objective pursued by the step. On that basis, Step 7.14 can be considered satisfactorily fulfilled.

Commission assessment: satisfactorily fulfilled

Step 7.18

Name of the step: Investments of at least EUR 200 million for providing housing for veterans with disabilities of the I-II groups, family members of deceased veterans and internally displaced persons

Related reform/investment: Investment 5. Investments in providing housing for vulnerable groups of the population

Financed from: loan

Context

The requirement for Step 7.18 described in the CID Annex is:

'Interim report of the government (or State Treasury report) showing that in the State Budgets for 2024 and 2025 the general Government budgeted at least EUR 200 million (in UAH equivalent) for providing housing for:

- *persons with disabilities of I-II groups who defended the independence, sovereignty and territorial integrity of Ukraine;*
- *family members of the deceased defenders;*
- *internally displaced persons who defended the independence, sovereignty and territorial integrity of Ukraine and their family members.'*

Step 7.18 is the first of the two steps in the implementation of Investment 5 of Chapter 7 (human capital). It is followed by Step 7.16 (due on Q3 2027) on investments of at least EUR 350 million in social infrastructure.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of Law of Ukraine No 3460-IX of 9 November 2023 'on the State Budget of Ukraine for 2024' and its annexes;
3) Copy of Law of Ukraine No 4059-IX of 19 November 2024 'on the State Budget of Ukraine for 2025' and its annexes;

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4) Copy of Order No 1146-r of the Cabinet of Ministers of Ukraine of 19 November 2024 for BP 1511040 and BP 1511050;
5) Copy of Order No 1285-r of the Cabinet of Ministers of Ukraine of 20 December 2024 for BP 1511040 and BP 1511050;
6) Copy of Order No 1313-r of the Cabinet of Ministers of Ukraine 26 November 2025for BP 1511800;
7) Copy of Order No 1433-r of the Cabinet of Ministers of Ukraine of 17 December 2025for BP 1511800;
8) Copy of Order No 1473-r of the Cabinet of Ministers of Ukraine of 23 December 2025for BP 1511800;
9) Copy of Resolution No 719 of the Cabinet of Ministers of Ukraine of 19 October 2016 for BP 1511040 and BP 1511800;
10) Copy of Resolution No 280 of the Cabinet of Ministers of Ukraine of 18 April 2018for BP 1511050;
11) Copy of the technical simplified calculations;
12) Copy of the reporting form on Subsection II.1 ‘Expenditure by the Programme Classification of State Budget Expenditure and Lending’ of Section II ‘Expenditure’ of the Report on the Execution of the State Budget of Ukraine"’, for 2024 and 2025 of the Report on the Execution of the State Budget of Ukraine approved by Order No 41 of the Ministry of Finance of Ukraine of 30 January 2018.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 7.18.

The objective of Investment 5 of Chapter 7 (human capital) is to improve access to affordable housing and improve the quality and accessibility of housing with particular focus on veterans, with disabilities, their family members and internally displaced persons.

To this end, the State Budget of Ukraine for 2024 and 2025 earmarked and implemented a set of dedicated budget programmes specifically targeting vulnerable groups, namely: persons with group I or II disabilities who defended Ukraine; family members of fallen or deceased defenders; and internally displaced veterans who defended Ukraine, subject to the relevant legal eligibility and housing-registration requirements.

Overall, the total volume of expenditure amounted to UAH 9.82 billion (EUR 226 million) in 2024 and UAH 6.48 billion (EUR 138 million) in 2025, corresponding to a total of approximately UAH 16.3 (EUR 364 million) over the two years, exceeding the minimum target of EUR 200 million set out under Step 7.18.

Commission assessment: satisfactorily fulfilled

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Step 7.20

Name of the step: Adoption of the Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for Overcoming the Gender Pay Gap for the period up to 2030
Related reform/investment: Reform 6. Improved functioning of the labour market
Financed from: loan
Context The requirement for Step 7.20 described in the CID Annex is: *'Adoption and publication on the website of the Cabinet of Ministers of the Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for overcoming the Gender Pay Gap for the period up to 2030'.* Step 7.20 is the third step in the implementation of Reform 6 of Chapter 7 (human capital) concerning the adoption of the Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for overcoming the Gender Pay Gap for the period up to 2030. It was preceded by Step 7.6 (adoption of the Demographic Development Strategy for the period up to 2040) which was positively assessed in Q3 2024 and by Step 7.7 (adoption of the Population Employment Strategy) which was positively assessed in Q2 2026. It will be followed by Step 7.21 on the entry into force of the legislation on occupational health and safety.
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex; 2) Copy of the publication of the strategy in Official Gazette No 116 of 3 June 2026; 3) Copy of Order No 504-p of the Cabinet of Ministers of Ukraine of 27 May 2026 'on the approval of the Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for overcoming the Gender Pay Gap for the period up to 2030'; 4) Copy of the 'Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for overcoming the Gender Pay Gap for the period up to 2030' as an attachment to Order No 504-p of 27 May 2026.

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Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 7.20.

The objective of Reform 6 of Chapter 7 (human capital) is to contribute to the functioning of the labour market. To this end, the Cabinet of Ministers of Ukraine adopted Order No 504-p of 27 May 2026 '*on the approval of the Operational Plan of Measures for the implementation in 2026-2028 of the National Strategy for overcoming the Gender Pay Gap for the period up to 2030'* (hereinafter 'the operational plan'). The operational plan is attached to the approved Order No 504-p.

The operational plan for the period 2026–2028 sets out a structured and policy-relevant framework aimed at advancing gender equality, with particular emphasis on equal pay, labour market participation, educational inclusion and access to early childhood education and care. The planned measures correspond to relevant international and European commitments in the areas concerned.

