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COMMISSION STAFF WORKING DOCUMENT

Ukraine 2026 Report

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

2026 Communication on EU enlargement policy

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1. INTRODUCTION[1]

1.1. CONTEXT

Ukraine has continued to face the consequences of Russia's war of aggression, including a severe energy crisis during the first months of 2026 and daily attacks on civilian targets.

Ukraine has continued to progress on the path to EU accession since its application in 2022 and the formal opening of accession negotiations in June 2024. After concluding a bilateral screening of the EU *acquis* in September 2025, cluster 1 (fundamentals) was formally opened at the intergovernmental conference on 15 June, followed by cluster 6 (external relations) on 14 July 2026 as well as cluster 2 (internal market) and cluster 3 (competitiveness and inclusive growth) on 13 October 2026. The Commission has assessed all remaining clusters as ready to be opened. In April 2026, Ukraine adopted its National Programme for the adoption of the *acquis* (NPAA). Ukraine has remained committed to the EU integration reform agenda, in particular by continuing to demonstrate that its institutional framework for the fight against corruption is effective and that the specialised anti-corruption institutions continue to generally operate independently and effectively. The slowing down of legislative decision-making during the reporting period is a point of concern. However, since the end of the summer there has been increased focus on the reforms and actual implementation of policy conditionality under Ukraine Facility and Ukraine Support Loan. In October 2026 Ukraine and the Commission set up a joint Task Force to support Ukraine in accelerating progress on the interim benchmarks, which will advance essential rule of law and anti-corruption reforms.

Regular political and economic dialogue between the EU and Ukraine continued through the Association Agreement and the Deep and Comprehensive Free Trade Area, and the joint bodies under the agreement. This dialogue was further strengthened by the implementation of the Ukraine Facility, including its financial assistance and the Ukraine Plan indicators, which are linked to a set of targeted reforms across key sectors that promote growth, attract priority investments, and advance European integration.

Since the beginning of Russia's war of aggression, the EU and its Member States have enabled the mobilisation of EUR 231.6 billion in support of Ukraine and its people. The recommendations in this report are aligned with the main priorities of the Ukraine Plan for the next 12 months and with the benchmarks set in the accession negotiations. Overall, the interaction between the commitments under the enlargement process and the Ukraine Plan works well, but further efforts are needed.

The EU-Ukraine joint security commitments signed in 2024 continue to guide the EU's and Member States' support for Ukraine's security, resilience and defence. This support complements bilateral commitments between Ukraine and individual Member States.

The EU continues to fully support the independence, sovereignty and territorial integrity of Ukraine within its internationally recognised borders. Ukraine maintains a high level of alignment with the EU's common foreign and security policy.

1.2. MAIN FINDINGS OF THE REPORT

[1] This report covers the period from 1 September 2025 to 1 September 2026. It is based on input from a variety of sources, including contributions from the government of Ukraine, EU Member States, European Parliament reports and information from various international and non-governmental organisations. It also includes the results of comparative assessments and indices produced by other stakeholders, in particular on the rule of law.

The report uses the following assessment scale to describe the state of play: early stage, some level of preparation, moderately prepared, good level of preparation and well advanced. To describe progress made during the reporting period, it uses the following scale: backsliding, no progress, limited progress, some progress, good progress and very good progress. Where appropriate, interim steps have also been used.

CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

Democracy

The functioning of democratic institutions in Ukraine is generally stable despite Russia's ongoing war of aggression and the restrictions imposed under martial law.

The general framework remains overall conducive to the organisation of democratic ***elections*** upon the lifting of martial law once circumstances allow, but it will require certain adjustments given the war-related challenges. The authorities strengthened the work on electoral reforms and set up a special parliamentary working group to prepare legislative proposals for post-war elections.

Parliament can exercise its powers, including overseeing the executive and participating in the legislative process, in an overall effective way despite the constraints of martial law**.** Further progress was achieved on parliamentary transparency and public engagement. However, the legislation on political parties still needs a comprehensive update, and no legislative initiatives have yet been developed on the rights of the parliamentary opposition.

The institutions in charge of ***EU integration*** are in place and actively involved in coordinating the accession process. The NPAA is the main document for planning and monitoring the fulfilment of Ukraine's obligations arising from the accession negotiations, together with the roadmaps on rule of law, public administration reform, functioning of democratic institutions, and the action plan on national minorities.

Ukraine's ***government*** has continued to perform its functions effectively**,** prioritising security and defence, EU integration, digital transformation, economic recovery and reconstruction. The decentralisation reform should continue, maximising the potential of local government authorities and making tangible advances, in line with Ukraine's efforts to fulfil the requirements for EU accession.

Ukraine has a vibrant and robust ***civil society***, from service providers to policy actors to government watchdogs and human rights defenders. Civil society operates in an overall enabling environment. However, there were reported incidents of pressure on activists that should be investigated. The authorities took some positive steps in support of the volunteering sector, such as the adoption of the State Targeted Social Programme for the Development of Volunteering until 2030 and legislation simplifying long-term stay rules for foreign volunteers and humanitarian workers.

Public administration reform

Ukraine is **moderately prepared** in the area of public administration reform (PAR) and has made **good progress,** in particular by: (i) adopting the PAR and the public financial management system (PFM) strategies for 2026-2030, as well as the NPAA; (ii) completing the necessary steps to establish the EU-UA PAR sub-committe, (iii) adopting the law to improve and restart competitive recruitment and selection procedures, including strengthening integrity checks for management positions and other posts considered to be at high risk of corruption; (iv) developing the new civil service vacancy portal; (v) advancing implementation of the unified human resource management information system across all public administration bodies; (vi) making further progress on the digitalisation of public services; and (vii) further aligning secondary legislation with the Law on administrative procedure (LAP). Ukraine has demonstrated a good capacity in implementing PFM reforms, particularly in public investment management. This is reflected in: (i) the adoption of the medium-term plan for priority public investment for 2027-2029; (ii) stronger sectoral planning; (iii) a wider use of IT systems; and (iv) closer integration of investment planning into the annual budget cycle.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Ukraine should, in particular:

→ in line with the Ukraine Plan, resume merit-based recruitment for all civil service posts through the unified state web portal of electronic services; finalise the countrywide roll-out and implementation of the human resources management information system;

→ clarify political responsibility for civil service policy development and implementation within the Cabinet of the Ministers; address recommendations of the Accounting Chamber's audit report on the implementation of the salary reform;

→ complete legislative alignment and harmonisation with the LAP, particularly in the areas of taxation, customs, land relations, electronic public services and secondary legislation, and align all existing digital administrative procedures with the LAP.

Chapter 23: Judiciary and fundamental rights

Ukraine is **between having some and a moderate level of preparation** in the areas of the judiciary, the fight against corruption and respect for fundamental rights and made **some progress.** The ten priority reforms as agreed with the Ukrainian authorities on 10 December 2025 remain mostly outstanding.

Functioning of the judiciary

Ukraine is **between having some and a moderate level of preparation** in the functioning of the judiciary. **Limited progress** was made during the reporting period and certain delays occurred in advancing the reforms set out in the Rule of Law Roadmap. The selection of judges for the Constitutional Court of Ukraine (CCU) continued, and five internationally vetted members were appointed to the High Council of Justice (HCJ), securing its quorum. The Congress of Judges also appointed 30 new members to the Council of Judges (CoJ). For the new specialised administrative courts, an internationalised judge selection mechanism was put in place, and competitions are progressing. The High Qualification Commission of Judges (HQCJ) and its auxiliary body, the Public Integrity Council (PIC), advanced in selecting candidates for vacant judicial positions and the vetting of sitting judges; however, continued involvement of internationally nominated experts in the HQCJ is not yet legislated. Despite difficult circumstances, Ukrainian courts increased the number of cases considered in 2025. A number of legislative reforms for the judiciary are outstanding, including to ensure merit-based recruitment to managerial positions in the prosecution service, to revise the procedure for the selection and dismissal of the Prosecutor General, and to in strengthen nomination and integrity procedures at the Supreme Court with the temporary involvement of internationally nominated experts. A law to improve the enforcement of court decisions was approved. While a new justice strategy has not yet been adopted, significant efforts took place to coordinate the implementation of the Rule of Law Roadmap in a consultative manner.

The Commission's recommendations from last year were partially met and remain valid. In the coming year, Ukraine should in particular:

→ accelerate the filling of judicial vacancies and the evaluation of the qualification (vetting) of sitting judges, with the involvement of the Public Integrity Council; improve the selection and integrity verification of Supreme Court judges and other high court judges by temporarily and meaningfully involving independent experts nominated by international partners; fill the remaining and upcoming vacancies in the Constitutional Court and High Council of Justice and improve the constitutional procedure; and improve the transparency and quality of the selection processes for judicial and prosecutorial self-governance bodies;

→ improve the selection and dismissal procedures for the Prosecutor General and repeal the provisions allowing for the transfer and appointment of prosecutors without competition, as well as those granting the Prosecutor General access to pre-trial investigations materials;

→ urgently extend the temporary involvement of internationally nominated independent experts in the selection of members of the High Qualification Commission of Judges in line with the Ukraine Plan and of members of the High Council of Justice; operationalise the new specialised administrative courts; adopt legislation to improve the selection of management-level prosecutors; adopt legislation improving the disciplinary system for prosecutors and the capacity of the prosecutorial governance bodies; launch the criminal e-case management system modules and implement the roadmap for the e-judiciary system;

→ reform the legal profession by modernising governance, improving access to the profession, raising qualification and admission standards, and strengthening disciplinary and financial accountability. Advance the reforms of legal education and the National School of Judges.

Fight against corruption

Ukraine is **between having some and a moderate level of preparation** in the area of anti-corruption. **Some progress** was made, mostly because the specialised anti-corruption institutions – the National Anti-Corruption Bureau (NABU), the Special Anti-Corruption Prosecutor's Office (SAPO), the High Anti-Corruption Court (HACC) – continued to deliver on their mandate and build a track record by stepping up investigations, prosecutions and final convictions in high-level corruption cases, including at the highest levels of government and the judiciary. These achievements, together with cumulative improvements in institutional capacity and the implementation of preventive measures over recent years, justify an improvement in the overall level of preparation. This continued operational effectiveness of the specialised anti-corruption institutions represents an important achievement that demonstrates the growing resilience of Ukraine's anti-corruption framework. This resilience has also been supported by an exceptionally active civil society, whose sustained scrutiny and engagement have contributed to exposing corruption risks, promoting accountability and safeguarding the independence of anti-corruption institutions. The number of judges and administrative staff at the HACC was increased considerably and new permanent premises were allocated to the court. Ukraine made progress towards the ratification of the OECD Anti-Bribery Convention but has yet to adopt final legislation. A new anti-corruption strategy for 2026-2030 was developed by the NACP, but its adoption by Parliament is pending. Despite these improvements, the limited advancement in adopting structural legislative and institutional reforms recommended by the Commission remains a major concern, requiring urgent action by the authorities to ensure the sustainability and effectiveness of the anti-corruption framework. Anti-corruption institutions continued to report pressure from state institutions, law enforcement and security agencies, and their situation remains fragile overall. Despite some improvements in regulatory and corporate governance, corruption remains an issue in certain economic sectors, particularly energy, defence and construction.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ further consolidate the track record on corruption cases, including the seizure and confiscation of criminal assets; strengthen NABU's and SAPO's autonomy in investigating Members of Parliament without prior approval by the Prosecutor General; expand NABU's jurisdiction to cover high-risk positions and adopt a law ensuring anti-corruption bodies' access to high-quality forensics, in line with the Ukraine Plan; introduce robust safeguards against interference with the work of NABU and SAPO and circumvention of their exclusive jurisdiction; expand the scope of declarants and improve the procedures for the verification of asset declarations with a focus to detect and confiscate unexplained wealth effectively; ensure timely selection and appointment of a new head and deputy head of SAPO.

→ in line with the Ukraine Plan, adopt amendments to the Criminal Procedure Code to address procedural impediments in criminal proceedings; eliminate automatic case closures and revise statutes of limitations in line with European standards; adopt legislative amendments to enable single-judge adjudication of civil and administrative cases in the HACC;

→ in line with the Ukraine Plan, adopt an ambitious anti-corruption strategy and state anti-corruption programme; ensure that identified corruption risks in vulnerable sectors (such as energy, defence, procurement, construction and land management, justice and law enforcement) are reduced effectively in national anti-corruption and relevant sectoral strategic frameworks.

Fundamental rights

The overall framework for fundamental rights and its enforcement is largely in place. The government has maintained its overall respect for fundamental rights and shown its commitment to protecting them.

Ukraine has taken some steps to implement key reforms, such as legislation to protect persons belonging to national minorities, and made progress on the deinstitutionalisation of care for children towards family and community-based care. The institution of the Military Ombudsman was established to protect the rights of military personnel. However, several recommended reforms are still delayed, such as developing support systems for persons with disabilities, launching data protection reform, adopting legislative amendments criminalizing hate crimes, and adopting legislation on civil partnerships. Overall, Ukraine should continue ensuring that restrictions imposed temporarily under martial law comply with the principles of necessity and proportionality, while continuing progress in aligning with the *EU acquis.*

The Commission's recommendations from last year were only partially met and remain valid. In the coming year, Ukraine should in particular:

→ ensure consistent implementation of the revised Action Plan for the protection of the rights of people belonging to national minorities;

→ advance penitentiary reform by adopting legislation to address in particular torture and ill-treatment; adopt legislation on the Ombudsperson's role in full alignment with the Venice and Paris Principles; and adopt legislation on data protection, procedural rights of suspects and accused persons and victims' rights in full compliance with the EU *acquis*;

→ continue the deinstitutionalisation reform for care of persons with disabilities and older people;

Freedom of expression and media freedom

Ukraine is **between having some and a moderate level of preparation** in the area of freedom of expression. Despite the constraints resulting from the Russian war of aggression, Ukraine has made **some progress** in this area, particularly on the financial independence of Suspilne, the public broadcaster as well as journalists' access to information in parliament, which was expanded with the live streaming of plenary and committee sessions. Overall, Ukraine should continue its efforts to maintain and gradually strengthen a transparent, pluralistic and independent media landscape, ensuring that restrictions imposed temporarily under martial law comply with key public rights and interests, such as access to information and media freedom.

