2025/2296

19.11.2025

COUNCIL IMPLEMENTING DECISION (EU) 2025/2296

of 4 November 2025

establishing the satisfactory fulfilment of the conditions for the payment of the fifth instalment of the loan support under the Ukraine Plan of the Ukraine Facility

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility ([1]), and in particular Article 26(4) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Pillar I of the Ukraine Facility (the 'Facility') makes financial support of up to EUR 38 270 000 000 available to Ukraine for the period 2024-2027 in the form of non-repayable support and a loan. Financing under Pillar I is mainly allocated on the basis of the Ukraine Plan of the Ukraine Facility (the 'Plan'). The Plan sets out Ukraine's reform and investment agenda, and the qualitative and quantitative steps that are linked to funding under Pillar I of the Facility.

(2) Pursuant to Article 19 of Regulation (EU) 2024/792, the Council adopted Implementing Decision (EU) 2024/1447 ([2]) on the approval of the assessment of the Plan. The timetable for monitoring and implementing the Plan and the qualitative and quantitative steps that are linked to funding under Pillar I of the Facility, are set out in the Annex to that Decision. On 7 August 2025, Ukraine proposed amendments to the Plan on the grounds that the Plan was partially no longer achievable because of objective circumstances. The Commission assessment of those amendments was approved by Council Implementing Decision (EU) 2025/2157 ([3]), which also amended the Plan accordingly.

(3) The total sum of financial resources made available for the Plan under Implementing Decision (EU) 2024/1447 amounts to EUR 32 270 000 000, of which EUR 5 270 000 000 is in the form of non-repayable financial support and up to EUR 27 000 000 000 is in the form of a loan.

(4) In accordance with Articles 24 and 25 of Regulation (EU) 2024/792, EUR 6 000 000 000 has been disbursed to Ukraine as exceptional bridge financing and EUR 1 890 000 000 in the form of pre-financing representing an advance payment of 7 % of the loan support that Ukraine is eligible to receive under the Plan.

(5) In accordance with Article 26(4) of Regulation (EU) 2024/792, EUR 14 763 204 463 has been disbursed to Ukraine in the first four instalments under the Plan, of which EUR 3 400 000 000 has been disbursed in the form of non-repayable financial support and EUR 11 363 204 463 in the form of a loan. In accordance with the Loan Agreement concluded between the Union and Ukraine pursuant to Article 22 of Regulation (EU) 2024/792, an amount of EUR 855 294 959 from the first four instalments was used to clear the pre-financing of the loan.

([1]) 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).
([3]) Council Implementing Decision (EU) 2025/2157 of 17 October 2025 amending Implementing Decision (EU) 2024/1447 on the approval of the assessment of the Ukraine Plan (OJ L, 2025/2157, 27.10.2025, ELI: http://data.europa.eu/eli/dec_impl/2025/2157/oj).

(6) In accordance with Article 26(2) of Regulation (EU) 2024/792, on 9 September 2025, Ukraine submitted a duly justified request for the partial payment of the fourth and fifth instalments of the loan support amounting to EUR 1 949 400 399. The request was accompanied by a series of documents evidencing the satisfactory fulfilment of one step in the fourth instalment and nine steps in the fifth instalment as well as all other documents required under Article 12 of the Framework Agreement, Article 5 of the Financing Agreement and Article 6 of the Loan Agreement concluded between the Union and Ukraine pursuant to Articles 9, 10 and 22, respectively, of Regulation (EU) 2024/792. As set out in Council Implementing Decision (EU) 2025/1799 ([4]), the Commission made a positive assessment of the satisfactory fulfilment of 13 of the 16 steps required for the fourth instalment. Pursuant to Article 26(5) of Regulation (EU) 2024/792, the payment corresponding to the three steps that had been negatively assessed was withheld. A withheld payment can be disbursed only when Ukraine duly justifies, as part of a subsequent payment request, that it has taken the necessary measures to ensure satisfactory fulfilment of the qualitative and quantitative steps.

(7) The 10 steps underpinning Ukraine's latest request relate to various reforms set out in the Plan under the chapters on the judicial system, the fight against corruption and money laundering, financial markets, human capital, the business environment, decentralisation and regional policy, the energy sector, the management of critical raw materials, the green transition and environmental protection. In particular, legislation on the Asset Recovery and Management Agency and on vocational education has entered into force. The strategy for resolution of non-performing loans, the resolution on purchasing social services at the expense of the state budget and the resolution on approving the SME Strategy and Action Plan for its implementation have been adopted. The study on the measures necessary for granting legal personality to municipalities has been endorsed and published. Ukraine has also adopted the roadmap for the process of separating the renewable energy surcharge from the transmission tariff. The pipeline of investment projects for extraction of critical raw materials has been published. Ukraine has also launched and published an international tender based on the model Product Sharing Agreement. The mandatory monitoring, reporting and verification (MRV) system for facilities covered by the scope of the existing legislation has been resumed.