As part of Council Implementing Decision (EU) 2026/2230 of 24 September 2026 establishing the satisfactory fulfilment of the conditions for the partial payment of the eighth instalment under the Ukraine Plan of the Ukraine Facility, this step was taken into account as a mitigating factor, in accordance with the methodology for assessing the partial fulfilment of steps under the Ukraine Plan, solely for the purposes of the application of that Decision.The assessment of this step has not changed since the adoption of that Decision.

Commission assessment: satisfactorily fulfilled

Step 8.12

Name of the step: Adoption of amendments to the resolution on the designation of the single national metrology institute

Related reform/investment: Reform 5. Harmonisation of legislation and standards with the EU

Financed from: loan

Context

The requirement for Step 8.12 described in the CID Annex is:

'Adoption of amendments to the resolution of the Cabinet of Ministers No. 330 of 27 May 2015 on the designation of a single national metrology institute - State Enterprise 'All-Ukrainian State Scientific and Production Centre for Standardisation, Metrology, Certification and Consumer Protection' (SE 'Ukrmetrteststandard', Kyiv).'

Step 8.12 is the third and last step in the implementation of Reform 5 of Chapter 8 (business environment). It was preceded by Step 8.7 concerning the adoption of the resolution for the resumption of market surveillance measures and control of non-food products (Q4 2024) and Step 8.8 related to the adoption of harmonised standards for three groups of industrial products (Q3 2025).

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Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of Resolution No 1055 of the Cabinet of Ministers 'on Amendments to paragraph 1 of Resolution No 330 of the Cabinet of Ministers of Ukraine of 27 May 2015', dated 19 August 2026.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 8.12.

The objective of Reform 5 of Chapter 8 (business environment) is to resume market surveillance measures and facilitate the adoption of Union norms and standards in Ukraine, particularly in the areas of industrial products.

With the adoption of Resolution 1055, the status of national metrology institute is granted exclusively to State Enterprise 'All-Ukrainian State Scientific and Production Centre for Standardisation, Metrology, Certification and Consumer Protection'.

Commission assessment: satisfactorily fulfilled

Step 9.7

Name of the step: Allocation of the equivalent of at least 5 % of the overall non-repayable financial support for meeting recovery, reconstruction, and modernisation needs of sub-national authorities

Related reform/investment: Investment 1. Investments for the recovery, reconstruction and modernisation needs of Ukraine's sub-national authorities

Financed from: loan

Context

The requirement for Step 9.7 described in the CID Annex is:

'Interim report showing that the equivalent of at least 5 % of the non-repayable financial support has been allocated to the recovery, reconstruction and modernisation needs of Ukraine's sub-national authorities, in particular local self-government.'

Step 9.7 is the first step in the implementation of Investment 1 of Chapter 9. It is followed by Step 9.8, which requires an allocation of at least 20 % of the overall non-repayable financial support for meeting recovery, reconstruction and modernisation needs of sub-national authorities (due by Q3 2027).

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Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Reporting forms on 'Information on the Implementation of Intergovernmental Transfer Indicators (Other Grants and Subventions) from the State Budget of Ukraine to Local Budgets' for 2024 and 2025, submitted as supporting evidence for Steps 7.12 and 7.14;
3) List of projects and budget programmes financed in 2024–2025 and reported as contributing to Step 9.7, including actual financing amounts in UAH and EUR.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 9.7.

The objective of Investment 1 of Chapter 9 (decentralisation and regional policy) is to support the recovery, reconstruction and modernisation needs of Ukraine's sub-national authorities, in particular local self-government.

Step 9.7 requires an interim report demonstrating that the equivalent of at least 5% of the non-repayable financial support under Pillar I has been allocated for these purposes for 2024 and 2025. On the basis of the EUR 5.27 billion in non-repayable financial support under Pillar I, the minimum amount corresponding to the 5% requirement is EUR 263.5 million.

The evidence submitted by the Ukrainian authorities shows that, during 2024-2025, financing contributing to Step 9.7 was provided through three mechanisms.

First, inter-budgetary transfers from the State budget to regional and local budgets financed investments in education and healthcare infrastructure. These covered, inter alia, the New Ukrainian School, school buses, fire-protection systems, civil protection structures and shelters, modernisation of school canteens, vocational education infrastructure, safe conditions in healthcare facilities and public investment projects in the healthcare sector. Actual financing through this mechanism amounted to UAH 5.39 billion (EUR 124 million) in 2024 and UAH 13.16 billion (EUR 281 million) in 2025, corresponding to UAH 18.55 billion (EUR 4051 million) in total.

Second, financing was provided directly for public investment projects implemented at regional and local level, including rehabilitation and healthcare infrastructure projects and investments in the resilience of regional Centres for Disease Control and Prevention, such as repairs, water-supply infrastructure and autonomous heating systems. Financing under this mechanism amounted to UAH 117.42 million (EUR 2.70 million) in 2024 and UAH 358.35 million (EUR 7.66 million) in 2025, corresponding to UAH 475.77 million (EUR 10.4 million) in total.

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Third, medical equipment was procured centrally and subsequently distributed to healthcare institutions in the regions on the basis of identified needs and requests. The value of equipment financed under this mechanism amounted to UAH 896.50 million (EUR 20.63 million) in 2024 and UAH 711.07 million (EUR 15.2 million) in 2025, corresponding to UAH 1.61 billion (EUR 35.8 million) in total. Although procurement was carried out centrally, the equipment was directed to healthcare infrastructure in the regions and addressed identified sub-national recovery, reconstruction and modernisation needs. It can therefore be taken into account for the purposes of Step 9.7.