The Commission's recommendations from last year were partially met and remain valid. In the coming year, Ukraine should in particular:

→ continue ensuring the safety and independence of journalists and respect their public information role; investigate promptly, independently and effectively cases of direct

intimidation and harassment as well as indirect forms of pressure against journalists and media outlets;

→ ensure adequate funding for the media regulator and its functional independence;

→ maintain adequate funding for the public service broadcaster, while ensuring that content produced by publicly funded media is representative of Ukraine's political and societal pluralism.

Chapter 24: Justice, freedom and security

Ukraine is **between having some and a moderate level of preparation** in the field of justice, freedom and security and made **some progress** during the reporting period. In particular, Ukraine conducted a serious and organised crime threat assessment (SOCTA) covering 2021-2024 and continued implementing the overarching strategic plan on law enforcement reform (OAS AP). However, the pace of reforms has been slow, and many reforms have been delayed. Ukraine still needs to demonstrate a strong, consistent approach to preventing and combating corruption in law enforcement agencies.

The Commission's recommendations from last year were partially implemented and therefore remain valid**.** In the coming year, Ukraine should:

→ in line with the Ukraine Plan, make tangible progress on the comprehensive reform of the State Bureau of Investigation (SBI) by entry into force of the lawn to reform the SBI;

→ make tangible progress in implementing the overarching strategic plan on law enforcement reform (OAS AP), including adopt the law on the delineation of powers, functions and responsibilities of law enforcement agencies; create an effective system for cooperation and coordination between law enforcement agencies; make tangible progress in reforming the National Police of Ukraine (NPU), including by adopting legislation to introduce competitive, transparent and merit-based selection procedures for NPU senior management, putting in place a robust integrity framework, strengthening disciplinary mechanisms and internal control systems, and improving public oversight; adopt the new integrated border management (IBM) strategy with an action plan incorporating measurable implementation indicators.

Fight against serious and organised crime

Ukraine is **between having some and a moderate level of preparation** in the fight against serious and organised crime and made **some progress**, in particular in the re-attestation and certification of Economic Security Bureau (ESBU) staff. In addition, the leadership selection of the head of the Asset Recovery and Management Agency (ARMA) and the independent external assessment of the agency are ongoing. Ukraine continued active international cooperation in the field of law enforcement, and there were several successful joint operations between Ukraine and EU Member States. Ukraine did not make progress in aligning its legislation with the EU *acquis* on the fight against serious and organised crime. Ukraine has not fully implemented the comprehensive action plan to combat organised crime based on the results of 2019-2022 SOCTA. The use of financial investigations, asset freezing and confiscations increased but remains limited overall. The creation of registers of bank accounts of individuals and of beneficial owners of trusts remains pending. Interagency cooperation remains problematic, and there is widespread interinstitutional conflict between law enforcement agencies and other agencies involved in the fight against organised crime.

The Commission's recommendations from last year were only partially implemented and therefore remain largely valid. In the coming year, Ukraine should in particular:

→ in line with the Ukraine Plan, finalise the re-attestation of ESBU staff and make tangible progress in further strengthening the ESBU; finalise the selection process of the head of ARMA and begin implementing the recommendations from the agency's independent external assessment; and set up a register of accounts and individual bank safes of

natural persons and ensure the relevant authorities have access to it, in line with the EU *acquis;*

→ adopt and start implementing the new 2026-2030 strategy to combat organised crime on the basis of the 2021-2024 SOCTA; adopt and start implementing the Financial Investigation Strategy and the 2026-2030 Asset Recovery Strategy; formally put in place the permanent national coordinator to fight organised crime and strengthen the institutional and operational capacities of law enforcement agencies and other relevant bodies, including by institutionalising the SOCTA methodology across relevant agencies.

→ make tangible progress in preventing and fighting small arms and light weapons trafficking, particularly by adopting the law on the acquisition and possession of firearms for civilians in line with EU *acquis*, adopting the roadmap to fight against trafficking of firearms and other small arms and light weapons; and integrating all relevant agencies which have competences on firearms within the National Firearms Focal Point.

ECONOMIC CRITERIA

The existence of a functioning market economy

Ukraine has **some level of preparation** and has made **some progress** in establishing a functioning market economy. Macroeconomic stability remained severely affected by the war, resulting in slower economic growth despite sound policymaking, strong international financial assistance, and private sector. Some steps were taken to strengthen domestic revenue mobilisation and public financial management. The National Bank of Ukraine continued to preserve monetary and foreign exchange market stability, while gradually easing foreign-exchange restrictions. Despite progress, revenue mobilisation is still constrained by undeclared work, tax avoidance, and delays in key tax policy reforms. The business environment still suffers from severe labour shortages, infrastructure damage, high energy costs, and high administrative burdens on firms, particularly SMEs. The state's footprint in the economy remains significant, including through state-owned banks.

The Commission's recommendations from last year were partly implemented. In the coming year Ukraine should, in particular:

→ ensure continued implementation of the Ukraine Support Loan conditionality, including macro-financial assistance, to strengthen revenue mobilisation, improve the sustainability and effectiveness of public expenditure, and enhance public financial management; improve fiscal transparency through the timely publication of general government data, including comprehensive defence sector data; continue to pursue policies supporting macroeconomic and financial stability, including by implementing the Financial Sector Development Strategy roadmap;

→ improve the regulatory environment and reduce administrative burdens by implementing the Action Plan on Deregulation; improve the business environment and market competition by combating corruption and informality, promoting antitrust enforcement, and reducing the state footprint in the economy by progressing on the implementation of the State Ownership Policy in line with OECD standards, notably on corporatisation and professionalisation, while safeguarding the independence of decision-making by all state-owned enterprise (SOE) supervisory boards;

→ continue facilitating the labour market integration of displaced persons and war veterans, while intensifying efforts to reduce informality and promote formal employment, including by reforming the simplified tax system, modernising the Labour Code and strengthening labour inspections.

The capacity to cope with competitive pressures and market forces within the EU

Ukraine is at **some level of preparation** and has made **good progress** in developing its capacity to cope with competitive pressure and market forces within the EU. Education

reforms continued, including in higher education, preschool education, and vocational education and training. Innovation capacity remained constrained by low R&D spending but benefited from technological developments linked to the expansion of domestic defence production. Repair and reconstruction of the energy network continued, with increasing focus on decentralised electricity generation. Public investment management improved significantly, with stronger sectoral planning, a wider use of IT systems, and closer integration of investment planning into the budget cycle. Agriculture and industry remained affected by the destruction of assets, labour shortages, and supply-chain disruptions, while services, ICT, and defence-related manufacturing increased their relative importance. Ukraine remained relatively open to trade, although the trade-to-GDP ratio declined, partly reflecting weak agricultural production.

The Commission's recommendations from last year were addressed. In the coming year Ukraine should, in particular:

→ continue supporting the repair, rehabilitation, and building of infrastructure, in particular energy generation capacity, including from decentralised renewable sources;

→ continue implementing the public investment management reform, in particular by adopting sectoral strategies that include the main investment goals and priorities by sector;

→ continue improving the quality, accessibility, and labour-market relevance of education, including vocational education and training; expand upskilling and reskilling opportunities for adults and advance the implementation of the Innovation Strategy to address skills shortages, support reconstruction, and strengthen productivity growth.

Chapter 5 - Public procurement

Ukraine is **between having some and a moderate level of preparation** in the area of public procurement. **Some progress** was made by implementing the Strategy for Reforming the Public Procurement System for 2024-2026. The new Law on public procurement was adopted on 27 May 2026, which further aligned the legislative framework with the EU *acquis*.

The Commission's recommendations from last year were only partially met. In the coming year, Ukraine should in particular:

→ in line with Ukraine Plan, align all legislation on public procurement, including utilities, concessions, public-private partnerships, and defence and security procurement, with the EU *acquis*, ensuring EU economic operators are able to remain established in the EU in the context of the public-private partnerships, in line with the Deep and Comprehensive Free Trade Area (DCFTA) and the EU *acquis* on public procurement;

→ enhance e-procurement functionality, including developing procurement procedures and tools that comply with EU standards, improve e-contracting in the Prozorro system and reduce the number of procurements outside of Prozorro;

→ work on the implementation and, if needed, the adjustment of the new public procurement strategy for 2027-2030, focusing on closing remaining legislative gaps and issues related to administrative, operational and institutional capabilities at all levels, including on financial control, corruption prevention and review mechanisms, as well as focusing on effective implementation and enforcement.

Chapter 18 - Statistics

Ukraine has **some level of preparation** in the area of statistics and has made **some progress** on statistical reporting and surveys.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Ukraine should:

→ gradually increase the production, dissemination and transmission of high-quality statistics to Eurostat, in particular macroeconomic statistics;

→ conclude a memorandum of understanding between the State Statistical Service of Ukraine, the National Bank and the Ministry of Finance and set up a working group on macroeconomic statistics;

→ adopt legislation to ensure the State Statistical Service of Ukraine's full professional independence, its central role in shaping state policy on statistics and its full access to administrative and privately held data.

Chapter 32 - Financial control

Ukraine has **some level of preparation** in the area of financial control. The country made **some progress** in strengthening public internal financial control, in particular by revising the definition of internal audit in line with the Global Internal Audit Standards and setting up audit committees in key budget spending units.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should, in particular:

→ improve the effectiveness of public internal financial control by implementing the Global Internal Audit Standards, strengthening the institutional role and operational capacity of the Central Harmonisation Unit in the Ministry of Finance, and supporting the set-up and operation of audit committees in key budget spending units. Continue implementing managerial accountability and risk management practices across all line ministries and agencies, including at regional level;

→ further strengthen the cooperation on anti-fraud, in particular with OLAF and EPPO;

→ strengthen the Accounting Chamber of Ukraine's (ACU) institutional and financial independence and administrative capacity, including by operationalising the ACU Board, expanding financial audit coverage based on strategically significant public expenditure, and improving performance audit practices, as recommended in the Ukraine Facility Audit Board report.

CLUSTER 2: INTERNAL MARKET

Chapter 1 - Free movement of goods

Ukraine is **between a moderate and a good level of preparation** in the area of free movement of goods, and **good progress** was made in aligning with the EU *acquis* with the adoption of the Laws on accreditation of conformity assessment bodies and on market surveillance as well as on a technical regulation on machinery, which paves the way for the possibility to start negotiating an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA).

The Commission's recommendations from last year were partially implemented and remain largely valid**.** In the coming year, Ukraine should:

→ make progress in aligning with the EU *acquis* on harmonised products, especially non-road mobile machinery approval and emissions, motor vehicles, good laboratory practices, drug precursors, chemical labelling and packaging, detergents and fertilising products;

→ start screening to identify gaps and make progress in ensuring compliance with Articles 34-36 of the Treaty on the Functioning of the European Union and relevant case law of the Court of Justice of the European Union (CJEU) in order to eliminate quantitative restrictions on the free movement of goods in the non-harmonised area;

→ continue its efforts to join the EU standardisation and metrology bodies, such as the European the Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC), the European Telecommunications Standards Institute (ETSI) and the European Association of National Metrology Institutes (EURAMET).

Chapter 2 - Freedom of movement for workers

Ukraine is at an **early stage of preparation** on the freedom of movement for workers. **Limited progress** was made, primarily through the adoption of the Employment Strategy 2030, which includes, among others, some measures for Ukraine's participation in the European Employment Services (EURES), upon accession.

The Commission's recommendations from last year were only partially implemented and therefore remain valid. In the coming year, Ukraine should in particular:

→ align national legislation with the EU *acquis* on free movement of workers, including access for EU citizens to the labour market and equal treatment of EU workers;

→ conclude agreements on social security coordination and healthcare insurance with EU Member States;

→ implement the newly adopted Employment Strategy 2030 with a focus on free movement of workers and advance preparations for joining EURES upon accession.

Chapter 3 - Right of establishment and freedom to provide services

Ukraine has **some level of preparation** on the right of establishment and freedom to provide services. **Limited progress** was made, notably by developing a unified register of qualifications and establishing quality standards for universal service provision.

The Commission's recommendations from last year were only partially implemented, and therefore, remain mostly valid. In the coming year, Ukraine should in particular:

→ take measures towards eliminating existing restrictions for the provision of services, using the possibilities provided for by the Association Agreement and initiate alignment with the EU Services Directive;

→ adopt the Law on amendments in the field of postal communications, which aims to further align with the EU postal *acquis*, including Regulation (EU) 2018/644 on cross-border parcel delivery services;

→ continue progress in aligning with the EU *acquis* on the mutual recognition of professional qualifications.