(8) In accordance with Article 26(3) of Regulation (EU) 2024/792, the Commission has assessed Ukraine's request in detail and made a positive assessment of the satisfactory fulfilment of one of the two outstanding steps required for the fourth instalment and nine of the 11 steps required for the fifth instalment, as specified in the Annex to this Decision. That positive assessment has been made in the context of the implementation of the Plan. Further alignment with the Union *acquis* will be facilitated through the EU accession process.

(9) The Commission has also assessed that Ukraine has not reversed any measure related to the steps which Ukraine had previously satisfactorily fulfilled.

(10) The Commission has further assessed that Ukraine continues to fulfil the pre-condition for Union support as set out in Article 5 of Regulation (EU) 2024/792. In particular, Ukraine continues to uphold and respect effective democratic mechanisms, including a multi-party parliamentary system and the rule of law, and to guarantee respect for human rights, including the rights of persons belonging to minorities.

(11) This Decision should therefore establish that the relevant conditions for the payment of the fourth instalment in respect of one of the two outstanding steps and of the fifth instalment in respect of nine of the 11 steps under the Plan have been satisfactorily fulfilled.

(12) Considering the difficult financial situation Ukraine is facing, it is of the utmost importance to disburse the funds as soon as possible. Given the urgency of the situation and with a view to expediting the process, this Decision should enter into force on the day of its publication in the *Official Journal of the European Union* and should apply from the date of its adoption,

HAS ADOPTED THIS DECISION:

([4]) Council Implementing Decision (EU) 2025/1799 of 8 August 2025 establishing the satisfactory fulfilment of the conditions for the payment of the fourth instalment of the loan support under the Ukraine Plan of the Ukraine Facility (OJ L, 2025/1799, 9.9.2025, ELI: http://data.europa.eu/eli/dec_impl/2025/1799/oj).

Article 1

The satisfactory fulfilment of the relevant conditions for the partial payment of the fourth and fifth instalments of the loan support amounting to EUR 1 949 400 399, out of which EUR 597 494 240 corresponds to the fourth instalment and EUR 1 351 906 159 corresponds to the fifth instalment, is hereby established in line with the assessment provided by the Commission in accordance with Article 26 of Regulation (EU) 2024/792, annexed to this Decision.

Article 2

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from the date of its adoption.

Done at Brussels, 4 November 2025.

For the Council

The President

L. AAGAARD

ANNEX

Assessment of the satisfactory fulfilment of the steps linked to the fifth instalment of the loan support under the Ukraine Plan of the Ukraine Facility

EXECUTIVE SUMMARY

On 9 September 2025, Ukraine submitted a request for a partial payment of the fifth instalment 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 of the satisfactory fulfilment of 10 steps 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, as amended by Council Implementing Decision (EU) 2025/2157 of 17 October 2025 ('the CID Annex') ([2]). One of those 10 steps is a pending step from the fourth instalment of the Plan.

Based on the information provided by Ukraine, the 10 steps are considered to have been satisfactorily fulfilled.

As part of **Chapter 4**, the legislation reforming the Asset Recovery and Management Agency has entered into force.

As part of **Chapter 5** on financial markets, the strategy for resolution of non-performing loans has been adopted.

As part of **Chapter 7** on human capital, the legislation on vocational education has entered into force and the resolution on the procurement of social services has been adopted.

As part of **Chapter 8** on business environment, the small and medium enterprises (SMEs) strategy and the action plan for its implementation have been adopted.

As part of **Chapter 9** on decentralisation and regional policy, the study on the necessary measures to grant legal personality to municipalities has been endorsed and published on the website of the Ministry of Development of Communities and Territories of Ukraine.

As part of **Chapter 10** on energy sector, the roadmap of the process of separation of the Renewable Energy Surcharge from the transmission tariff has been adopted.

As part of **Chapter 13** on management of critical raw materials, the pipeline of investment projects for extraction of critical raw materials has been published and an international tender for the product sharing agreement (PSA) has been launched and published.