Taken together, the three mechanisms resulted in financing of UAH 6.40 billion (EUR 147 million) in 2024 and UAH 14.22 billion (EUR 304.4 million) in 2025. Total financing contributing to the recovery, reconstruction and modernisation needs of Ukraine's sub-national authorities in 2024-2025 therefore amounted to approximately UAH 20.63 billion (EUR 451 million).

The supporting evidence identifies the relevant budget programmes, investment areas, projects and beneficiaries. It demonstrates that the financing was directed to investments serving regional and local needs, including local self-government.

The Commission considers that the expenditure covered by the three mechanisms falls within the scope of recovery, reconstruction and modernisation for the purposes of Step 9.7, as it supports the construction, reconstruction, rehabilitation, modernisation, equipping and resilience of public infrastructure and services at sub-national level.

The evidence concerns actual financing and budget execution rather than budgetary allocations alone and therefore demonstrates that the minimum allocation required under Step 9.7 has materialised.

The EUR 451 million reported under the three mechanisms corresponds to approximately 8.6% of the EUR 5.27 billion in non-repayable financial support under Pillar I. It therefore exceeds the 5% requirement, corresponding to EUR 263.5 million, by approximately EUR 187.8 million, or 3.6 percentage points.

On the basis of the evidence provided, the Commission considers that the requirement of Step 9.7 has been satisfactorily fulfilled. The documented allocations amount to EUR 451 million, corresponding to approximately 8.6% of the EUR 5.27 billion in non-repayable financial support under Pillar I and therefore exceeding the required 5% threshold of EUR 263.5 million.

Commission assessment: satisfactorily fulfilled

Step 10.3

Name of the step: Entry into force of the legislation to improve permitting procedures for renewable energy investments

Related reform/investment: Reform 2. Improved regulatory framework for increasing renewable energy and ensuring stable operation of the energy system

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Financed from: loan

Context

The requirement for Step 10.3 described in the CID Annex is:

'Entry into force of the legislation on shortening the permitting procedures for renewable investments in line with Union rules transposed in the Energy Community as Ministerial Council Recommendation 2024/1/MC-EnC of 11 December 2024 on accelerating the deployment of renewable energy projects and implementing the energy efficiency first principle ('Recommendation 2024/1/MC-EnC').'

Step 10.3 is the third and last step of Reform 2. It was preceded by Step 10.2 requiring the introduction of a market-based renewable energy framework in line with Union rules and by Step 10.4 concerning the approval of a roadmap for the separation of the renewable energy surcharge from the transmission tariff.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of Law No 4963-IX of 2 September 2026.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 10.3.

The overall objective of this reform is to increase the share of renewable energy in the energy mix of Ukraine by simplifying and shortening permitting procedures for the renewable energy projects.

To fulfil this step, Law No 4963-IX was adopted on 2 September 2026. Law No 4963-IX/2026 streamlines and shortens permitting procedures for renewable energy projects, in compliance with the Energy Community Ministerial Council Recommendation 2024/1/MC-EnC of 11 December 2024, recommending Ukraine to prepare the legal and institutional preconditions for the implementation of the Articles 15b, 15c, 15d, 15e, 16, 16a, 16b, 16c, 16d, 16e and 16f of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (hereafter referred to as 'the RED Directive'), as amended by Directive (EU) 2023/2413. Law No 4963-IX of 2 September 2026 transposes into national legislation all the above-mentioned provisions, by amending Law No 555-IV of 24 March 2003 'on Alternative Energy Sources'. In particular:

- The new Article 9^{9}nonies of Law No 555-IV of 24 March 2003 transposes Article 15b of the RED Directive, requiring the central executive authority responsible for formulating and implementing the state policy in the electricity sector to carry out a coordinated mapping exercise to identify the domestic potential and available areas for the installation of renewable energy facilities and their associated infrastructure which are necessary to achieve the National Energy and Climate Plan target and the national contribution to the Energy Community's objectives.

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- The new Article 9^{10} of the Law No 555-IV of 24 March 2003 transposed into national legislation Articles 15c and 15d of the RED Directive, requiring the Cabinet of Ministers of Ukraine, taking into account the above-mentioned mapping exercise, to approve one or more plans identifying, for one or more types of renewable energy sources, renewable acceleration areas, i.e. areas where permitting procedures will be sped -up and simplified. The plans will be subjected to a strategic environmental assessment and will include the necessary mitigating measures to reduce and/or prevent damage to the environment. In line with Article 9 of Law No 2354-VIII of 20 March 2018 on strategic environmental assessment, public consultation is a mandatory state of the strategic environmental assessment process. The plans will also be published on the Unified State Web Portal of Open Data and reviewed periodically, in particular when revising and updating the National Energy and Climate Plan.
- The new Articles 14^{2} and 14^{10} of Law No 555-IV of 24 March 2003 transposed into national legislation Articles16 and 16f of the RED Directive, defining the main principles of permit-granting procedures and setting out the principle of the overriding public interest of energy projects.
- The new Articles $14^{5}$and 14^{6} of Law No 555-IV of 24 March 2003 transposed into national legislation Articles 16a and 16b of the RED Directive, setting out deadlines to finalise permitting procedures for projects located inside and outside renewable acceleration areas, in line with the RED Directive and simplifying permitting procedures for projects located in renewable acceleration areas.
- The new Articles 14^{7}, 14^{8} and 14^{9} of Law No 555-IV of 24 March 2003 transposed into national legislation Articles 16c, 16d and 16e of the RED Directive, setting out specific rules for repowering projects, for the installation of solar energy equipment and heat pumps.