Chapter 4 - Free movement of capital

Ukraine is **between having some and a moderate level of preparation** in the area of the free movement of capital. **Limited progress** was made through the gradual relaxation of some foreign exchange restrictions and continued preparation for alignment with the EU *acquis* on payment services. Delays are observed in the adoption of legislation relevant to Ukraine's accession to the geographical scope of the SEPA schemes, including on anti-money laundering and countering the financing of terrorism.

The Commission's recommendations from last year were not fully implemented and remain valid. In the coming year, Ukraine should in particular:

→ continue progress towards the liberalisation of capital movements, and as far as the circumstances allow, gradually remove the additional restrictions introduced under martial law;

→ advance alignment with the Payment Services Directive 2, the SEPA Regulation, the Cross-Border Payments Regulation 2 and the E-Money Directive 2;

→ make progress in the fight against money laundering and terrorist financing by adopting legislation to ensure the operational independence, autonomy, and adequate capacity of the Financial Intelligence Unit (FIU), including through a transparent, competitive and merit-based selection procedure for its Head; as well as by establishing and operationalising the registers of bank accounts of individuals and beneficial owners of trusts, with access by competent authorities in line with the EU *acquis*, and by further aligning provisions on politically exposed persons with the EU *acquis*.

Chapter 6 - Company law

Ukraine has **some level of preparation** in the field of company law and made **limited progress** by modernising the Unified State Register, moving closer to compatibility with business registers interconnection system (BRIS).

The Commission's recommendations from last year were only partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ continue aligning with the EU *acquis*, including by putting in place a legal framework for the nullity of limited liability companies, joint-stock companies, cross-border mergers, divisions and conversions, takeover bids, and shareholders' rights, in particular through the adoption of the laws on harmonisation of company legislation; in the area of corporate governance, improve the governance of state-owned enterprises in line with the Ukraine Plan and ensure any update of the national Corporate Governance Code is anchored in the EU *acquis*;

→ continue aligning with the EU *acquis* concerning transparency requirements, corporate governance, accounting and statutory audits, including by adopting and implementing the pending legislation in these areas;

→ continue aligning with the EU *acquis* on digital tools and processes in company law, including interoperability with BRIS, and further develop the Unified State Register, which is the technological solution to enable the full online registration of companies and branches, the full online filing and disclosure of company information, and public access to companies' financial statements through the business register.

Chapter 7 - Intellectual property law

Ukraine has **some level of preparation** in the area of intellectual property law. **Limited progress** was made.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ address the functioning of collective management organisations, including through their accreditation;

→ further improve the industrial property rights enforcement, in particular through adoption and implementation of new legislative alignment of customs procedures with the EU *acquis* (ensure well-functioning customs registers of intellectual property rights, border enforcement mechanisms, and enhanced inter-institutional cooperation and cooperation between customs authorities and rights holders);

→ adopt the laws on industrial property rights, including on trade secrets, trademarks, and patents; adopt the intellectual property strategy, and continue alignment with the EU *acquis* in all relevant areas.

Chapter 8 - Competition policy

Ukraine has **some level of preparation** in the area of competition policy. **Limited progress** was made in the reporting period, in particular the adoption of some secondary legislation on State aid and by updating the inventory of state aid measures.

The Commission's recommendations from last year were only partially implemented and therefore remain valid. In the coming year, Ukraine should in particular:

→ in line with the Ukraine Plan, amend the Law on State aid to further align it with the EU *acquis* and lift the suspension of the application of State aid control;

→ make further progress in finalising a reliable and comprehensive inventory of existing State aid measures;

→ in line with the Ukraine Plan, take further steps to align services of general economic interest / public service obligations (PSO) with the EU *acquis*, including the structural separation of accounts between PSO and non-PSO activities in key state-owned enterprises.

Chapter 9 - Financial services

Ukraine **is between having some and a moderate level of preparation** in the field of financial services. **Good Progress** was made in the reporting period, in particular through continued alignment of banking regulation with the EU *acquis*, publication of the 2025 banking resilience assessment, adoption of legislation aiming to align with the EU *acquis* on securitisation and covered bonds, as well as further strengthening of supervisory frameworks for non-bank financial institutions and capital markets.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ continue alignment with the EU *acquis* on banking regulation and supervision (including the Capital Requirements Regulation and Directive), bank recovery and resolution and on deposit guarantee schemes, and adopt legislation regarding requirements on confidentiality and professional secrecy in line with the EU *acquis*;

→ continue aligning legislation and supervisory practices with the EU *acquis* on insurance and occupational pensions, investment firms, investment funds, and financial market infrastructures. In particular, adopt legislative amendments to align with the Solvency II Directive;

→ continue aligning legislation with the EU *acquis* on securities and capital markets, financial market infrastructure and digital finance, including on digital operational resilience, while further strengthening the independence, governance, and institutional capacity of the National Securities and Stock Markets Commission (NSSMC).

Chapter 28 - Consumer and health protection

Ukraine is **between having some and a moderate level of preparation** in the area of consumer and health protection. Over the reporting period, **some progress** was made by Ukraine in adopting legislation aimed at aligning with the EU *acquis* on market surveillance and on veterinary medicinal products.

The Commission's recommendations from last year were partially implemented and therefore remain valid**.** In the coming year, Ukraine should in particular:

→ adopt the Law on general safety of non-food products in order to align with the EU *acquis* on general product safety;

→ adopt the secondary legislation necessary to complete the alignment with the EU *acquis* on medicinal products for human and veterinary use;

→ adopt the Law on patients' rights in cross-border healthcare.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

Chapter 10 - Digital transformation and media

Ukraine has a **good level of preparation** in the field of digital transformation and media. In the reporting period, it made **good progress**, in particular by joining the EU's 'Roam Like at Home' area, advancing digital identity and trust services and strengthening cyber resilience.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Ukraine should in particular:

→ ensure that independent telecommunications and media regulators, as well as central executive bodies in the field of electronic communications, have adequate funding and human resources to fulfil their mandates;

→ align national legislation with the EU 5G Cybersecurity Toolbox and fully implement the Protocol of Intent on 5G Security, including by enacting provisions to exclude high-risk suppliers from 5G auctions;

→ continue further aligning national legislation with the European Digital Identity Framework.

Chapter 16 - Taxation

Ukraine is **between having some and a moderate level of preparation** in the field of taxation. **Good progress** was made, in particular by amending the Tax Code on value added tax (VAT) and excise duties.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ further align national legislation with the EU *acquis* on the common system of VAT and on excise duties, especially on procedures, rates and exemptions, and continue implementing the National Revenue Strategy, in particular by reforming the simplified tax system;

→ further align with the Anti-Tax Avoidance Directive and the Directive on Administrative Cooperation in the field of taxation;

→ continue strengthening the administrative and operational capacity of the tax administration, in particular by developing IT systems and ensuring their interoperability with the IT systems at EU level.

Chapter 17 - Economic and monetary policy

Ukraine is **moderately prepared** in the field of economic and monetary policy and made **some progress** in returning to an inflation-targeting regime, gradually easing foreign exchange restrictions, and improving the medium-term budgetary framework.

The Commission's recommendations from last year were partially implemented. In the coming year, Ukraine should in particular:

→ advance the National Bank of Ukraine's (NBU) Strategy for easing foreign exchange restrictions, transitioning to greater exchange rate flexibility and returning to inflation targeting;

→ strengthen the legal framework to ensure the independence of the NBU in line with the EU *acquis*, and to fully comply with the monetary financing prohibition when martial law is lifted;

→ continue strengthening fiscal sustainability analysis by increasing the capacity to prepare long-term fiscal projections for the pension system, while advancing towards the set-up of an independent fiscal institution to monitor and assess government forecasts.

Chapter 19 - Social policy and employment

Ukraine remains at **an early stage of preparation** in the field of social policy and employment. **Some progress** was achieved over the reporting period with the adoption of the Employment Strategy 2030, the entry into force of the basic principles of housing policy legislation in line with the Ukraine Plan, the adoption of the law on basic social assistance and the appointment of a new president to the National Tripartite Social and Economic Council (NTSEC).

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Ukraine should in particular:

→ adopt new framework legislation for labour relations in line with the EU *acquis* and, building on the restarted NTSEC, further develop an enabling environment for bipartite and tripartite social dialogue and strengthen the capacity of social partners;

→ adopt legislation on occupational safety and health in line with the Ukraine Plan and ensure labour inspection systems are strengthened;

→ continue reforming the social benefits system and further align national legislation with the EU *acquis* on non-discrimination and equality between women and men in employment and social policy.

Chapter 20 - Enterprise and industrial policy

Ukraine is **between having some and a moderate level of preparation** in the area of enterprise and industrial policy and has made **some progress** by continuing implementation of the Strategy for the Recovery, Sustainable Development, and Digital Transformation of Small and Medium-Sized Enterprises until 2027 and by endorsing the 2026-2027 Roadmap under the Critical Raw Materials Act.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should:

→ start working on a national industrial policy, in line with the EU's main principles in the field, and increase coordination across all the underlying policy areas;

→ in line with the Ukraine Plan commitments, align national legislation with the principles of the Late Payment Directive;

→ building on the 2026-2027 Critical Raw Materials Roadmap in line with the EU *acquis*, continue progress on decarbonisation and digitalisation and further improve the National Geological Portal to combine all geological registers, catalogues and GIS (geographic information system) interactive maps in a single online solution, and make progress in developing the project pipeline.

Chapter 25 – Science and research

Ukraine is **moderately prepared** in the field of science and research and has made **good progress.** This was done through its active participation in Horizon Europe, adoption of new legislation to improve support for researchers and development of innovation activities. Additionally, the European Research Area (ERA) roadmap for 2025-2027 was adopted, and regional teams and preparations for entrepreneurial discovery processes to develop Smart Specialisation Strategies were created.

The Commission's recommendations from last year were largely implemented. In the coming year, Ukraine should:

→ strengthen competitive funding for research in line with Horizon Europe best practices, including by consolidating the role and independent funding of the National Research Foundation;

→ take steps to implement the European Research Area roadmap for 2025-2027;

→ take stock of the Entrepreneurial Discovery Process (EDP) conducted in selected regions and advance towards the design and approval of Smart Specialisation Strategies at regional level.

Chapter 26 – Education and culture

Ukraine is **moderately prepared** in education and culture. **Good progress** was made through approval of: (i) the new state standard for preschool education; (ii) the updated procedure for inclusive education in schools; (iii) the updated standards and curricula in primary education; (iv) the standard for supervisory boards in vocational education and training (VET) institutions; (v) the recommendations for the network of vocational and specialised pre-higher education institutions; (vi) the State Target Social Programme 'Youth of Ukraine': Generation of Resilience 2030; (vii) adoption of the Law on academic integrity; and continued implementation of the Strategy for the Development of Ukrainian Culture 2025-2030.

The Commission's recommendations from last year were largely implemented. In the coming year, Ukraine should, in particular:

→ adopt the Law on adult education;

→ complete preparations for the nationwide introduction of specialised upper secondary education;

→ adopt secondary legislation required by the Law on vocational education.

Chapter 29 – Customs union

Ukraine has a **good level of preparation** with regard to the Customs Union and made **good progress** over the last year. In particular, the new Head of the State Customs Service was appointed following an independent selection process, substantial progress was made in the adoption of the new Ukrainian Customs Code, in line with the Union Customs Code and an updated version of the national IT Strategy for Customs Digitalisation has been approved.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ adopt the new Ukrainian Customs Code in line with the Union Customs Code, advance developing of related secondary legislation and continue preparations for its implementation, as well as continue the alignment to take account of the progressive application of the new Union Customs Code;

→ continue implementing the updated Strategic Plan for the Digital Development of the State Customs Service until 2030. The implementation should be granted with adequate budget line and pool of experts. Priority focus should be given to the national import system and IT systems required for full interoperability with the EU customs digital environment;

→ in order to improve administrative capacity, complete the reform of the State Customs Service, in accordance with the new Ukrainian Customs Code when enacted.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

Chapter 14 - Transport policy

Ukraine has **some level of preparation** in the field of transport policy and made **some progress,** in particular through the adoption of the Law on safety and interoperability of railway transport, the progress with secondary legislation on road transport as well as its removal from the blacklist of the Paris Memorandum of Understanding on Port State Control.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ in line with the Ukraine Plan, adopt the primary legislation setting out a public service obligation (PSO) framework for the organisation of socially important passenger rail transport and its institutional oversight, approve the action plan for the phased introduction of competition in the rail freight and passenger sectors and make progress on the regulatory alignment with the EU rail market *acquis*;

→ in line with the Ukraine Plan, adopt the Law on merchant shipping and shipping on inland waterways and adopt new rules on the provision of port services and common rules on the financial transparency of ports;

→ further align the social rules and market rules for road transport with the EU transport *acquis*, strengthen the enforcement of haulage market rules and traffic safety measures, and set up independent inspection and investigation bodies for rail, road and waterborne transport and make progress with the introduction of periodical roadworthiness testing for all M and N category vehicles.