As part of **Chapter 15** on green transition and environmental protection, the compulsory monitoring, reporting and verifying (MRV) system has been resumed.

Step 4.7

Name of the step: Entry into force of the law reforming the Asset Recovery and Management Agency
Related reform/investment: Reform 2. Improving the legal framework for a more effective fight against corruption
Financed from: loan
Context The requirement for Step 4.7 described in the CID Annex is: *'Entry into force of the Law reforming the Asset Recovery and Management Agency. The law focuses on these main areas:* — *a transparent and merit-based selection procedure for the head of the agency, including a credible integrity and professionalism check;*

([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) 2025/2157 of 17 October 2025 amending Implementing Decision (EU) 2024/1447 on the approval of the assessment of the Ukraine Plan (OJ L, 2025/2157, 27.10.2025, ELI: http://data.europa.eu/eli/dec_impl/2025/2157/oj).

— *an independent external performance assessment system;*

— *transparent procedure for the management and sale of seized assets under the agency's control.'*

Step 4.7 is the third of four steps in the implementation of Reform 2 of Chapter 4 (fight against corruption and money laundering). It was preceded by Step 4.4 (entry into force of the amended Criminal Code and of the Criminal Procedure Code) and Step 4.6 (adoption of an action plan for the implementation of the Asset Recovery Strategy for 2023-2025), which were positively assessed in Q3 2024. It is followed by Step 4.5 (due by Q2 2026) on the adoption of a new anti-corruption strategy and a state anti-corruption programme for the period after 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 the Law of Ukraine No 4503-IX '*On Amendments to the Law of Ukraine "On the National Agency of Ukraine for the Detection, Investigation and Management of Assets Derived from Corruption and Other Crimes" Regarding Strengthening the Institutional Capacity of the National Agency of Ukraine for the Detection, Investigation and Management of Assets Derived from Corruption and Other Crimes, and Improving Asset Management Mechanisms*' dated 18 June 2025.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 4.7.

The objective of Reform 2 of Chapter 4 (fight against corruption and money laundering) is to strengthen key anti-corruption institutions and to streamline criminal procedure to increase their efficiency, including in high-level corruption cases. The reform also addresses the shortcomings related to asset recovery and management at institutional and procedural levels. To this end, the Ukrainian Parliament adopted Law No 4503-IX on 18 June 2025. The law introduces several improvements to the management and functioning of the Asset Recovery and Management Agency (ARMA). The law entered into force on 30 July 2025.

The law provides a transparent and merit-based selection procedure for the head of the agency, including a credible integrity and professionalism check. It includes qualification and integrity requirements and criteria for ineligibility for the position. Qualification requirements include higher legal or economic education and at least five years of relevant professional experience. The law outlines the composition of the competition commission for the selection of the head of the ARMA. Three of the six members of the competition commission are appointed by the Cabinet of Ministers of Ukraine (CMU) at its discretion, while the other three are appointed by the CMU based on the proposals of international donors from a joint list of candidates. The competition commission approves and publishes the methodology for assessing the competence and integrity of the candidates. The head of the ARMA is appointed for a period of five years and can only hold this position for one consecutive term.

The law introduces an independent external performance assessment system. The law provides that the independent external assessment (audit) of the effectiveness of ARMA is carried out one year after the appointment of a new head, then a second time three years after the appointment. The external evaluation commission is composed of three members appointed by the CMU based on the proposals of international organisations. The law sets out the eligibility criteria for the members of the evaluation commission and stipulates that the members must act independently. The evaluation commission has access to documents in ARMA's possession and can also request that other authorities provide them with information necessary for their work. The evaluation commission will provide a reasoned conclusion regarding the effectiveness of ARMA's activities, as well as recommendations for eliminating identified deficiencies in the work of the agency and for strengthening the effectiveness of its activities.

The law introduces several improvements in the procedure for the management and sale of seized assets. It sets out the general principles on the seizure and transfer of assets to ARMA, the valuation of assets, and their storage.

The law mandates ARMA to manage the assets with a view to preserving their economic value and preventing the risks of damage or loss of such assets. The law sets out the rights and obligations of asset managers and provides that ARMA must draw up an asset management plan for the assets transferred to ARMA's management. The law contains specific provisions on the management of certain categories of assets such as cash, securities, and immovable property. The law also introduces provisions on the sales of seized assets through auctions in the digital trade system.