Law No 4963-IX of 2 September 2026 entered into force on 1 October 2026, i.e. the day following the date of its publication in Official Gazette No 190 of 30 September 2026.

Commission assessment: satisfactorily fulfilled

Step 10.19

Name of the step: Preparation of the Terms of Reference for a third-party audit of the National Energy and Utilities Regulatory Commission regarding the integrity and robustness of its financial and decision-making processes

Related reform/investment: Reform 5. Ensuring independence of National Energy and Utilities Regulatory Commission

Financed from: loan

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Context

The requirement for Step 10.19 described in the CID annex is:

'Preparation of the Terms of Reference for a third-party audit of the National Energy and Utilities Regulatory Commission regarding the integrity and robustness of its financial, governance and decision-making processes, including in light of recent integrity concerns and developments in the energy sector. The Terms of Reference should focus on:

- *assessment of the Decision-Making Process, including internal approval procedures, traceability, documentation standards and safeguards ensuring integrity and transparency of regulatory decisions*
- *assessment of the Ethical Practices, including conflict-of-interest prevention, declarations of interests, recusal procedures and accountability mechanisms applicable to Commissioners, management and staff*
- *assessment of the Anti-Corruption Program and internal compliance mechanisms, including identification of institutional vulnerabilities and integrity risks.*
- *assessment of financial decision-making processes, allocation and management of financial resources, and related internal control mechanisms, including transparency, traceability, accountability and safeguards against misuse or undue influence*
- *assessment of the Communication Policy, including interaction with EU/EnC regulators, market participants and other Ukrainian public authorities and mechanisms to ensure transparency, consistency and equal treatment*
- *assessment of the Financial Component, including Budgeting, procurement, internal controls and Reporting procedures*

The terms of reference shall determine the detailed modalities, timing and cost of such audit. Draft terms of reference shall have been shared with a list of potential service providers.
The audit shall be institutional and systems-oriented in nature and shall not duplicate or interfere with ongoing investigations or competencies of law-enforcement authorities.'

Step 10.19 is the third step of Reform 5. It was preceded by Step 10.10, which required the exemption of the regulatory decisions of the National Energy and Utilities Regulatory Commission (NEURC) from state registration and by Step 10.11, which provides for the specification of the special status of NEURC. It is followed by Step 10.20, which requires the completion of a third-party audit of NEURC. Step 10.11 remains unfulfilled since Q2 2026.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Link to call for tender No 020828 launched by the European Bank for Reconstruction and Development (EBRD) on 10 August 2026;
3) Copy of the Terms of Reference (ToR) for the assessment of organisational and integrity practices of NEURC.

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Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 10.19

The overall objective of this reform is to strengthen the independence of the energy regulator and ensure effective functioning and development of markets in the energy and utilities sectors. To fulfil the step, NEURC prepared the Terms of Reference (ToR) for the third-party audit, in close cooperation with the EBRD. The final adopted ToR were included in call for tender No 020828 launched by the EBRD on 10 August 2026 for the selection of the consultant. The ToR are aligned with the conditionalities of the CID. In particular, the ToR:

- clarify the scope of the audit, namely, to provide an objective, evidence-based assessment of the integrity and robustness of NEURC's internal processes and governance practices, identify strengths, risks and gaps in integrity and accountability mechanisms and provide practical, actionable recommendations aligned with EU best practice and international regulatory standards.
- The ToR require an assessment of five key areas of NEURC's governance and integrity framework, covering all sub-set of conditionalities included in the CID, namely:
  - Decision-Making Processes: to evaluate the integrity and robustness of the decision-making processes as regards regulatory decisions and identify areas for potential improvements to strengthen NEURC's institutional capacity, resilience and alignment with European and international best practice, including the EU *acquis*. The audit will also assess the effectiveness of existing safeguards to ensure integrity and transparency, documentation standards as well as internal approval procedures and their traceability.
  - Ethical Practices: to assess NEURC's ethical standards and their effective implementation. The assessment will include (among other things) a review of existing codes of ethics/conduct and internal policies, the existence of internal structures to ensure compliance with such policies and procedures, an evaluation of conflict-of-interest policies and disclosure practices, including declarations of interests and recusal procedures.
  - Anti-Corruption Programme: to evaluate the design and effectiveness of NEURC's anti-corruption measures, including identification of institutional vulnerabilities and integrity risks.
  - Communication Policy: to assess communication practices, including interaction with EU/EnC regulators, market participants and other Ukrainian public authorities and mechanisms to ensure transparency, consistency and equal treatment of relevant stakeholders;
  - Financial Component (Decision-making, Budgeting and Reporting): to assess NEURC's financial governance and decision-making, budgeting processes and reporting practices. The assessment will also evaluate the impact of external approval requirements by the Ministry of Finance of Ukraine and by the Budget Committee of the Ukrainian Parliament; analyse the allocation and use of funds; assess internal controls and financial oversight mechanisms, including against misuse and undue influence and their effectiveness.

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- The ToR include a description of the implementation modalities, timeline and indicative cost of the audit (Sections B, C, D, E, F) and specify that the audit will be **institutional and systems-oriented** in nature and will not duplicate or interfere with ongoing investigations or competencies of law enforcement authorities.
- Finally, an open competition was launched for the auditor's selection, therefore ensuring that a plurality of service providers will have access to the ToR.

Commission assessment: satisfactorily fulfilled

Step 12.9

Name of the step: Investments of at least EUR 30 million in demining of agriculture land

Related reform/investment: Investment 1. Investments in demining

Financed from: loan

Context

The requirement for step 12.9 described in the CID annex is:

'Interim report of the Government (or State Treasury report) showing that in the State Budgets for 2024 and 2025 the general Government budgeted at least EUR 30 million (in UAH equivalent) for the demining of agricultural land.'