Chapter 15 - Energy

Ukraine has a **good level of preparation** in the field of energy. **Good progress** was made during the reporting period in partially aligning with the Electricity Integration Package, designating the Nominated Electricity Market Operator (NEMO), adopting permitting procedures for RES investments, and taking significant steps to improve corporate governance in energy state-owned enterprises.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming period, Ukraine should in particular:

→ accelerate energy market reforms: continue the gradual removal of the wholesale electricity price caps; start working on setting up a mechanism to support vulnerable energy consumers and adopt a roadmap to gradually liberalise gas and electricity prices in line with the Ukraine Plan; continue adopting secondary legislation, submit for verification and implement the Electricity Integration Package; adopt legislation to change the indirect taxation regime for electricity market participants to support market coupling;

→ prioritise the energy transition by focusing on renewable energy (RES) and energy efficiency: resolve the issue of debt settlement for RES producers; lift the moratorium on raising heat and hot water tariffs; and set minimum energy efficiency performance levels for buildings;

→ further improve governance in the energy sector: building on the completion of supervisory boards and the revision of charters of major state-owned energy companies, further align with OECD standards on corporate governance; in line with the Ukraine Plan, adopt legislation to further strengthen the energy regulator's independence and build a track record on fair and transparent decision-making relating to implementation of the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT).

Chapter 21 - Trans-European networks

Ukraine has **some level of preparation** in the field of trans-European networks (TENs). **Some progress** was achieved during the reporting period, primarily through the implementation of several road and rail projects supported by Connecting Europe Facility (CEF).

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, the country should in particular:

→ continue prioritising planning and implementing critical energy and transport infrastructure projects, including synchronisation with neighbouring countries; ensure better connections with the EU through deployment of efficient trans-European transport network (TEN-T), with particular focus on integrating railway systems into the EU standard gauge network and upgrading border crossing points;

→ ensure timely implementation of projects funded by the CEF that support the long-term integration of Ukraine's transport systems with those of the EU, do utmost to ensure that all conditions enable this timely implementation, in particular by closing the financing gap to avoid any delays in the execution of works.

→ further align with and implement the TEN-T - through the deployment of EU standard gauge on the main priority axis in priority on the Poland-Lviv corridor which is essential for resilience, economy and security - and the trans-European networks for energy (TEN-E): accelerate alignment with the new TEN-T and TEN-E Regulations, improve the permitting process for TEN-E projects.

Chapter 27 - Environment and climate change

Ukraine has **some level of preparation** in the field of environment and climate change and made **some progress** in the reporting period. In the area of the environment, Ukraine made progress in waste management and nature protection through the adoption of the Circular Economy Strategy and the Biodiversity Strategy along with their respective action plans, as well as in water quality and industrial pollution through the adoption of secondary legislation. Ukraine made advancements in the area of climate change, where the Nationally Determined Contribution (NDC) under the Paris Agreement for 2035 and a new Long-Term Low Emissions Development Strategy were adopted.

The Commission's recommendations from last year were only partially implemented and therefore remain mostly valid. In the coming year, Ukraine should in particular:

→ continue strengthening the responsible authorities with clearly defined competencies, adequate staffing and sufficient technical expertise; ensure effective implementation and mainstreaming of environmental and climate policies; focus on the alignment and implementation of horizontal environmental legislation in line with the EU *acquis*, in particular on the application of environmental impact assessments (EIAs) and strategic environmental assessments (SEAs) for all relevant projects, plans and programmes; ensure public participation and access to justice;

→ increase the level and coverage of carbon pricing as a stepping stone to entering the EU Emission Trading System (ETS); revise the carbon tax; extend the monitoring, reporting, verification and accreditation framework (MRVA) to additional sectors, including road transport and buildings; ratify the Kigali Amendment to the Montreal Protocol; and adapt national legislation to align with EU standards on fluorinated gases and ozone-depleting substances;

→ in line with the Ukraine Plan, adopt a law on reducing deforestation and forest degradation; advance alignment with the EU *acquis* on nature protection, adopt a law on the protection of waters against pollution caused by nitrates from agricultural sources; and prepare a strategy on the cost recovery of water services and resources.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

Chapter 11 - Agriculture and rural development

Ukraine has **some level of preparation** in the field of agriculture and rural development and has made **good progress**, in particular by adopting the Law on support in the agricultural

sector. This law provides the legal basis for the paying agency, the integrated administration and control system (IACS) and the farm sustainability data network (FSDN). Implementation of the strategy for agriculture and rural development until 2030 continued. Land Parcel Identification System (LPIS) pilot projects allow for testing future countrywide solutions.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Ukraine should in particular:

→ continue implementing the strategy for agriculture and rural development until 2030 and strengthen the administrative capacity for its implementation;

→ accelerate the set-up of the FSDN in line with the Ukraine Plan and the IACS and improve the targeting and delivery of agricultural support, based on reliable data and strengthened controls and transparency, including through the State Agrarian Registry (SAR);

→ adopt implementing legislation under the Law on support to the agricultural sector and provide sufficient resources for the designated paying agency's operations.

Chapter 12 - Food safety, veterinary and phytosanitary policy

Ukraine is **moderately prepared** in the field of food safety, veterinary and phytosanitary policy. **Some progress** was made in the reporting period, in particular through the adoption of the amended Law on veterinary medicine and animal welfare and the expansion of the use of the EU's trade control and expert system (TRACES).

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ advance alignment with the EU *acquis* on food safety, veterinary and phytosanitary policy, in line with the Deep and Comprehensive Free Trade Area (DCFTA) obligations in the fields of animal welfare, animal feed, plant protection products, genetically modified organisms and official controls;

→ strengthen administrative capacity for carrying out official control activities in the fields of laboratories and infrastructure and databases;

→ continue the reform of the food safety bodies in line with EU requirements, in particular by strengthening the capacity of the State Service of Ukraine on Food Safety and Consumer Protection (SSUFSCP) for risk assessment, risk communication and risk-based planning.

Chapter 13 - Fisheries and aquaculture

Ukraine has **some level of preparation** in the field of fisheries and aquaculture. **Some progress** was made during the reporting period, in particular through the adoption of the framework act for the functioning of the e-Fish system in September 2025 and of the 2026-2029 operational plan. Ukraine became full member of the General Fisheries Commission for the Mediterranean in November 2025.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ continue to align national legislation with the EU *acquis*, including on the collection, management and use of data, on the functioning of the fisheries and aquaculture market, on state control and on technical measures;

→ take preparatory institutional steps to put in place an effective fisheries monitoring, control and inspection system to combat illegal, unreported and unregulated fishing;

→ further develop the features and interoperability of Ukraine's e-Fish system, including the core modules needed for traceability, data collection and state control, and further harmonise it with the equivalent EU registers.

Chapter 22 – Regional policy and coordination of structural instruments

Ukraine has **some level of preparation** in the area of regional policy and coordination of structural instruments. **Limited progress** was made in the reporting period, in particular by reactivating the Interagency Coordination Commission on regional development.

The Commission's recommendations from last year were only partially implemented and remain valid**.** In the coming year, Ukraine should, in particular:

→ prepare and adopt a government action plan for the fulfilment of Chapter 22 benchmarks and implement the Law on the principles of state regional policy; ensuring establishment of clear regional policy and coordination of future EU structural instruments institutional architecture, with defined Ministries' mandates and a stable lead coordination function;

→ improve reporting on the implementation of the State Regional Development Strategy and prepare the new strategy for 2028-2034; finalise the regional and local development strategies to prioritise investments for all regional and local stakeholders; ensure the State Fund of Regional Development becomes operational and digitalised;

→ strengthen the capacity of national, regional and local administrations in project development and public procurement, and the capacity of the Ministry for Communities, Territories and Internally Displaced Persons in cohesion policy programming and implementation, cross-sectoral and interinstitutional coordination; ensure the Interagency Coordination Commission becomes fully operational and ensure the systematic and inclusive engagement of regional and local stakeholders at all stages of the programming cycle.

Chapter 33 - Financial and budgetary provisions

Ukraine is at an **early stage of preparation** in the area of financial and budgetary provisions. There was **limited progress** made in the areas covered by the chapter, namely by the continued work on the preparation of a roadmap for implementation of an own resources system.

The Commission's recommendation from last year was not implemented and therefore remains valid. In the coming year, Ukraine should:

→ adopt the roadmap to implement an own resources system, and strengthen awareness among key stakeholders;

→ set out internal procedures for the management and maintenance of A and B accounts in line with the own resources legislation and ensure that the IT infrastructure supports these procedures;

→ develop and implement the necessary administrative, technical and legislative framework to ensure readiness to calculate and make available the own resources from non-recycled plastic packaging waste.

CLUSTER 6: EXTERNAL RELATIONS

Chapter 30 - External relations

Ukraine has a **good level of preparation** in the field of external relations but made **limited progress** in the reporting period. Ukraine's trade policy largely complies with World Trade Organization (WTO) commitments and the rules of the Association Agreement/Deep and

Comprehensive Free Trade Area (AA/DCFTA). However, an increasing trend in applying trade barriers has been observed.

The Commission's recommendations from last year were partially implemented, including on drafting relevant legislation, and remain valid. In the coming year, Ukraine should in particular:

→ continue to ensure that its trade policy remains compliant with WTO and AA/DCFTA commitments, in particular by refraining from introducing discriminatory measures, including measures that unjustly favour domestic products or producers and act as barriers in EU-Ukraine trade relations;

→ before entering any new bilateral trade agreement, assess its impact, in light of Ukraine's candidate status and forthcoming accession, ensuring that any agreement contains a clause allowing for its early termination in the event of EU accession;

→ make progress in aligning its national legislation with the EU *acquis* on the screening of foreign direct investments (FDI), including the recently adopted Regulation no. 2026/1386.

Chapter 31 - Foreign, security and defence policy

Ukraine has **a good level of preparation** and demonstrated **very good progress** with continued intense political dialogue with the EU at all levels, the significantly improved security and military cooperation with the EU and its Member States, and the maintenance of a very high rate of alignment with the EU's common foreign and security policy (CFSP).

The recommendations from last year were partially implemented and remain valid. In the coming year, Ukraine should in particular:

→ further align Ukraine's legislative framework with the provisions of the Rome Statute of the International Criminal Court (ICC) and its related instruments;

→ further align with the CFSP, including the Statements by the High Representative on behalf of the EU and Council decisions on restrictive measures, and ensure that restrictive measures are implemented.

1.3. STATE OF PLAY OF THE ACCESSION NEGOTIATIONS

Following the first intergovernmental conference that opened accession negotiations with Ukraine, the bilateral screening meetings were concluded on 30 September 2025. Accession negotiations on cluster 1 (fundamentals) were opened on 15 June 2026, followed shortly by the opening of accession negotiations on cluster 6 (external relations) on 14 July 2026 as well as cluster 2 (internal market) and cluster 3 (competitiveness and inclusive growth) in October.

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2. CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

2.1. FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM

2.1.1. Democracy

The functioning of democratic institutions in Ukraine is generally stable. Martial law has been in place since February 2022, with its 20th extension valid until 31 October 2026. Martial law permits certain restrictions on individual rights and freedoms and on legal entities' rights and interests. While its application has been proportionate overall, it remains essential that these

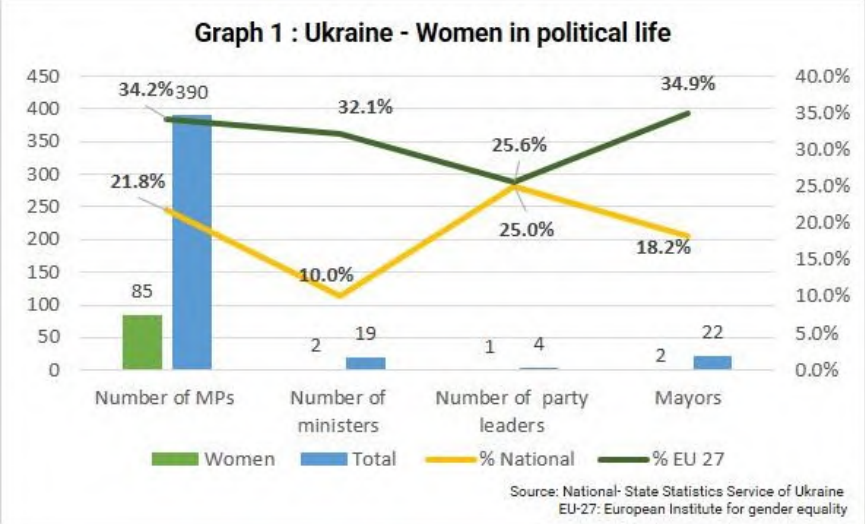
powers are not exercised in ways that could jeopardise the reform agenda, which has had positive results so far.

Elections

No elections took place during the reporting period as they remain prohibited under martial law. The authorities made some progress in preparing for the first post-war elections. The Roadmap on the Functioning of Democratic Institutions remains a key policy document advancing electoral reform in Ukraine.

In October 2025, the Central Election Commission (CEC) conducted a comprehensive assessment of recommendations made by the Office for Security and Cooperation in Europe / Office for Democratic Institutions and Human Rights (OSCE/ODIHR). Following this assessment, the CEC adopted Resolution No 48 to put forward legislative proposals and a regular monitoring mechanism to implement them. In December 2025, the CEC organised an inclusive expert dialogue on outstanding OSCE/ODIHR recommendations, including those on ensuring voting rights of persons with disabilities, and approved its communication strategy. In addition, the CEC resumed public-facing services of the State Voter Register, allowing citizens to submit applications and update their details. In July 2026, the CEC adopted a concept on countering FIMI in elections in Ukraine, which will require consistent implementation.

A special parliamentary working group established in December with the inclusive participation of different political forces and civil society organisations aims to develop comprehensive legislative proposals for elections for the post-war era. This working group covers a broad range of administrative, security and voting rights issues, as well as implementation of the OSCE/ODIHR recommendations and the Roadmap on the Functioning of Democratic Institutions. CEC Resolution No 1 of January 2026 provides the substantive basis for this work.