Commission assessment: satisfactorily fulfilled

Step 5.4

Name of the step: Adoption of the strategy for resolution of non-performing loans

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

Financed from: loan

Context

The requirement for step 5.4 described in the CID annex is:

'*Adoption of the strategy for resolution of non-performing loans in line with the relevant EU practices. The strategy focuses on these main areas:*

— *strengthening of the prudential requirements for the NPL recognition and resolution;*

— *exchange of data on the NPLs and other relevant market data between the financial institutions and state agencies to improve NPL resolution;*

— *review of potential obstacles and development of measures to improve the framework for NPL restructuring and resolution.*'

Step 5.4 is the first step in the implementation of Reform 3 of Chapter 5 (Financial Markets). It is followed by Step 5.5 (due by Q1 2026) on the entry into force of the legal acts to improve resolution of non-performing loans.

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 '*Lending Development Strategy*' dated 6 June 2024.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 5.4.

The objective of Reform 3 in Chapter 5 (financial markets) is to improve the resolution of non-performing loans (NPLs). To this end, the Financial Stability Council of Ukraine adopted the 'Lending Development Strategy' on 6 June 2024.

The strategy seeks to put in place a legislative framework to facilitate lending, incorporating a defined set of measures and an implementation timeline aimed at improving the resolution of NPLs, in line with the relevant EU practices, such as those on insolvency and debt recovery.

In particular, the strategy outlines measures aimed at strengthening prudential requirements for the recognition and resolution of NPLs. This includes refining the definition of NPLs by distinguishing between non-performing and defaulted assets, and by extending the scope of 'non-performing' to include impaired assets not formally in default. Additional measures include reinstating the obligation for banks to update and submit strategies for managing and resolving NPLs.

The strategy also encompasses measures to improve the exchange of data related to non-performing loans and other relevant market information between financial institutions and state agencies, with the objective of improving NPL resolution. These include expanding the functionality of the National Bank of Ukraine's Credit Register, broadening access for banks and other financial market participants to state electronic information resources, developing proposals to improve the exchange of information concerning NPL sales, and the associated access rules. All these measures should improve NPL resolution.

Finally, the strategy provides for a review of legal and procedural barriers and sets out measures to improve the framework for NPL restructuring and resolution. This includes improving the legislation relevant to NPL resolution, particularly through amendments to the Code of Ukraine on Insolvency Proceedings to enhance the selection and oversight of bankruptcy trustees, improve auction procedures for the sale of bankrupt assets, and align with the principles of Directive (EU) 2019/1023 of the European Parliament and of the Council [1] on preventive restructuring. Additional measures should introduce safeguards against fraudulent practices and undue influence in insolvency proceedings, enhance the legal framework for financial restructuring and debt write-offs and improve the regulation of debt collection and collateral enforcement.

Commission assessment: satisfactorily fulfilled

Step 7.1

Name of the step: Entry into force of the legislation on vocational education

Related reform/investment: Reform 1. Improved vocational education

Financed from: loan

Context

The requirement for Step 7.1 described in the CID Annex is:

'*Entry into force of the Law of Ukraine "On Vocational Education." The law focuses on these main areas:*

— *fair rules for the functioning of educational entities in the market of educational services in the field of vocational education are defined;*

— *the institutional capacity of educational entities to provide formal and non-formal vocational education is expanded;*

— *relations between vocational education institutions, national/local and international stakeholders for the sustainable development of human capital in Ukraine are clearly defined.*'

Step 7.1 is the only step in the implementation of Reform 1 in Chapter 7 (human capital).

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 4575-IX '*On Vocational Education*', dated 21 August 2025.

[1] Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (OJ L 172, 26.6.2019, p. 18, http://data.europa.eu/eli/dir/2019/1023/oj).

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 7.1.

The objective of Reform 1 in Chapter 7 (human capital) is to improve the transition from vocational education to the labour market, supporting Ukraine's recovery and improving the quality of the vocational education system. To this end, the Ukrainian Parliament adopted Law No 4575-IX on Vocational Education on 21 August 2025, which entered into force on 12 September 2025.

The law sets out fair rules and criteria on the functioning of vocational education and training (VET) entities, as well as clear procedures to award qualifications to students. In particular, it puts in place a system of internal and external quality assurance to monitor the educational services. In this context, VET entities will need to comply with: i) licensing criteria to carry out their educational activities, and ii) new standards, including concerning key learning outcomes and the amount of ECTS (European credit transfer and accumulation system) required to obtain the educational qualifications.