Step 12.9 is the first of the two steps in the implementation of Investment 1 of Chapter 12 (agri-food sector). It is followed by Step 12.10 (due on Q3 2027) on investments of at least EUR 100 million in demining of agriculture land.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Copy of Resolution No 284 of the Cabinet of Ministers of 12 March 2024 'Procedure for the use of funds provided in the state budget for humanitarian demining';
3) Copy of Order No 11242 of the Ministry of Economy of 2 May 2024 approving the passport of the budgetary programme 1201420 for 2024;
4) Copy of Order No 1186 of the Ministry of Economy of 13 February 2025 approving the passport of the budgetary programme 1201420 for 2025;
5) Copy of Report on the implementation of budgetary programme 1201420 for 2024;
6) Copy of Report on the implementation of budgetary programme 1201420 for 2025;
7) Copy of Treasury report for budgetary programme 1201420 for 2024 and 2025;
8) Copy of a list of contracts for implementation of Step 12.9.

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Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 12.9.

The overall objective of this investment is to support owners or users of agricultural land undertaking de-mining efforts.

The evidence provided shows that, the State Budgets for 2024 and 2025 included budget programme 1201420 *'Compensation for expenses for humanitarian demining of agricultural land'*. Resolution 284 of 12 March 2024 established the administrative procedures for implementing the programme, including the eligibility criteria and implementation arrangements and limits support for the demining of agricultural land. Amendments to the Resolution were made in 2025 and 2026 to increase the efficiency of the programme's implementation.

The Ukrainian authorities reported total expenditure of UAH 1,583 million (EUR 34.4 million) under the programme in 2024 and 2025, which was allocated across 120 contracts. The figure comprises of:

- In 2024, a total of UAH 356 million (EUR 8.2 million) in expenditure was allocated across 17 contracts,
- In 2025, a total of UAH 1,227 million (EUR 26.2 million) in expenditure was allocated across 103 contracts.

101 of these contracts, with expenditure of UAH 1,182 million (EUR 25.8 million), were completed at the time of reporting, whereas 19 contracts amounting to UAH 401 million (EUR 8.6 million) are still being implemented.

Taken together, under the completed contracts and contracts under implementation from 2024 and 2025 represent an amount of EUR 34.4 million committed to be spent on the demining of agricultural land. This exceeds the minimum target of EUR 30 million and corresponds to around 115% of the target. The quantitative requirement of the step is therefore fulfilled.

The programme supports farmers activities to demine agricultural land. Ukrainian authorities reported a total of 120 contracts and 87 unique beneficiaries (owners and users of agricultural land). The contracts cover the clearing of a total of 20,789.7 hectares of agricultural land, of which 17,338 hectares had already been successfully cleared by the time of reporting.

On this basis, the evidence provided demonstrates that the requirements of Step 12.9 have been fulfilled.

Commission assessment: satisfactorily fulfilled

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Step 14.4

Name of the step: Entry into force of the legal act on the functioning of the Integrated Electronic Identification System, in line with the principles of Regulation (EU) 2024/1183
Related reform/investment: Reform 2. Digitalisation of public services
Financed from: loan
Context The requirement for Step 14.4 described in the CID Annex is: *'Entry into force of a legal act on the functioning of the Integrated Electronic Identification System in Ukraine as a key component of the national electronic identity infrastructure, in line with the principles of Regulation (EU) 2024/1183. The legal act focuses on these main areas:* - *establishment of a modern electronic identification system in Ukraine and ensuring its sustainable development;* - *ensuring interoperability (technological compatibility) of electronic identification means, intermediate electronic identification nodes (hubs) and electronic identification schemes;* - *protection of information resources processed in the system.'* Step 14.4 is the second step in the implementation of Reform 2 of Chapter 14 (digital transformation). Step 14.3 on the adoption of the Action Plan for digitalisation of public services until 2026 was positively assessed as part of the fourth instalment (Q1 2025).
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex; 2) Copy of Resolution No 1150 of the CMU of 3 November 2023 'on approval of the Regulations of the Integrated Electronic Identification System'; 3) Copy of Resolution No 689 of the CMU of 11 June 2025 'on approval of requirements for the issue of wallets with digital identification'; 4) Copy of Resolution No 1400 of the CMU of 24 October 2025 'on Some Issues of the Implementation of an Experimental Project on the Formation and Use of Electronic Identification Data and Electronic Certificates of Attributes using a Wallet with Digital Identification as a Functional Feature of the Diia Mobile Application'.

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Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 14.4.

The objective of Reform 2 is to simplify the interaction between the state and citizens via digitalisation.

Several Resolutions of the Cabinet of Ministers of Ukraine (CMU) constitute the legal framework for fulfilling this step. CMU Resolution No 1150 is the foundational legal act that establishes a modern electronic identification infrastructure in Ukraine. CMU Resolution No 689 and CMU Resolution No 1400 are the relevant legal acts and are in line with the principles of Regulation (EU) 2024/1183.

CMU Resolution No 689 lays down the functional, technical and technological conditions for the issuance of digital identity wallets, while CMU Resolution No 1400 supports the system's further development through an experimental project and the Diia Mobile Application.

Furthermore, the legal acts focus on ensuring interoperability (technological compatibility) of electronic identification means, intermediate electronic identification nodes (hubs) and electronic identification schemes by requiring wallets to support common protocols and interfaces for the formation, exchange and presentation of identity data. More importantly, the resolutions focus on the recognition of European digital identity wallets and certain electronic certificates for cross-border use.