Building on these efforts, this preparatory work is expected to result in Parliament adopting legislation. As part of this process, Ukraine needs to ensure alignment with all relevant EU *acquis* in this area, including Regulation (EU) 2024/900 on the transparency and targeting of political advertising, and taking into account European and international democratic standards. The seven-year term of office of CEC members is scheduled to expire in October 2026. Its timely renewal must be ensured to prevent legal, political and reputational risks to preparations for the first post-war elections.

Parliament

Parliament continues to exercise its powers amidst the ongoing war and martial law, albeit at a slower pace than in the previous reporting period. Between 1 September 2025 and 1 September 2026, 133 laws were adopted, out of which 130 have fully entered into force. The legal fragmentation of the procedure for the adoption of laws relating to EU integration still needs to be addressed.

Compared with the previous reporting period, more progress was achieved in the area of parliamentary transparency and public engagement. Parliament's open plenary sessions continued to be broadcast live, and the amendments to the Law on parliamentary committees, which entered into force in January 2026, better regulate access for journalists and civil society. Civil society organisations (CSOs) continued to be involved in legislative processes. Since the entry into force of the Law on lobbying, 205 bodies have been registered in the Transparency Register. The practice of 'Hour of Questions to the Government' continued on a regular basis.

The legislation on political parties requires a comprehensive update, including on procedures to hold political parties accountable for breaches of financing rules. It is crucial to always ensure that the rights of the opposition are respected. No legislative initiatives regulating the rights of parliamentary opposition have been developed or registered.

Women remain underrepresented in politics and decision making.

EU integration

The institutions in charge of the EU integration process are in place. There remains broad public consensus on EU integration as a top priority for Ukraine. CSOs and professional organisations are part of Ukraine's EU integration efforts.

The National Programme for the Adoption of the *Acquis* (NPAA) was adopted in April 2026. Negotiation working groups are active and include representatives of the relevant line ministries, Parliament and CSOs. During the reporting period, the government launched regional dialogues with business communities to strengthen consultations with stakeholders at sub-state level. Ukraine continues its quarterly reporting to the European Commission on implementation of the roadmaps on the rule of law, public administration reform and the functioning of democratic institutions, as well as on the action plan on national minorities.

Governance

During the reporting period, several ministerial changes took place. Following a considerable anti-corruption investigation into the state nuclear energy operator, the Energy and Justice Ministers resigned. In January 2026, the Defence Minister became First Deputy Prime Minister and Energy Minister, while the Digital Transformation Minister was appointed Defence Minister. In July 2026, a major government reshuffle took place, including the appointment of a new Prime Minister and the replacement of almost two thirds of the Ministers. Following the dismissal of Defence Minister as part of the government reshuffle, public protests took place in several cities. In August, the composition of the new government was completed with the appointment of the new Defence Minister and re-appointment of the Minister of Foreign Affairs.

Ukraine's **multilevel governance** system continues to function effectively amidst Russia's full-scale war of aggression. The decentralisation reform remains focused on improving local self-governance capabilities and should continue advancing in line with EU accession requirements and the European Charter of Local Self Governments.

Some progress has been made in strengthening the effectiveness and transparency of the multilevel governance system. The adoption of the Law to ensure legality and transparency in local self-government activities is a significant achievement, but further efforts are needed to align local state administrations with a prefect-type oversight model. The adoption of the 2025 Revised Concept of local self-government reform is a positive step. A comprehensive action plan for the reform of local self-government should be adopted to operationalise the Revised Concept and should set out clear legislative steps, timelines, and responsibilities across all decentralisation reform areas and identify which tasks from the 2024-2027 action plan still need to be completed.

Preparatory work has advanced in drawing up the principles and criteria for delineating: (i) powers between state and sub-national levels; and (ii) sectoral powers between sub-national

levels of governance. The draft law has yet to be adopted. This law should set a multi-level governance system where powers are delineated between governance levels, rather than among governance bodies, and preserve local autonomy. To fully eliminate conflicts of power, sectoral competences should be delineated between executive and sub-national governance levels and sector specific legislation should be amended.

The level of personal income tax allocated to municipalities was maintained at 64%. Ukraine should amend the legislative framework creating a robust mechanism to guarantee local financial autonomy. The number of local military administrations has increased. The legislative framework for resuming local governance after martial law has yet to be adopted, including safeguards of local autonomy and phasing out military administrations in de-occupied territories.

Civil society

Civil society, including human rights defenders, in Ukraine operates in an **overall enabling environment.**

Mechanisms for dialogue and cooperation between authorities and civil society continued to function, with CSOs frequently involved in government and parliamentary working groups and expert councils, including in monitoring key EU accession policy documents. However, the effectiveness of these mechanisms remained uneven across institutions and policy areas. The Ministry of Justice and the Secretariat of the Cabinet of Ministers maintained strong engagement with leading expert organisations in strategic processes relating to civil society sectoral reforms.

The National Strategy for the Promotion of Civil Society Development, ending in 2026, continued to be implemented through an overall transparent process. The government already started consultations with civil society on the new National Strategy for the Development of Civil Society for 2027-2032. At the same time, key reforms to improve the enabling environment for CSOs faced delays, including amendments aiming to strengthen public participation, in particular at local level and legislation simplifying the set-up and operation of CSOs, including through online registration. Public funding for CSOs remained limited and fragmented, mainly channelled through targeted calls aligned with specific ministries' priorities.

Incidents have been reported of pressure on activists. During the reporting period, the working group at the Office of the Prosecutor General, an effective tool which had brought together authorities and civil society to monitor such cases, ceased to function. In December 2025, the Ministry of Internal Affairs set up a new working group with civil society participation, focusing on cybercrimes targeting activists. Although this is a positive initiative, it does not fully replace the previous mechanism. The State Targeted Social Programme for the Development of Volunteering until 2030 was drafted through a transparent and inclusive process led by the Ministry of Social Policy and adopted in April 2026. However, delays in its adoption meant that budgetary funding for its effective implementation was not secured. In March 2026, Parliament adopted legislation simplifying long-term stay rules for foreign volunteers and humanitarian workers. Some progress was also achieved in improving the tax environment for CSOs with the implementation of a new law.

Instances of CSOs being denied financial services have been reported. In the context of the fourth national risk assessment of money laundering and financing of terrorism, the risks inherent to the non-profit sector should be properly substantiated, in line with Financial Action Task Force (FATF) operational definitions and by relying on a wide set of sources.

2.1.2. Public administration reform

Strategic framework for public administration reform

The **strategic framework** for public administration was updated through the adoption of the public administration reform (PAR) strategy in June 2026 and the public financial management (PFM) strategy in February 2026, both for 2026-2030, and their accompanying action plans. These documents were developed through an inclusive consultation process involving stakeholders, experts and civil society, and are aligned with the Ukraine Plan and the PAR roadmap commitments. The government continued to implement the PAR roadmap, which serves as a key guiding document for the PAR reform process in the EU accession process.

The **institutional framework** for PAR remained largely unchanged. In July, due to the Government reshuffle, the overall political responsibility for coordinating public administration reform has been assigned to the Prime Minister. Political responsibility for civil service policy development and implementation is still not clearly assigned within the Cabinet of the Ministers. Cooperation and synergy among the institutions concerned need to be significantly improved.

Management and coordination mechanisms to implement the PAR are well established, but actual implementation is weak. In particular, the PAR Coordination Council, responsible for overseeing reform implementation, did not ensure effective and strategic reform steering and coordination in the reporting period. Ensuring the financial sustainability of PAR is an ongoing challenge.

Policy development and coordination

The **National Programme for the Adoption of the EU *acquis*** (NPAA) was adopted in April 2026. It serves as the key overarching framework for aligning national legislation with the EU *acquis*. Its effective implementation, regular updating and monitoring should be ensured. The Law on the national strategic planning system, which should strengthen the link between policy planning and budgeting, should also be adopted.

Monitoring of the implementation of policies and legislation was strengthened. The 'reform matrix', introduced in 2024, is regularly updated. To monitor and report on the implementation of the European integration commitments and the NPAA, the 'Accession Pulse' information system was set up, but it is not yet publicly available. The Translation Office has been set up to ensure the standardisation of terminology and the high-quality translation of EU legal acts.

The capacity for **evidence-based policymaking** need to be strengthened further. No tangible progress was made in revising the regulatory framework to improve policymaking and legislative drafting standards. The government's role as an initiator of draft legislation remains limited, with most adopted legislation originating from Members of Parliament. In 2025, 25% of adopted laws were initiated by the Cabinet of Ministers, down from 32% in the previous year. The quality of explanatory notes and impact assessments accompanying legislative proposals should be improved in line with European standards. Public consultations should also apply to legislative initiatives of Members of Parliament.

Public financial management

The public financial management (PFM) system is broadly in place. Ukraine has demonstrated good capacity in implementing PFM reforms**,** particularly by focusing on: (i) fiscal discipline; (ii) medium-term budgeting; (iii) cash and debt management; (iv) public investment management; and (v) accountability. On the **strategic framework**, a new comprehensive PFM strategy 2026-2030 and a related action plan for its implementation were adopted in February 2026.

Key developments on **budget management** include the continued implementation of medium-term budget planning following the 2027-2029 Budget Declaration's adoption in June 2026 and annual spending reviews of the state budget. The methodology for spending reviews was improved in line with OECD standards in March 2026. In December 2025, the

medium-term debt management strategy for 2026-2028 was adopted, setting debt sustainability targets and measures to deepen the domestic bond market. The link between strategic planning and budgeting needs to be further strengthened.

Effective oversight of the budget process is needed. Legislative and operational steps should be taken to set up an independent fiscal institution to evaluate government forecasts, scrutinise government budgetary assumptions and assess the performance of previous forecasts.

The adoption of the medium-term plan for priority public investment (MTP) for 2027-2029 in May 2026 and the 2027 state-level single project pipeline (SPP) in September 2026 marked significant developments in implementing **public investment management** (PIM) reform. There was also progress with the adoption of sub-national MTPs and SPPs by local and regional authorities. It is essential that Ukraine continues to implement the reform based on the PIM roadmap and action plan, which requires a whole-of-government approach. Significant steps are still needed to fully operationalise the new PIM system, including the preparation of the following: (i) updated sectoral strategies to guide investment priorities; (ii) strengthened appraisal procedures (iii) a methodology for the economic analysis of public investment projects; (iv) prioritisation methodologies for SPP projects; and (v) an overall national strategic planning framework. As regards the IT architecture, the Unified Digital Management Ecosystem for PIM should be consolidated by completing the integration of the Digital Restoration Ecosystem for Accountable Management (DREAM) with other relevant IT systems.

Budget transparency remains affected by martial law and security considerations. Nevertheless, the publication of key budget information and fiscal reporting has been maintained.

The government is advancing the digitalisation of PFM systems through the Ministry of Finance's Digital Transformation Programme (2025-2030), which focuses on IT system modernisation, data integration, and alignment with EU digital systems.

Public service and human resources management

Martial law continues to significantly affect the civil service regulatory framework and HR practices. Competitive, **merit-based recruitment and selection** to the civil service remained suspended**.** However, in October 2026, a law aiming to improve and restore merit-based recruitment was adopted in Parliament. Beyond restoring competitive recruitment, the law improves the current selection and recruitment procedures in line with European best practices and strengthens integrity checks for management positions and other posts considered to be at high risk of corruption. The adoption of this law should be followed by fully restoring merit-based recruitment in the civil service, in line with the Ukraine Plan indicators. Development of the new civil service vacancy portal, integrated into the Diia platform, is finalised. The portal's full operational capacity is essential to helping resume open competitions, ensuring transparent publication of all civil service vacancies through a single centralised platform.

The next steps in the **civil service remuneration** reform, initiated in 2024, should be based on the findings and recommendations set out in the audit report of the Accounting Chamber of Ukraine, issued in October 2025. This should help ensure an evidence-based approach to advancing the reform.

The roll-out of the unified **human resource management information system** (HRMIS) across the public administration has advanced with most of the government bodies now connected to the system. Its implementation and actual use should be accelerated to ensure comprehensive institutional coverage and achieve the reform's objectives. The National Agency on Civil Service, responsible for HRMIS administration, continues to face insufficient administrative capacity. In parallel, the Ministry of Digital Transformation is advancing the implementation of the Diia.Office service for civil servants. Its alignment with the HRMIS

should be ensured.

Gender balance across the civil service remains uneven. As of June 2026, women only accounted for 26% of top management positions, but made up the most of middle management roles (68%) and non-managerial/executive roles (80%).

Accountability of the administration

Ukraine's **public accountability** system is largely in place and operational**.** During the reporting period, the Accounting Chamber of Ukraine (ACU) continued implementing its approved ISSAI-based methodologies for financial, compliance and performance audits, supported by practical methodological assistance, structured review of audit planning and reporting documents. Day-to-day operation remains fragmented and further steps are needed to strengthen the ACU's professional and financial independence. In 2025, most, but not all public bodies, had adopted anti-corruption programmes.

Internal governance within ministries continues to lack a clear separation of responsibilities at senior management level between deputy ministers and state secretaries. Policy areas continue to be managed and coordinated by political appointees (deputy ministers), rather than professionally selected senior civil servants. Progress was made in optimising work processes in central executive bodies, in particular by developing catalogues for typical work processes and setting up working groups. In addition, AI-based support tools were developed.