By reforming the organisational and legal status of the VET system, the law improves the system's overall institutional framework and the institutional capacity of VET entities operating in both formal and informal education. For example, the law enhances the financial autonomy of VET entities, also allowing them to increase salaries for their best-performing teachers. In addition, the law clearly sets out the bodies in charge of the management of each institution and their responsibilities. This includes, for example, the role of supervisory boards and pedagogical councils.

The law sets out clearer relations among the stakeholders involved in providing vocational education at national and local level. It stipulates that the Ukrainian Parliament is responsible for the definition of the VET state policy, while its implementation is shared among central executive bodies and local self-government bodies. The law also sets up Regional Vocational Education Councils as advisory bodies in charge of the promotion and implementation of VET regional policies, bringing together regional and local self-government representatives, employers and their associations, and representatives of the VET entities. At international level, the law lays down the right of VET entities to sign cooperation agreements and establish links with international partners for providing vocational education.

Commission assessment: satisfactorily fulfilled

Step 7.10

Name of the step: Adoption of the Resolution on the procurement of social services

Related reform/investment: Reform 8. Improved social security

Financed from: loan

Context

The requirement for step 7.10 described in the CID annex is:

'Adoption of the Resolution of the Cabinet of Ministers of Ukraine on purchasing social services at the expense of the state budget. The Resolution is fiscally neutral and does not impact in any way the debt sustainability of Ukraine and focuses on these main areas:

— *transition from financing institutions to a result-oriented purchasing model of social services;*

— *introducing a mechanism for purchasing certain social services from registered public and private social service providers based on established social service standards and criteria for providers.'*

Step 7.10 is the only step in the implementation of Reform 8 of Chapter 7 (Human Capital).

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 764 of the Cabinet of Ministers on *'On the Implementation of a Pilot Project on the Procurement of a Social Service for the Comprehensive Development and Care of Children with Disabilities'* dated 25 June 2025.

Analysis

The justification and evidence provided by the Ukrainian authorities cover all constitutive elements of step 7.10.

The objective of Reform 8 of Chapter 7 (Human Capital) is to improve the provision of public social services, by introducing mechanisms for procuring certain services from registered providers. To this end, the Cabinet of Ministers has adopted Resolution No 764, dated 25 June 2025, that reforms the procurement system for social services.

The Resolution constitutes a shift in the in the way social services for children with disabilities are funded and delivered, transitioning from financing institutions irrespective of services rendered to a result-oriented purchasing model. With the new model, service providers are required to achieve an attendance rate of at least 85 % by recipients over three months, ensuring consistent and effective support for children in need.

By implementing a system that allows only qualified public and private providers to participate, based on clear standards and criteria, the model aims to ensure high standards and accountability. This not only raises the overall quality of services being delivered but also strives to meet the needs of the community with a verified level of competency. Overall, the model is fiscally neutral and does not affect Ukraine's debt sustainability.

Commission assessment: satisfactorily fulfilled

Step 8.4

Name of the step: Adoption of the Small and Medium Enterprises (SME) Strategy and Action Plan for its implementation

Related reform/investment: Reform 3. Access to finance and markets

Financed from: loan

Context

The requirement for Step 8.4 described in the CID Annex is:

'Adoption of the Resolution of the Cabinet of Ministers of Ukraine on approving the SME Strategy and Action Plan for its implementation. The strategy focuses on these main areas:

— *access to markets;*

— *access to finance and other resources;*

— *access to knowledge'*

Step 8.4 is the first step in the implementation of Reform 3 in Chapter 8 (business environment). Reform 3 has an additional step 8.5, due in Q1-2026, aimed at the entry into force of legislation on simplifying access to external engineering networks.

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 821-r of the Cabinet of Ministers *'On approval of the Strategy for Recovery, Sustainable Development and Digital Transformation of Small and Medium-Sized Enterprises for the period up to 2027 and approval of the operational plan of measures for its implementation in 2024-2027'* dated 30 August 2024;

3) copy of the adopted *'Strategy for the Recovery, Sustainable Development and Digital Transformation of Small and Medium-Sized Enterprises until 2027'*, which includes the *'Operational Action Plan to implement the Strategy for the Recovery, Sustainable Development and Digital Transformation of Small and Medium-Sized Enterprises until 2027 in 2024–2027'* as an attachment to the Resolution No 821-r dated 30 August 2024.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 8.4.

The objective of Reform 3 is to strengthen government policy on the development and support of SMEs. To this end, the Cabinet of Ministers approved this Strategy, together with its Operational Action Plan, on 30 August 2024 by Cabinet Resolution No 821-r.