Lastly, the resolutions focus on the protection of information resources processed in the system by extending certain safeguards to digital identity wallets, in particular through requirements on personal data separation and withdrawal in the event of security breaches. These safeguards include access control, security monitoring, network protection and confidentiality and integrity and availability of information.

As part of Council Implementing Decision (EU) 2026/1204 of 28 May 2026 establishing the satisfactory fulfilment of the conditions for the partial payment of the seventh instalment under the Ukraine Plan of the Ukraine Facility and amending Implementing Decision (EU) 2024/1447, this step was taken into account as a mitigating factor, in accordance with the methodology for assessing the partial fulfilment of steps under the Ukraine Plan, solely for the purposes of the application of that Decision. The assessment of this step has not changed since the adoption of that Decision.

Commission assessment: satisfactorily fulfilled

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Step 15.8

Name of the step: Adoption of the Strategy for implementing the principles of the circular economy and its Action Plan

Related reform/investment: Reform 5. Increased circular economy

Financed from: loan

Context

The requirement for Step 15.8 described in the CID Annex is:

'Adoption of the strategy for implementing the principles of the circular economy and of an action plan for its implementation by the Cabinet of Ministers of Ukraine. The strategy identifies potential opportunities and impacts 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, and metals and minerals.'

Step 15.8 is the second step in the implementation of Reform 5 under Chapter 15 (green transition and environmental protection). It was preceded by Step 15.9 on the adoption of the Strategy for implementing the principles of the circular economy and its Action Plan.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of the Strategy for the Development of Ukraine's Circular Economy as approved by Order No 934-r of the Cabinet of Ministers of Ukraine of 17 September 2026;
3) Copy of the Action Plan for the Implementation of Ukraine's Circular Economy Development Strategy as approved by Order No 934-r of the Cabinet of Ministers of Ukraine of 17 September 2026;
4) Link to the published strategy: https://www.kmu.gov.ua/npas/pro-skhvalennia-stratehii-rozvytku-tsyrkuliarnoi-ekonomiky-ukrainy-na-period-do-2035-roku-ta-zatverdzhennia-operatsiinoho-planu-zakhodiv-z-ii-realizatsii-u-20262028-rokakh-934-170926.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 15.8.

The objective of Reform 5 is to implement the principles of circular economy and waste management.

The Strategy identifies seven priority sectors for the transition to a circular economy: agriculture; food production and distribution; construction; textiles; electrical and electronic equipment; mining and quarrying; and metallurgy. It also addresses cross-cutting value chains, notably plastics, packaging and batteries, where resource use, waste generation and potential for reuse, recovery and recycling are particularly significant.

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The overarching objective is to establish a circular and resource-efficient economic model in Ukraine by 2035, reducing the use of primary resources and waste generation while promoting reuse, repair, recovery and recycling. The Strategy seeks to contribute to Ukraine's sustainable reconstruction and integration into the EU internal market through alignment with EU legislation and standards.

The intended outcome is the development of sustainable circular business models, secondary raw-material markets and closed-loop value chains, underpinned by an effective EU-aligned regulatory and institutional framework.

Commission assessment: satisfactorily fulfilled

Step 15.11

Name of the step: Adoption of amendments to the Procedure for State Water Monitoring

Related reform/investment: Reform 4. Restoration and conservation of natural resources

Financed from: loan

Context

The requirement for Step 15.11 described in the CID Annex is:

'Adoption of amendments to the Resolution of 19 September 2018 no. 758 on the Procedure for State Water Monitoring in line with the principles of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy and Directive 2008/105/EC of the European Parliament and of the Council of 16 December 2008 on environmental quality standards in the field of water policy, amending and subsequently repealing Council Directives 82/176/EEC, 83/513/EEC, 84/156/EEC, 84/491/EEC, 86/280/EEC and amending Directive 2000/60/EC of the European Parliament and of the Council.'

Step 15.11 is the first of two steps in the implementation of Reform 4 of Chapter 15 (green transition and environmental protection). It is followed by Step 15.7 on entry into force of the Law on reducing deforestation and forest degradation (due by Q4 2026).

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Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex;
2) Copy of Resolution No 754 of the Cabinet of Ministers of Ukraine of 10 June2026, 'on Amendments to the Procedure for State Water Monitoring';
3) Copy of Official Gazette No 125 of 16 June 2026, where the Resolution is published;
4) Link to the published Resolution: Про внесення змін до Порядку здійснення державного моніторингу вод | Кабінет Міністрів України.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 15.11.

The objective of Reform 4 is to reduce deforestation and forest degradation.

On 10 June, the Government adopted Resolution No 754 amending the Procedure on state water monitoring (https://www.kmu.gov.ua/npas/pro-vnesennia-zmin-do-poriadku-zdiisnennia-derzhavnoho-monitorynhu-s754100626), aligning it with requirements in the step description.

The adopted Resolution contains the watch list parameters matching the parameters of Commission Implementing Decision (EU) 2025/439 of 28 February 2025 establishing a watch list of substances for Union-wide monitoring in the field of water policy pursuant to Directive 2008/105/EC of the European Parliament and of the Council.

The Resolution will enter into force in 2029 as this decision is linked to the planning cycle for the second River Basin Management Plans (RBMPs). RBMPs operate on a continuous six-year planning cycle mandated by the European Water Framework Directive. In Ukraine, RBPMs covering the first planning cycle of 2025-2030 were adopted at the end of 2024 and are now being implemented. Government Resolution No 754 is one of the steps to prepare for further alignment of the water monitoring system in Ukraine with EU requirements to ensure that it starts to apply as of the second planning cycle of the RBMPs.