Over 200 laws and nearly 300 secondary legislative acts have been aligned with the **Law on administrative procedure** (LAP) since it entered into force in December 2023. Further legislative alignment and harmonisation with the law is needed in the areas of **taxation, customs, land relations, digital administrative procedures and secondary legislation**. Training for officials at all levels has continued but should be expanded, particularly at local government level.

The **law on citizens' appeals** should be adopted and aligned with both the LAP and EU standards, ensuring a clear distinction between administrative procedure cases and other types of public petitions. The new code on administrative violations should be adopted to systematise penalties for administrative offences in full alignment with the LAP. The right to access **public information** is well regulated and consistently applied, but access to certain public information remains restricted under the ongoing martial law.

On the **right to administrative justice**, the Kyiv Specialised District Administrative Court and the Kyiv Specialised Administrative Court of Appeal, established in 2025, are still not operational. The new courts should become operational without delay to ensure access to administrative justice involving central government bodies.

Service delivery to citizens and businesses

The delivery of public services to both the public and businesses continues to improve, with a growing number of online services and physical access points across Ukraine. Ukraine has emerged as a global **frontrunner in digitalisation**, as reflected in its progress in the United Nations e-Government Development Index (EGDI). Ukraine achieved first place in the E-Participation Index and fifth place in the Online Service Index, both of which are EGDI sub-components. Diia remains the most widely used e-platform, playing a crucial role in ensuring the continuity of public service delivery amid ongoing challenges caused by the war. Its e-DEM platform, the first national e-democracy tool, covers topics on local petitions, participatory budget, public consultations and is used by 500 municipalities (35% of all municipalities) and 2.2 million people. The legislative harmonisation of digital services with the LAP is still pending, as is the adoption of legislation on digital accessibility.

The **offline provision of public services** continued through the nationwide network of administrative service centres (ASCs). At the beginning of 2026, the ASC network included 5 763 operational service access points (up from 4 886 in 2025). In 2026, 87% of ASCs were

accessible to persons with disabilities and reduced mobility. To further improve inclusivity, methodological recommendations for assessing the accessibility of ASC buildings have been developed, supporting a more systematic approach to barrier-free service provision.

To further strengthen the capacity of administrative service delivery and improve the regulatory framework for funding them, Ukraine should adopt the **Law on administrative fees**.

2.2 RULE OF LAW AND FUNDAMENTAL RIGHTS

2.2.1 Chapter 23 - Judiciary and fundamental rights

The EU's founding values include the rule of law and respect for human rights. An effective (independent, high quality and efficient) judicial system and an effective fight against corruption are of paramount importance, as is respect of fundamental rights in law and in practice.

Functioning of the judiciary

Strategic documents

Strategic documents are partly in place, but their level of implementation still needs to be improved. Following the expiry of the last strategy in 2023, a new strategy for the development of the justice system and constitutional judiciary is not yet drafted. It should be developed through broad consultations and include a budgeted action plan. The Office of the Prosecutor General (OPG) should also adopt its new strategy and develop monitoring tools for its implementation.

Management bodies

Management bodies within the judiciary are in place and function adequately. There are issues with selecting and appointing their members and with their institutional capacity, including IT, analytics and access to databases, which need to be resolved.

In October 2025, the President appointed two internationally vetted members to the High Council of Justice (HCJ), the Council of Judges (CoJ) appointed another two in March 2026 and the Congress of Representatives of Law Schools and Scientific Institutions one member in August 2026. The terms of two HCJ members expired in August 2026, and Parliament should appoint selected candidates without delay and before the continuation mechanism expires. The HCJ now has 19 of 21 members in place, with two positions from the Congress of Attorneys' quota still vacant. The Ukrainian National Bar Association (UNBA) should launch the competition to fill these vacancies. Competitions have already been launched for the 10 additional members whose terms will expire in early 2027.

In March 2026, the Congress of Judges elected 30 members to the CoJ, reaching the quorum required for full operational authority. However, transparent and credible integrity and professionalism checks of candidates were not yet introduced, and the list of candidates was not published before the Congress meeting. Concerns have been raised over the new composition's commitment to advance accountability in the judiciary.

Continued resistance to the temporary involvement of internationally nominated independent experts in various selection and vetting processes is of concern. The premature termination of the role of independent experts before national appointing bodies are fully reformed risks undermining judicial reform. In particular, the meaningful involvement of internationally nominated independent experts in the selection commission for the High Qualification Commission of Judges (HQCJ) and the HCJ needs to be urgently extended.

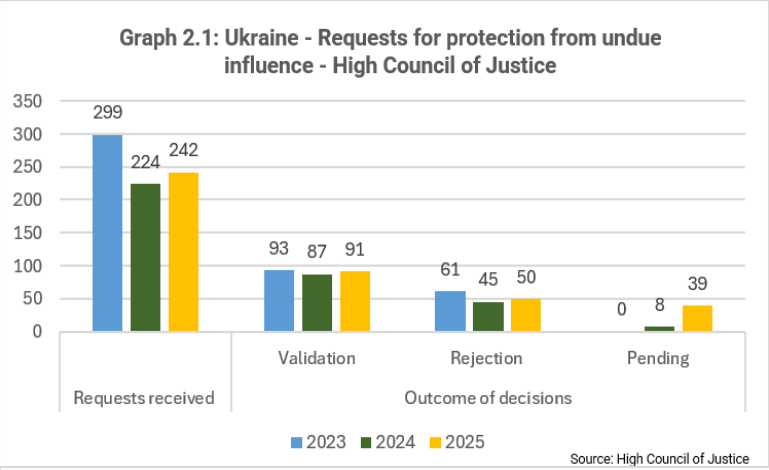
The Public Integrity Council (PIC) has continued to assist the HQCJ in judge selection competitions but needs to be further strengthened by improving access to judicial dossiers, strengthening analytical capacity, and ensuring an adequately staffed secretariat.

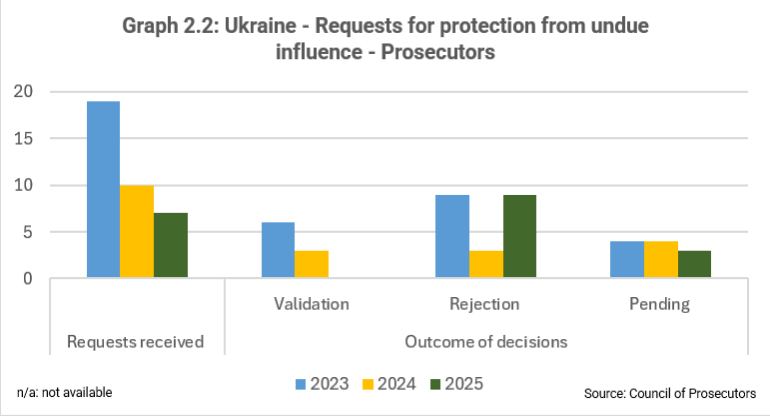
In December 2025, the appointment of the new head of the State Judicial Authority (SJA) did not comply with the competitive, merit and integrity-based selection procedure, contrary to Ukraine's specific commitments in its Rule of Law Roadmap. Ukraine should improve the selection procedure for SJA management positions.

On 27 August the All-Ukrainian Conference of Prosecutors elected 11 new members of the Council of Prosecutors (CoP), albeit under the existing framework, which is in need of improvements on transparency and quality. An independent functional audit of the CoP and the Qualification and Disciplinary Commission of Prosecutors (QDCP) was conducted in December 2025. Ukraine should implement the expert recommendations to improve the selection procedures for members of prosecutorial self-government bodies and strengthen their institutional independence, efficiency and overall effectiveness, and follow the advice of the Venice Commission.

Independence and impartiality

The independence and impartiality of the judiciary is guaranteed by the constitution and judicial legislation, but certain shortcomings in the statutory legislation and in its practice persist. Public trust in the judiciary remains low, including among judges themselves. It would be beneficial if the HCJ and the CoP were more proactive in using the measures at their disposal to protect judges and prosecutors from undue interference





The automatic allocation of cases among judges is laid down in law but is open to manipulation due to limited controls in place within each court. An improved module for case allocation should be added to the Unified Judicial Information and Telecommunication System (UJITS), which is currently being upgraded. Legislation should also be amended to ensure that judges cannot be involved in decisions on their own recusal and that such decisions are subject to appeal.

Adopted in late 2024, the unified indicators for evaluating the integrity and professional ethics of judges are now uniformly applied by the HCJ, HQCJ and PIC to assess sitting judges and certain judicial candidates. The HQCJ continued recruiting judges, but the staffing situation aggravated compared to last year, with 2 505 judicial vacancies unfilled due to the slow pace of selections and appointments, as well as retirements and resignations. There are safeguards in place to protect judges and prosecutors from appointments, promotions and transfers without their consent.

In June and September 2025, the President appointed two new judges to the Constitutional Court of Ukraine (CCU), restoring its quorum. Five vacancies remain to be filled, one under the President's quota, two under the CoJ's and two under Parliament's after Parliament

failed to appoint two judges in October 2025, delaying the renewal of the CCU. Transparent selection processes involving the Advisory Groups of Experts need to continue, and the appointing authorities must proceed with the selection and appointment of the vetted candidates to avoid further delays. The Law on the constitutional procedure has yet to be improved, in line with the 2021 Venice Commission recommendations.

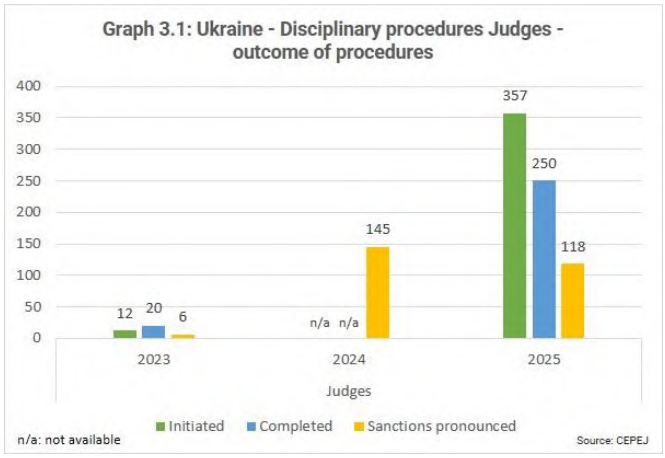
The Cabinet of Ministers took preparatory steps to reform the legal profession, including through the set-up of a multi-stakeholder working group in January 2026, led by the Ministry of Justice. Work on the substance needs to resume to ensure meaningful change and to develop legislative amendments that emerge from broad, constructive consultations and address key areas. These areas include: (i) the transparent, credible election of the Ukrainian National Bar Association (UNBA) governance bodies; (ii) improved access to the legal profession; (iii) better qualification and admission standards; (iii) more disciplinary accountability; (iv) robust financial oversight; and (v) continuous training.

Questions remain on the fairness and consistency of disciplinary proceedings initiated by the UNBA and regional bar associations. This affects lawyers, including HCJ and HQCJ members and could undermine the independence of the legal profession and judicial governance bodies.

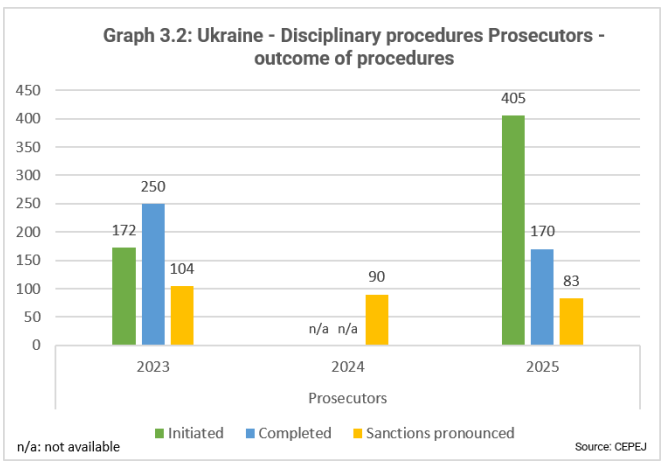
During a NABU investigation into alleged corruption schemes protected by senior prosecutors, the Prosecutor General resigned in September and was later dismissed by the Parliament. Prior to his dismissal, he left Ukraine, made criminal accusations and signed notices of suspicion against the director of NABU and an associate to the head of SAPO that were shortly afterwards revoked by the PGO. Ukraine should urgently reform the selection and dismissal procedures for the Prosecutor General and high-level prosecutors by making them more transparent and merit-based. While the QDCP made progress in selections for prosecutors and launched competitions for district prosecutors, concerns persist over non-competitive appointments and transfers to the OPG and regional offices. Reinstating competitive selections is critical to restoring meritocracy and preventing undue interference.

Accountability

The accountability of the judiciary is broadly satisfactory but needs to be improved. The HQCJ continued the evaluation of sitting judges' qualifications (vetting) with the involvement of the PIC, although at a slow pace due to capacity constraints. 4 476 judges have so far completed the vetting procedure, while 1 244 still needed to prove their suitability undergo evaluation as of June 2026. Submissions for dismissal were made in respect of 29 judges due to their refusal to undergo the vetting procedure. 156 judges have ceased exercising office due to their five-year term ending, including 32 who the HQCJ deemed were suitable to hold position.



The PIC's capacity should be further developed, including by granting its secretariat access to certain databases. The HQCJ should build autonomous analytical resources and improve the reasoning of its decisions when they override a negative opinion of the PIC. The HCJ needs to accelerate the



HQCJ's review of submissions on the dismissal of judges who failed the evaluation of qualifications and improve the reasoning of its decisions. The Supreme Court, in its decision of January 2026, departed from its June 2024 position on the qualification assessment of judges and restored a stronger role for the PIC: where PIC issues a negative opinion, the matter must be decided by the plenary HQCJ and with the votes of at least 11 HQCJ members.