The Strategy sets out an overarching purpose: to rebuild and grow the SME sector during and after wartime by creating conditions for sustainable development, value creation, digital uptake and easier finance, so that Ukrainian firms can compete at home and in international markets.

To assess progress towards these objectives, the document lists some targets to be reached by 2027 include raising the SME share of gross value added to 74 % and lifting SME sales to UAH 10,65 trillion. The Strategy is explicitly aligned with EU accession requirements and OECD SME recommendations, and should provide better access to markets, to finance and to knowledge.

The accompanying Action Plan translates the Strategy into 86 numbered measures executed by 15 ministries and 9 specialised agencies by the end of 2027. The measures are organised under four pillars:

i) Business environment & finance: extending the 'Affordable loans 5-7-9 %' scheme, expanding grants from the eRobota scheme, legislating for a war-risk insurance system and launching a national digital factoring platform.

ii) Innovation, digital & green: introducing e-invoicing and instant payments, providing e-vouchers for cloud and cyber-security tools, rolling out an online SME carbon-footprint calculator and preferential credit lines aligned with the EU Green rules.

iii) Human capital & inclusion: creating dual-education programmes, diaspora-return incentives and tailored finance/training for women, youth, veterans, internally displaced people, people over 50 and people with disabilities.

iv) Competitiveness & exports: scaling up the Export Credit Agency, marketing the 'Made in Ukraine' branding and integrating SMEs into the Enterprise Europe Network and other EU platforms.

Commission assessment: satisfactorily fulfilled

Step 9.2

Name of the step: Endorsement and publication on the website of the Ministry of Communities, Territories and Infrastructure Development of Ukraine of a study on the necessary measures to grant legal personality to municipalities
Related reform/investment: Reform 1. Advancing decentralisation
Financed from: loan
Context The requirement for Step 9.2 described in the CID Annex is: *'Publication of the results of the study on the possibility of granting territorial communities the status of a legal entity on the official web portal of the Ministry of Communities, Territories and Infrastructure Development of Ukraine.'* Step 9.2 is the second step in the implementation of Reform 1 'Advancing decentralisation' of Chapter 9 (decentralisation and regional policy). Reform 1 has an additional step 9.3, due in Q1 of 2026, aimed at the entry into force of amendments to the Law of Ukraine 'On Local Self-Government in Ukraine'.
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 study (monograph) *'Community as a Legal Entity of Public Law: Ukraine in the Context of European and International Experience'* published on the website of the Ministry of Communities, Territories and Infrastructure Development: https://mindev.gov.ua/storage/app/sites/1/uploaded-files/monograph-ua.pdf
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 9.2. The objective of Reform 1 is to put in place a framework for transforming local state administration into prefecture-type authorities and to ensure a better distribution of powers between local government and executive authorities. The study *'Community as a Legal Entity of Public Law: Ukraine in the Context of European and International Experience'* was published on the official website of the Ministry for the Development of Communities and Territories (as the ministry has been renamed in September 2024) in June 2025. The study analyses the experiences of other states in determining the legal personality of communities, including the experiences of EU Member States, such as Germany, Poland, and France. It analyses the concept of the community as a public legal entity in the context of Ukrainian law and in the context of implementing the principles of local self-government set out in the European Charter of Local Self-Government. The study finds that recognising communities as legal entities of public law is a critical step for Ukraine to finalise its decentralisation reform. The study provides directions for granting the status of legal personality to communities and analyses the necessary amendments to the Constitution of Ukraine and the current legislation required to achieve this.
Commission assessment: satisfactorily fulfilled