As part of Council Implementing Decision (EU) 2026/2230 of 24 September 2026 establishing the satisfactory fulfilment of the conditions for the partial payment of the eighth instalment under the Ukraine Plan of the Ukraine Facility, this step was taken into account as a mitigating factor, in accordance with the methodology for assessing the partial fulfilment of steps under the Ukraine Plan, solely for the purposes of the application of that Decision. The assessment of this step has not changed since the adoption of that Decision.

Commission assessment: satisfactorily fulfilled

Assessment of the satisfactory fulfilment of one step in the 10th instalment proposed as a mitigating factor in line with the methodology for handling the partial fulfilment of steps in the Ukraine Plan, and solely for the purpose of its application

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Step 10.21

Name of the step: Request for an integrated regulatory review service mission at SNRIU by the International Atomic Energy Agency
Related reform/investment: Reform 8. Reform of State Nuclear Regulatory Inspectorate
Context The requirement for Step 10.21 described in the CID Annex is: *'State Nuclear Regulatory Inspectorate has submitted a request for an integrated regulatory review service mission by the International Atomic Energy Agency to start in the first half of 2027.'* Step 10.21 is the only step in the implementation of Reform 8 under Chapter 10 (energy).
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex; 2) Copy of the request made on 23 July 2026 to the International Atomic Energy Agency (IAEA) by the Permanent Mission of Ukraine to the International Organizations in Vienna, on behalf of State Nuclear Regulatory Inspectorate of Ukraine (SNRIU), to conduct an Integrated Regulatory Review Service (IRRS) mission; 3) Copy of the email sent on 29 September 2026 by SNRIU to ask the IAEA to start the IRRS mission in the first half of 2027; 4) Copy of the 2018 IRRS service guidelines.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 10.21. The objective of Reform 8 is to launch the process of an independent international peer review of the effectiveness, independence, governance and regulatory functions of the national nuclear and radiation safety regulatory framework against IAEA safety standards. To fulfil the step, on 23 July 2026, the Permanent Mission of Ukraine to the International Organisations in Vienna, on behalf of SNRIU, sent a request to the IAEA to perform an IRRS mission in accordance with the 2018 IRRS service guidelines. On 29 September 2026, SNRIU also submitted a follow-up email asking the IAEA to consider starting the IRRS mission already in the first half of 2027, in line with the CID.
Commission assessment: satisfactorily fulfilled

Assessment of the partial fulfilment of one quantitative step in the ninth instalment proposed as a mitigating factor in line with the methodology for handling the partial fulfilment of steps in the Ukraine Plan, and solely for the purpose of its application

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Step 6.3

Name of the step: Appointment of Supervisory boards of state-owned enterprises with a majority of independent members

Related reform/investment: Reform 2. Improved governance and management of state-owned enterprises

Context

The requirement for Step 6.3 described in the CID Annex is:

'Supervisory boards with a majority of independent members are appointed for at least 15 SOEs from the list of top key SOEs approved by the Cabinet of Ministers protocol decision. The nomination of the Supervisory board members is conducted via competitive selection process, on the basis of procedures agreed and in place at the time of the start of the selection.'

Step 6.3 is the second step in the implementation of Reform 2 under Chapter 6 (management of public assets). It was preceded by Step 6.1 concerning entry into force of the legislation on corporate governance of SOEs. It will be followed by Step 6.4 (due on Q3 2026) on corporatisation of key state-owned enterprises and Step 6.5 (due on Q3 2027) on submission of a report showing that the principles of corporate governance are duly followed.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Order No 817-p of the Cabinet of Ministers of Ukraine of 30 August 2024 on some issues of the Supervisory Board of the 'Energy Company of Ukraine';
3) Order No 99-p of the Cabinet of Ministers of Ukraine of 26 January2026 on some issues of the Supervisory Board of the 'National Joint Stock Company 'Naftogaz of Ukraine';
4) Order No 678-p of the Cabinet of Ministers of Ukraine of 7 July2025 on some issues of the Supervisory Board of the 'Ukrhydroenergo' Private Joint-Stock Company;
5) Order No 998-p of the Cabinet of Ministers of Ukraine of 31 October2023 on some issues of the Supervisory Board of the 'Limited Liability Company Gas Transmission System Operator of Ukraine';
6) Order No 86-p of the Cabinet of Ministers of Ukraine of 28 January2026 on issues of the Supervisory Board of the 'National Nuclear Energy Generating Company 'Energoatom';
7) Order No 185-p of the Cabinet of Ministers of Ukraine of 25 February2026 on issues of the Supervisory Board of the 'National Nuclear Energy Generating Company 'Energoatom';
8) Order No 197-p of the Cabinet of Ministers of Ukraine of 02 March2026 on issues of the Supervisory Board of the 'National Joint-Stock Company 'Naftogaz of Ukraine';
9) Order No 663-p of the Cabinet of Ministers of Ukraine of 01 July 2026 on issues of the Supervisory Board of the 'National Nuclear Energy Generating Company 'Energoatom';
10) Order No 588-p of the Cabinet of Ministers of Ukraine of 17 June 2026 on issues of the Supervisory Board of the 'Ukrainian Railway';
11) Order No 1090-p of the Cabinet of Ministers of Ukraine of 1 October2025 issues of the Supervisory Board of the 'Ukrainian Railway';