The Service of Disciplinary Inspectors (SDI), which has been operational for over a year and where two vacancies remain, was assigned around 22 000 disciplinary complaints against judges, including the backlog of around 11 000 pending cases when it was set up. In 2025, the HCJ processed over 10 000 complaints with the help of the SDI, resulting in 383 disciplinary cases being opened, sanctions on 92 judges, and 33 dismissal motions. However, many cases have been left unresolved, and only about one third of the 174 prioritised complaints have been completed due to delays at various stages of the disciplinary proceedings.

HCJ and SDI rules on prioritisation should be systematically applied and without delay, while improving reasoning and uniformity of practice. To prevent conflicts of interest, judicial members of the HCJ should be recused from reviewing complaints against judges from their own courts. Given the 36% rise in registered complaints in 2025, greater financial and institutional support should be provided to sustain the SDI's operations. The current legislation still allows judges subject to disciplinary proceedings to resign before the HCJ's decision on a dismissal has been made. Legislation that defines disciplinary offences more precisely still needs to be adopted, in line with the recommendations of the Council of Europe's Group of States against Corruption (GRECO).

To address corruption risks and raise the level of professionalism and integrity at the Supreme Court, the selection process for judges as well as integrity checks should be strengthened, including through the temporary and meaningful involvement of independent experts nominated by international partners. New legislation on the system of judges' integrity declarations entered into force in June.

The CoJ approved a commentary on the Code of Judicial Ethics of 2024 to improve the quality and uniformity of its application. The National School of Judges included training on judicial ethics and integrity in its initial and continuous training curricula. The detailed procedures to verify declarations of assets and conduct lifestyle monitoring of ordinary and CCU judges still need to be agreed on between the National Agency on Corruption Prevention (NACP), the HCJ and the CCU.

The OPG continued the attestation of prosecutors based on transparency and professional criteria. Those who fail the process should be dismissed, and pending court cases should be resolved. In 2025 and until August 2026, the QDCP received 2 108 disciplinary complaints alleging disciplinary misconduct by prosecutors and initiated 442 proceedings, rejecting the rest. This led to disciplinary sanctions being imposed on 119 prosecutors. Following the 2024 scandal on prosecutors benefiting from allegedly unlawful disability pensions, administrative and criminal investigations have led to 42 dismissals from office in the prosecution service and four indictments in criminal proceedings without outcome to date.

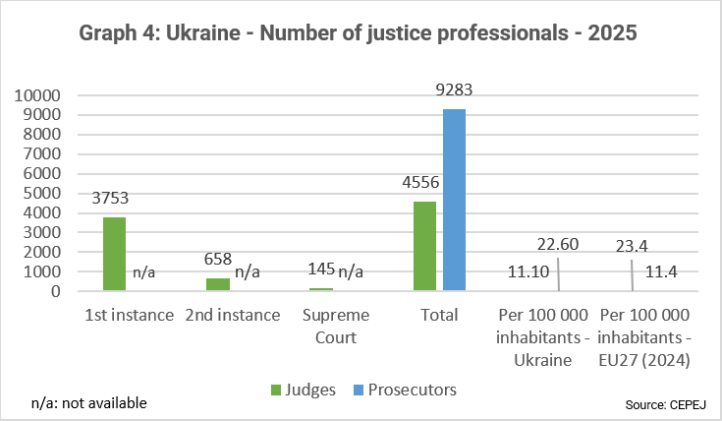
Ukraine should adopt legislation to improve the disciplinary system for prosecutors and strengthen the QCDP's institutional capacity, in line with the outstanding GRECO Round IV Evaluation recommendations. Ukraine should also transfer the power to review complaints against QDCP disciplinary decisions from the HCJ to the CoP or a court. The General Inspectorate should also increase its capacity and its independence from the OPG.

Quality of justice

The quality of justice should be further improved. As of August 2026, there were 4 198 judges, 9 862 prosecutors and 47 800 actively practising lawyers, out of approximately 74 000 registered UNBA members. The number of judges continued to decline from the

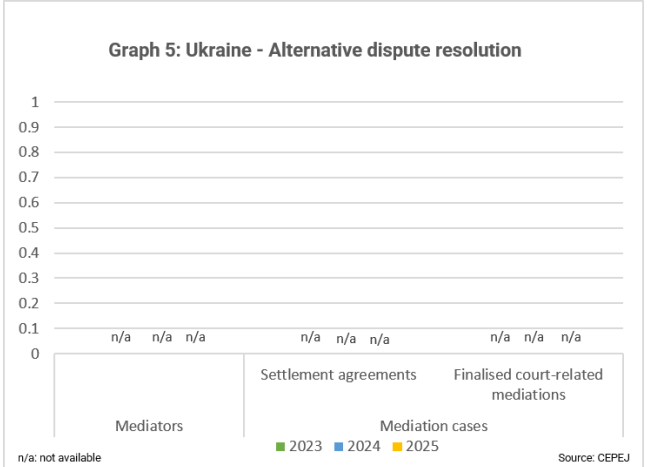
previous year and remains a significant concern, unlike the number of prosecutors and lawyers. More efforts are needed to ensure the uniformity of court practice within the appeal and cassation review instances. Ukraine still needs to bring regular performance evaluations of judges and prosecutors in line with GRECO recommendations and European standards.

Improvements in legal education include the adoption of the Law on academic integrity in December 2025, which applies to all higher education programmes, including law programmes, and introduces a comprehensive accountability framework. However, new legislation is still needed to tackle: (i) the uneven quality of legal education; (ii) fragmented regulation; (iii) insufficient alignment between legal training and professional requirements; (iv) weaknesses in quality assurance systems; and (v) the lack of a coherent framework governing access to legal professions as well as the institutional separation of legal education and law enforcement training. To ensure consistency and quality standards, the requirements for the Unified State Qualification Exam should be extended to all law graduates. Further steps are needed to develop and spread knowledge of EU law and of specialised skills, including in the area of ethics.



The adoption of the judicial education strategy for 2026-2030 is a positive signal. Judicial training is improving, while it still requires comprehensive reforms, in line with the TAIEX peer review recommendations. This includes fundamental reforms to judges' training, while preserving the progress achieved in prosecutors' training and preventing any rollback. The model of initial training should be evaluated against European standards and practices, including pre-appointment training, its duration, its role in the selection process and its competency-based approach. The EU Law Training Laboratory of the National School of Judges (NSJU) has improved the integration of EU law into the training curricula. Further modernising the curricula, teaching methodologies and the design of training remain essential to align them with European standards, particularly by ensuring a systematic linkage between training, skills gaps, learning outcomes and judicial practice. Funding and processes for the recruitment and secondment of qualified trainers should be improved. The adoption of a new procedure for the selection of the vice rector of the NSJU is a positive step but further amendments need to ensure the strengthening of integrity, merit, transparency and independence safeguards and establish such procedure for selecting other NSJU management and staff, alongside new accountability and anti-corruption procedures. The Prosecutorial Training Centre is well funded and is delivering effective training, including on managerial skills.

Ukraine expanded free legal aid to cover close relatives and family members of persons missing under special circumstances. There were key advances in child-friendly justice, including: (i) updated quality standards for cases involving minors; (ii) a new coordination mechanism between penal and probation authorities; and (iii) clearer procedures for engaging lawyers for child victims or witnesses. Interagency cooperation was strengthened thanks to a new mechanism that redirects calls from the police hotline to the legal aid system.

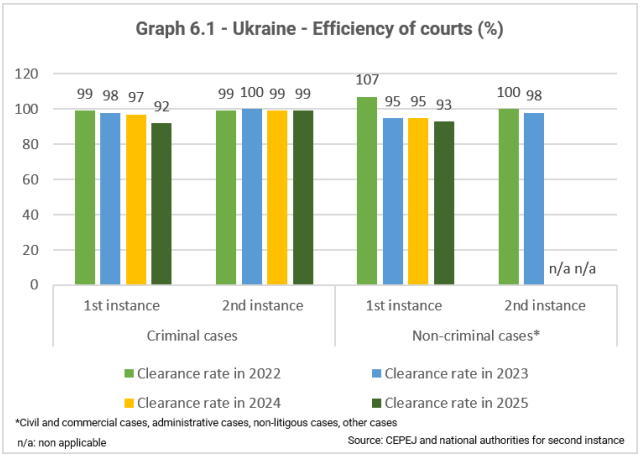


Ukraine has partly expanded alternative dispute resolution (ADR) mechanisms. In cross-border family disputes, courts

are now required to inform parties about mediation options. While arbitration and conciliation mechanisms with the participation of a judge are available, implementation of the mediation law remains limited, including in family disputes. A system to collect data on various forms of ADR is still not operational. The Register of Mediators has expanded with newly trained mediators, including specialists in juvenile restorative justice. The restorative justice programme continued, with mediation conducted in 70% of cases. The planned mandatory mediation for specific categories of disputes still needs to be finalised by the Coordination Council set up in August 2025. Public awareness of mediation should be raised further, and arbitration should be developed and used more frequently.

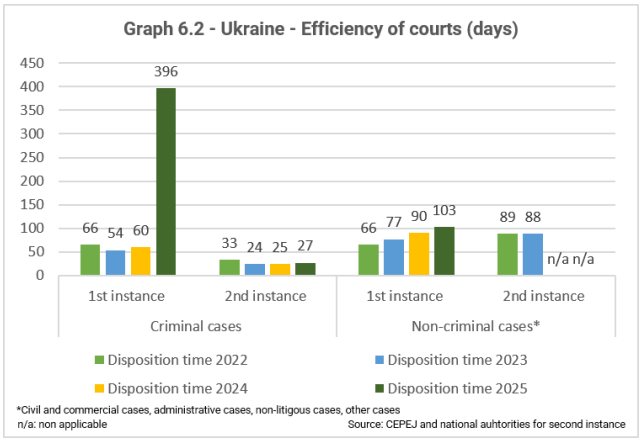
Efficiency

The efficiency of Ukraine's justice system continues to suffer from a persistent lack of resources, despite nominal increases in budgetary allocations. In 2025, only 65.9% of the judiciary's declared financial needs were met, and this fell to 59.4% in 2026. This persistent shortfall has negatively affected court staff retention and courts' operations. Concerns have been raised about legislative initiatives seeking to link judicial remuneration to special fixed amounts rather than to the minimum wage, which could create possible political leverage over the judiciary.



Despite these challenges, courts have kept a solid clearance rate, exceeding 90% across most instances and specialisations; however, the backlog of cases continued to accumulate. The SJA has not addressed systemic issues affecting judicial operations, including a shortage of judges and court staff and logistical support. This has become particularly critical following missile attacks in December 2025 and January 2026 that disrupted heating and electricity supplies in court buildings. Despite available funding, the SJA has not ensured timely procurement of basic resilience equipment, leaving 40% of the 583 courts vulnerable to outages. These energy disruptions have contributed to delays in proceedings and the postponement of hearings, which are expected to negatively affect court performance indicators in 2026.

Following the creation of the Kyiv Specialised District Administrative Court and the Kyiv Specialised Administrative Court of Appeal to hear cases involving national state agencies, the HQCJ formed the Expert Council, comprising independent experts nominated by international partners, to help select ten judges for the first instance court and 17 for the appeal court. Their selection must be completed without delay as both courts are expected to start operations by the end of 2026.



The current provision allowing certain high-level officials (including Members of Parliament) to choose to have their criminal cases heard in any court by a panel of three judges, regardless of the severity of the possible penalty, should be reviewed for its proportionality and impact on judicial efficiency.

Several measures aiming to digitalise the

judiciary are under planning and development, such as the UJITS and its core module – the automated court document management system, including a judges' dossier system and an e-case management system for courts. Strengthened coordination, planning, technical capacities and state funding are needed to avoid delays in the operationalisation of UJITS.

Ukraine continued the development of an e-case management system in the criminal justice chain. The basic modules have been developed to enable integrated case management, information analysis, and interagency cooperation. They are deployed for trial operation with test users from the OPG, NPU and SSU. In addition, work continued on two specialised modules on war crimes statistics and the Russian Federation's military-political structure.

In March 2026, legislation on improving the enforcement of court decisions was adopted, but data collection has only slightly improved. In 2025, only about 33% of court decisions were enforced. The main reasons were: (i) the ongoing moratoria on enforcement of court decisions; (ii) unresolved public debts accumulated by public companies and institutions; (iii) insufficient budget allocations for settling payments related to social cases (pensions and taxes); and (iv) the absence of adequate instruments, such as the automatic seizure of bank accounts, property attachments or procedures involving residents of the Russian Federation. Further efforts are needed to execute judgments of the European Court of Human Rights. Also, following a comprehensive assessment by independent experts of the entire enforcement system, Ukraine should strengthen the legal status of private bailiffs, reform the state enforcement system and take other measures to improve the enforcement system's effectiveness.

International crimes

As of August 2026, 286 318 criminal proceedings related to international crimes were registered, out of which 254 530 were for war crimes. 1 279 individuals received a notice of suspicion for war crimes, 933 were accused and 311 convicted. 551 were accused of the crime of aggression and 362 were convicted. 85 were accused of the crime of propaganda and 59 were convicted.