Step 10.4

Name of the step: Adoption of the Roadmap of the process of separation of the Renewable Energy Surcharge from the transmission tariff
Related reform/investment: Reform 2. Improved regulatory framework for increasing renewable energy and ensuring stable operation of the energy system
Financed from: loan
Context The requirement for Step 10.4 described in the CID Annex is: '*Adoption of the Roadmap of the process of separation of the Renewable Energy Surcharge from the transmission tariff with identifying legislative needed acts and terms of implementation.*' Step 10.4 is the second step in the implementation of Reform 2 'Improved regulatory framework for increasing renewable energy and ensuring stable operation of the energy system' of Chapter 10 (energy sector). Reform 2 has two additional steps. Step 10.2 on the introduction of a market-based framework for renewable energy, due in Q4 2024, is fulfilled. Step 10.3 on the entry into force of the legislation to improve permitting procedures for renewable energy investments is due in 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 Resolution of the Cabinet of Ministers No 612-r '*On Approval of the Roadmap for Separation of the Renewable Energy Surcharge from the Tariff for Electricity Transmission Services and the Action Plan for the Implementation of the Roadmap for Separation of the Renewable Energy Surcharge from the Tariff for Electricity Transmission Services for 2025 and 2026*' dated 25 June 2025.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 10.4. The objective of Reform 2 is to increase the share of renewable energy in the energy mix of Ukraine. To this end, the Cabinet of Ministers of Ukraine approved a roadmap on 25 June 2025, through Resolution No 612-p, which contributes to improving the governance of renewable energy deployment by separating the renewable energy sources surcharge from the transmission tariff. The roadmap is a critical step towards creating a more transparent and market-based model for financing renewable energy in Ukraine. Previously, the renewable energy sources surcharge was a significant component of the transmission tariff, with a large portion of the tariff's revenue designated to pay for electricity from renewable energy sources. The roadmap outlines a phased transition to a new system. The plan sets out a gradual separation, with different rules for existing and new renewable energy producers. Payments to existing renewable energy producers will continue to be covered by the transmission tariff until 1 January 2030. Starting 1 July 2026, new renewable energy producers, including winners of 'green' auctions, will be paid through a separate, distinct surcharge. This is a key change aimed at ensuring a more transparent and independent funding mechanism for new projects.

The roadmap lists the legislative changes that are required. First, the Electricity Market Law, a key step in the Ukraine Plan, needs to be amended to fully separate the surcharge. Second, the National Energy and Utilities Regulatory Commission (NEURC) is mandated to develop necessary secondary legislation, including to adopt the Methodology for renewable energy sources surcharge calculation, the amendments to the Methodology for calculation of transmission tariff, to the Transmission System Code (TSC) and the Retail Market Rules, which are crucial for the practical implementation of the new rules.

Commission assessment: satisfactorily fulfilled

Step 13.3

Name of the step: Publication of a pipeline of investment projects for extraction of critical raw materials

Related reform/investment: Reform 2. Improved administrative procedures

Financed from: loan

Context

The requirement for step 13.3 described in the CID Annex is:

'Publication of the pipeline of investment projects for extraction of critical raw materials.'

Step 13.3 is one of two steps in the implementation of Reform 2 'Improved administrative procedures' in Chapter 13 (management of critical raw materials), due Q2 2025. The second is step 13.4, which is also part of the current instalment. Reform 2 has one additional step 13.5, due in Q1 2025, already positively assessed under the fourth instalment.

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 pipeline of investment projects for extraction of critical raw materials, published on the website of the Ukrainian Geological Survey:

https://www.geo.gov.ua/wp-content/uploads/presentations/ukr/investicijnij-atlas-nadrokoristuvacha-strategichni-ta-kritichni-minerali.pdf

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 13.3.

The objective of Reform 2 is to optimise the procedure and reduce the administrative burden for potential investors. The main goal is to improve transparency, speed, and cost efficiency for new investment decisions.

The pipeline of investment projects for extraction of critical raw materials (the 'Investment Atlas') is published on the official website of the Geological Survey with the hyperlink: https://www.geo.gov.ua/en/critical-raw-materials

The document presents a pipeline of investment opportunities related to the extraction of minerals in Ukraine, including critical raw material (CRM) deposits available for licensing through electronic auctions and PSA tenders. The document includes an overview of the identified deposits and various supply chains, and of the CRM strategies in the EU.

It also provides a map of critical raw materials in Ukraine with a short description of available deposits, QR codes leading to more detailed information, licences, and a list of potential strategic investors for different types of CRM investment projects.

Overall, this document highlights Ukraine's effort to enhance the country's attractiveness for investments in the CRM sector.

Commission assessment: satisfactorily fulfilled

Step 13.4

Name of the step: Launch of product sharing agreement (PSA) international tenders ensuring their transparency

Related reform/investment: Reform 2. Improved administrative procedures

Financed from: loan

Context

The requirement for step 13.4 described in the CID Annex is:

'*Launch and publication of the product sharing agreement (PSA) international tenders, using the model agreement terms as agreed by the Government. Transparency of PSA tenders and Agreements ensured through the open access to its terms.*'

Step 13.4 is one of two steps in the implementation of Reform 2 'Improved administrative procedures' in Chapter 13 (management of critical raw materials), due Q2 2025. The second is step 13.3, which is also part of the current instalment. Reform 2 has one additional step 13.5, due in Q1 2025, already positively assessed under the fourth instalment.