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12) Order No 900-p of the Cabinet of Ministers of Ukraine of 26 August2025 on issues of the Supervisory Board of the 'Ukrposhta';
13) Order No 46-p of the Cabinet of Ministers of Ukraine of 21 January.01.2025 on issues of the Supervisory Board of the State Specialized Economic Enterprise 'Forests of Ukraine';
14) Order No 524-p of the Cabinet of Ministers of Ukraine of 27 May2026 on issues of the Supervisory Board of the State Specialized Economic Enterprise 'Forests of Ukraine';
15) Order No 666-p of the Cabinet of Ministers of Ukraine of 15 July 2026 on issues of the Supervisory Board of the State Specialized Economic Enterprise 'Forests of Ukraine';
16) Order No 401-p of the Cabinet of Ministers of Ukraine of 24 April 2026 on issues of the Supervisory Board of the'Ukrhydroenergo' Private Joint-Stock Company;
17) Order No 451-p of the Cabinet of Ministers of Ukraine of 13 May2026 on issues of the Supervisory Board of the 'Private Joint-Stock Company National Energy Company 'Ukrenergo';
18) Order No 721-p of the Cabinet of Ministers of Ukraine of 15 July2025 on issues of the Supervisory Board of the 'Private Joint-Stock Company Ukrainian Danube Shipping Company';
19) Order No 1168-p of the Cabinet of Ministers of Ukraine of 26 November2024 on issues of the Supervisory Board of the 'Private Joint-Stock Company National Energy Company 'Ukrenergo';
20) Order No 452-p of the Cabinet of Ministers of Ukraine of 13 May2026on issues of the Supervisory Board of the 'Limited Liability Company Gas Transmission System Operator of Ukraine';
21) Order No 450-p of the Cabinet of Ministers of Ukraine of 13 May 2026 on the announcement of the competitive selection of candidates for the positions of independent members of the supervisory board of the private joint-stock company 'Ukrhydroenergo';
22) Order No 587-p of the Cabinet of Ministers of Ukraine of 17 June 2026 on termination of powers of members of the supervisory board of the private joint stock company 'Ukrhydroenergo';
23) Order No 664-p of the Cabinet of Ministers of Ukraine of 1 July2026 on issues of the Supervisory Board of the 'Limited Liability Company Gas Transmission System Operator of Ukraine';
24) Resolution No 1633 of the Cabinet of Ministers of Ukraine of 10 December2025 about the formation of the joint-stock company 'Guaranteed buyer';
25) Letter from the head of the State Agency for Forest Resources of Ukraine dated 11 February 2026 on the termination of powers of a member of the Supervisory Board;
26) Protocol/Minutes No 3 of 24 April2026 of the remote extraordinary general meeting of shareholders of PJSC 'Centrenergo';
27) Order No 34 of the Cabinet of Ministers of Ukraine of 07 October 2026 'on the Announcement of the Competitive Selection of Candidates for the Independent Members of the Supervisory Board of 'Ukrainian Energy Machines';
28) Order No 1254 of the Ministry of Economy of Ukraine of 09 March 2023 on 'some issues of the supervisory board of the state-owned enterprise 'Printing Plant 'Ukraine' on the production of securities';

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29) Order No 1672 of the Ministry of Economy of Ukraine of 26 April 2023 on ‘some issues of the supervisory board of the state-owned enterprise ‘Printing Plant ‘Ukraine’ on the production of securities’;
30) Order No 195-p of the Cabinet of Ministers of Ukraine of 7 March 2023 on the approval of candidates for the positions of members of the supervisory board of the state enterprise ‘Printing Plant ‘Ukraine’ for the production of securities’;
31) Order No 336-p of the Cabinet of Ministers of Ukraine of 23 April 2024 on the approval of the candidacy of Rusnyak P.Yu. for the position of a member of the supervisory board of the state enterprise ‘Printing Plant 'Ukraine’ for the production of securities’;
32) Order No 1027-p of the Cabinet of Ministers of Ukraine of 7 October 2026 on the Announcement of Competitive Selection of Candidates the Independent Members of the Supervisory Board of 'Ukrainian Energy Machines'

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover some constitutive elements of Step 6.3.

The objective of Reform 2 is to facilitate the transition from the state unitary enterprise legal form into more commercially oriented forms, to foster a more efficient and transparent governance framework for state-owned enterprises (SOEs) by enhancing corporate governance standards and implementing them in top SOEs. To fulfil the step, Ukrainian authorities must ensure that supervisory boards with a majority of independent members are appointed for at least 15 SOEs from the list of top key SOEs approved by the Cabinet of Ministers’ protocol decision. The nomination of the Supervisory board members should be conducted by competitive selection process, on the basis of procedures agreed and in place at the time of the start of the selection.

To fulfil this step, the Ukrainian Cabinet of Ministers has adopted a series of orders appointing independent members and state representatives to the Supervisory Boards of top key SOEs, after a competitive selection process, in line with Nomination Committee procedures, took place. The 10 SOEs where the Supervisory Boards were appointed are JSC ‘Ukrainian Railways’, JSC ‘National Nuclear Energy Generating Company ‘Energoatom’, NJSC ‘Naftogaz of Ukraine’, LLC ‘Gas Transmission System Operator of Ukraine’ (GTSOU), NPC ‘Ukrenergo’, State Enterprise ‘Forests of Ukraine’, PJSC ‘Ukrainian Danube Shipping Company’, JSC ‘Energy Company of Ukraine’, State Enterprise ‘Printing Plant ‘Ukraine’ for the Production of Security Documents’ and PJSC ‘Centrenergo’. Independent members constitute majorities in all the Supervisory Boards of the SOEs mentioned above. This represents a 66.7% fulfilment of the requirements of the step.

The Ukrainian authorities intend to further amend the Cabinet of Ministers’ protocol decision and incorporate additional entities into the list of top key SOEs, as agreed in discussions with the Commission.

Commission assessment: partially fulfilled

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