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 protocol No 62 from the meeting of the Interdepartmental Commission on product sharing agreement on 30 June 2025 approving the '*model product sharing agreement (PSA)*';
3) Copy of the '*model product sharing agreement (PSA)*' adopted by the Interdepartmental Commission on product sharing agreement on 30 June 2025;
4) Copy of Resolution No 845 of the Cabinet of Ministers of Ukraine on '*On approval of lists of minerals and components of strategic and critical importance and lists of subsoil plots (minerals) strategic and/or critical importance*' dated 14 July 2025;
5) Copy of Resolution No 1059 of the Cabinet of Ministers of Ukraine on '*On holding a tender for the conclusion of a production sharing agreement for metallic minerals to be extracted and enriched within the Dobra deposit*' dated 27 August 2025;
6) Copy of the Government Courier N 187 (8112), p. 39, Publication of an announcement on holding a tender, dated 12 September 2025.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 13.4.

The objective of Reform 2 to optimise the procedure and reduce the administrative burden for potential investors. The main goal is to improve transparency, speed, and cost efficiency for new investment decisions.

The Intergovernmental Commission on product sharing agreement (the 'PSA Commission') approved the model PSA on 30 June 2025. The model PSA is to serve as a basis for agreements between the government of Ukraine and investors. On 14 July 2025, the Council of Ministers adopted Resolution No 845, which includes the lists of minerals of strategic and critical importance as well as the list of subsoil plots (mineral deposits) of strategic and/or critical importance, which will be granted for use through a tender process to conclude a PSA.

The PSA Commission has decided to launch the tender on concluding an agreement on the sharing of metallic minerals to be mined within the Dobra deposit. It was confirmed by Resolution of the Council of Ministers No 1059. The tender was published on 12 September 2025.

Overall, the adoption of the model PSA and Resolution No 845 highlights Ukraine's commitment to creating a clear regulatory framework that aims to attract foreign investment in the CRM sector. By identifying and tendering subsoil plots of critical minerals, Ukraine positions itself as a proactive participant in the global CRM market. Effectively this is aimed to enhance investor confidence, aligning national objectives with international investment standards.

Commission assessment: satisfactorily fulfilled

Step 15.6

Name of the step: Resumption of the compulsory monitoring, reporting and verifying (MRV) system

Related reform/investment: Reform 3. Market mechanisms of carbon pricing

Financed from: loan

Context

The requirement for step 15.6 described in the CID Annex is:

'The resumption of a mandatory monitoring, reporting and verification (MRV) system for facilities covered by the scope of the existing legislation, except for those that are not controlled, destroyed or located in the temporarily occupied territory, or have officially announced the suspension of operations in terms of production.'

Step 15.6 is the second and last step in the implementation of Reform 3 'Market mechanisms of carbon pricing' in Chapter 15 (green transition and environmental protection), due Q2 2025. The first step 15.5 on the adoption of the Action Plan for the Establishment of a National Greenhouse Gas Emissions Trading System has already been satisfactorily fulfilled.

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 4187-IX *'On Amendments to Certain Laws of Ukraine Regarding the Resumption of Monitoring, Reporting, and Verification of Greenhouse Gas Emissions'* dated 08 January 2025;

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 15.6.

The objective of Reform 3 is to foster the development of market mechanisms for carbon pricing and specifically to ensure proper data collection towards the introduction of emission trading in Ukraine. On 8 January 2025, the Ukrainian Parliament adopted Law No. 4187-IX '*On Amendments to Certain Laws of Ukraine Regarding the Resumption of Monitoring, Reporting, and Verification of Greenhouse Gas Emissions*', which entered into force on 1 February 2025.

The Law restores the mandatory nature of the monitoring, reporting and verification (MRV) system for greenhouse gas emissions at installation level that started operating in 2021. Such mandatory requirements were suspended due to the imposition of martial law following Russia's full-scale invasion in February 2022. This MRV system is a prerequisite for the implementation of the Emissions Trading System (ETS) and requires operators of installations that produce or may produce greenhouse gas (GHG) emissions to comply with a set of obligations.

The system currently covers 11 activity types of ETS. The Unified Register is the system to implement MRV which is currently being digitalised. Covered entities need to submit a verified annual report on GHG emissions by March of the following year (reporting). The report on GHG emissions needs to be verified by a third-party accredited auditor, accredited by the National Accreditation Agency of Ukraine (verification). According to the law, temporarily occupied territories, not controlled and destroyed facilities are exempt from the obligations.

Commission assessment: satisfactorily fulfilled