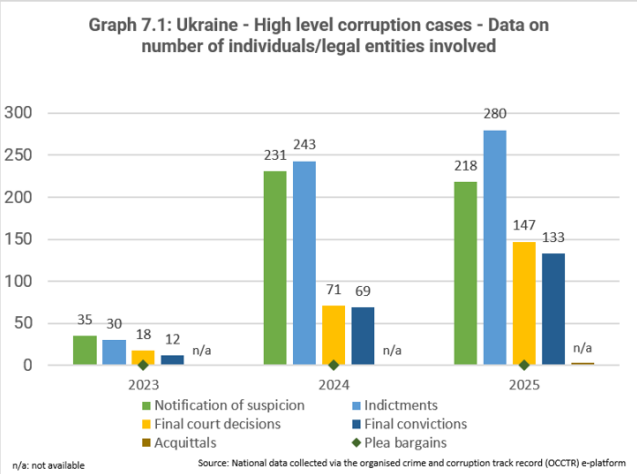
Following the entry into force of the Rome Statute of the International Criminal Court in January 2025, the OPG set up a dedicated working group, bringing together national and international experts. The working group aims to ensure the comprehensive alignment of the Criminal Code of Ukraine with the Rome Statute and broader international criminal law standards. The group has completed its work on the provisions relating to the catalogue of war crimes and the crime of aggression, but the draft law has yet to be brought before Parliament.

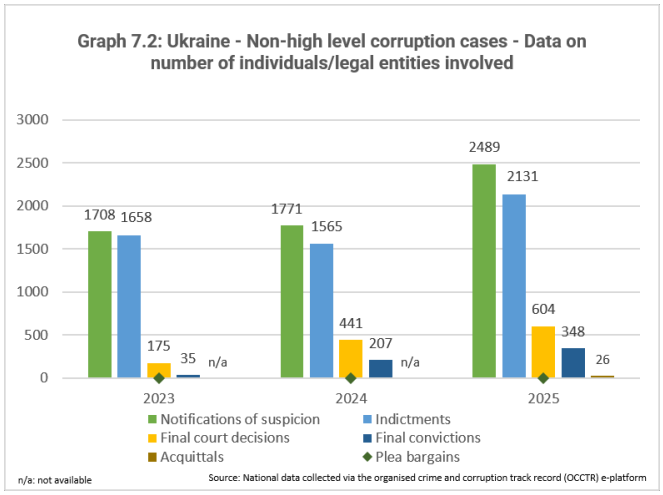
The Victims and Witness Coordination Centre continued to strengthen its regional presence, ensuring that victims and witnesses have an assistance mechanism in the regions. Alongside the work of prosecutors, a network of victim and witness support units was set up. In 2026, three new units will become operational in the Lviv, Odesa and Chernivtsi regions, in addition to the nine regional units that have been in operation since 2024.

Fight against corruption

Track record

Ukraine continued to make good progress in building a track record on the fight against high-level corruption. The National Anti-Corruption Bureau (NABU) and the Special Anti-Corruption Prosecutor's Office (SAPO) exposed major cases of corruption at the highest levels allegedly involving serving ministers, senior members of the President's Office, senior judges and prosecutors as well as Members of Parliament. Most notably, NABU and SAPO led Operation 'Midas', which uncovered an alleged high-level corruption and money laundering scheme exploiting public procurement in the energy and defence sectors. The investigation led to the resignation of the ministers of energy and of justice, the head of the office of the President of Ukraine, as well as of other senior officials, most of whom were served a notice of suspicion. In August 2026 further notices of suspicion were served, among others, to a deputy head of the office of the President of Ukraine, an MP and high-level executives of a state-owned bank, in an alleged graft and money laundering case linked with the Midas investigation. In September 2026, NABU also exposed an alleged organised crime group that established a systematic bribery mechanism in exchange for non-interference with the illegal activities of fraudulent call centres, which led to the resignation of the Prosecutor General, his first deputy, and the arrest of senior prosecutors. Overall, the number of indictments in NABU cases increased, while the total number of suspects declined slightly. At the same time, the number of indictments in corruption cases investigated by the National Police of Ukraine (NPU) and the Economic Security Bureau (ESBU) decreased, while it slightly increased for the State Bureau of Investigation (SBI).





The number of verdicts issued by the HACC, including final convictions, considerably increased, including the conviction of a former Chair of the Supreme Court. The average disposition time at the court (the time it takes to resolve a case) fell by one third but remains too high overall, and the case backlog needs to be reduced. In 2025, a total of ten defendants in high-level corruption cases were released from criminal liability due to the expiration of the statute of limitation. As for ordinary courts, despite a moderate increase in the rate of convictions for corruption offences, many cases remained without a court decision, and the number of closed proceedings further increased.

Legal framework

The legal framework for the fight against corruption is broadly in place but needs to be strengthened.

No laws were adopted to significantly advance the anti-corruption legal framework. Ukraine is encouraged to step up its efforts in this area as a matter of priority. Ukraine's ratification of the OECD Anti-Bribery Convention remains pending, as the related amendments to criminal law have yet to be adopted. The country should refrain from advancing legislative initiatives

bearing corruption risks, such as those concerning politically exposed persons (PEPs), criminal procedures for economic crimes and free-of-charge land privatisation.

Current criminal law and criminal procedures should be reviewed to strengthen the delivery of justice in high-level corruption cases. Ukraine should remove from the relevant legislation the provision on the automatic closure of criminal cases upon the expiry of the time limits for pre-trial investigation time limits. It should also review the current time limits to ensure sufficient time for criminal investigations. Moreover, to ensure a sufficient timeframe to investigate, prosecute and adjudicate corruption and corruption-related offences, Ukraine should strengthen the statute of limitations and the grounds for their interruption/suspension, in line with European standards. Legislative amendments should be adopted to tackle frequent procedural delays in criminal proceedings effectively and to allow civil and administrative cases to be adjudicated by a single judge at the HACC.

NABU's jurisdiction should be reviewed and expanded to all high-risk public positions (such as the leadership of the President's Office and heads of regional administrations). Interference in NABU's exclusive investigative jurisdiction by other law enforcement authorities remains an issue. This undermines NABU's mandate, and appropriate legal safeguards should be introduced to address the matter. Moreover, competencies need further strengthening, particularly to allow NABU and SAPO to launch investigations and approve investigative actions against Members of Parliament independently of the Prosecutor General.

Legal provisions on conflict of interest and related restrictions need to be revised to address identified gaps, inconsistencies and disproportionate restrictions. The legal framework for whistleblower protection still requires full alignment with the EU *acquis*.

Strategic documents

Ukraine has achieved a good level of implementation of its current state anti-corruption program and is in the process of adopting a new anti-corruption policy framework for 2026-2030.

A new anti-corruption strategy for 2026-2030 was developed, but its adoption by Parliament is pending; the new state anti-corruption program will have to be developed and adopted. It will be important that these policy documents set out ambitious yet realistic priority measures in the areas most prone to corruption, such as public procurement, reconstruction, energy, defence, infrastructure, construction and land management, the judiciary and law enforcement, customs and taxation, extractive industries and natural resources. To avoid recurrent implementation challenges, further strengthening of capacities, expertise and resources is needed, including at the NACP. In addition, to improve reform ownership, it is essential to ensure a clear delineation of responsibilities among line ministries and enforcement structures, as well as the regular involvement of political coordination bodies, including those at high level.

Ukraine has not yet undergone GRECO's fifth evaluation round on corruption and integrity in central governments (top executive functions) and law enforcement agencies.

Institutional framework

Ukraine's institutional framework for the fight against corruption remained overall effective, and the specialised anti-corruption institutions continued to operate independently and efficiently.

NABU and SAPO systematically investigate allegations of high-level corruption, including cases involving highest-level officials or people exerting significant influence. Case prioritisation has improved and is applied in practice with visible results, including investigations with a high impact. Concerns remain on continuous attempts to exert pressure on NABU and SAPO's independence and operations. These attempts include ongoing criminal investigations and surveillance of NABU officials by other law enforcement

and security institutions as well as media campaigns that aim to discredit the institutions and their management.

NABU and SAPO continue to gradually increase their staffing levels but report challenges in attracting new staff. In March 2026, following the resignation of SAPO's first deputy head in November 2025, the Prosecutor General appointed the selection commission responsible for selecting candidates to SAPO's managerial positions. The term of the current head of SAPO expires in July 2027 and timely selection and appointment of the new management will be important. SAPO adopted its institutional development strategy for 2026-2028. NABU adopted an action plan in September 2025 for the implementation of the NABU development strategy for 2025-2030. Its timely implementation will be essential to further strengthening institutional capacity and effectiveness.

NABU's difficulties in accessing impartial forensic examinations in a timely manner should be tackled urgently. NABU still requires independent wiretapping capabilities.

The external independent audit of SAPO should be carried out to ensure proper control and oversight, and the audit recommendations should be implemented. As regards the external assessment of NABU, the previous assessment that was concluded in 2025 recommended changing the assessment frequency from once a year to twice a year, a recommendation that the Parliament has yet to implement. NABU has continued its work on implementing the previous assessment's recommendations.

Ukraine made good progress with the selection of 22 judge candidates for the HACC by the HCJ and the HQCJ, with the support of the PCIE. In August, the President of Ukraine appointed 17 HACC judges, and the court recruited the necessary auxiliary staff. Also, new permanent premises were allocated to HACC by the government. In November 2025, the HACC adopted its institutional strategy for 2026-2028, which includes measures to reduce its case backlog.

The NACP maintains its central role in anti-corruption policymaking and prevention and adopted its institutional strategy in September 2025. Concerns continue to be raised about its impartiality in some of its operations and its effectiveness, and there were unconfirmed allegations of bribery involving NACP officials following a NABU investigation. The NACP should implement the outstanding recommendations set out in the 2023 independent assessment report of the NACP's effectiveness. The next independent assessment of the NACP's effectiveness should be conducted without delay and apply a credible methodology with credible criteria. The asset declaration system still needs to be strengthened to prevent and better detect unexplained wealth. Practical and legal shortcomings affecting the verification process have to be addressed, including through a comprehensive revision and a recalibration of the risk-based prioritisation methodology, which should focus on top officials and cases with significant discrepancies. The personal scope of the obligation to declare assets should be extended to cover staff of private offices of high-level political officials, including advisers and assistants, and top executives of all state-owned enterprises. Legislative amendments should be introduced to minimise risks when declaring cash held outside the banking system.

The NACP has powers to oversee compliance with lobbying regulations. It stepped up its work by setting up a dedicated unit and adopting a specific regulation on monitoring and control, which should be revised in light of the initial implementation experience. The Transparency Register is fully functional and contains all the required information, which is publicly accessible.

The NACP has created sectoral expertise units, which should be further empowered to provide additional methodological support to anti-corruption units and officials in public bodies and state-owned enterprises, with a focus on high-risk sectors. The skills, professionalism, integrity and accountability of anti-corruption officers should also be strengthened.

The law provides for a comprehensive system of corruption risk management, but the applied practices require further streamlining. The quality of corruption risk assessments and the anti-corruption programmes adopted in public agencies have often been weak: significant risks are not identified, mitigation measures not relevant, and there is no robust mechanism for following up implementation effectively. The NACP should carry out a comprehensive revision of its methodology for corruption risk assessment, including through a sector-specific approach. Further progress is required to better integrate corruption risk management with overall risk management in public-sector institutions. In addition, the system of designated anti-corruption units and staff should be reformed to improve its effectiveness.

The advanced digitalisation of public services has reduced corruption risks in the areas concerned.

Fundamental rights

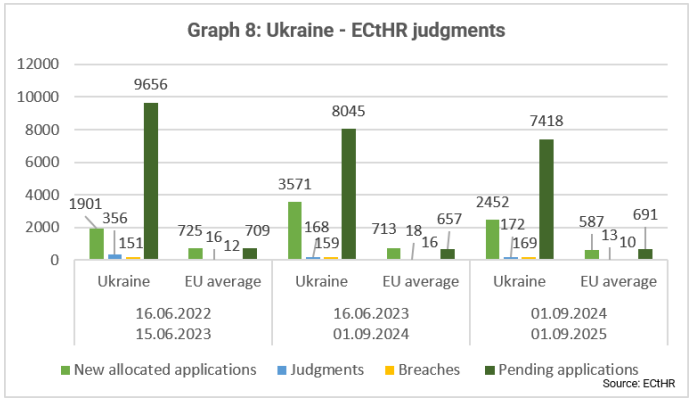
General framework

The general framework for fundamental rights is satisfactory. Martial law has led to some restrictions, but they have generally been proportional to the security situation and have been applied cautiously. Ukrainian institutions should continuously assess these restrictions and, in consultation with the affected groups, proceed with the required steps to lift them if they are deemed to be unnecessary or disproportionate. A strategy to swiftly restore all restricted rights and freedoms should be developed, to be implemented once security circumstances permit and martial law ends. A substantial reform of the Civil Code is ongoing. It will be important to ensure broad stakeholder consultations and full alignment with European human rights standards and the EU *acquis*. The application of Ukraine's domestic sanctions regime should remain within the boundaries set by the European Convention of Human Rights.

International human rights instruments

Cooperation with international human rights bodies and follow-up to their recommendations is satisfactory overall. Ukraine has ratified most of the key international human rights instruments. Following the entry into force of the Rome Statute in January 2025, work is ongoing to ensure comprehensive alignment of the Criminal Code of Ukraine with the Rome Statute and broader international criminal law standards.

European Court of Human Rights

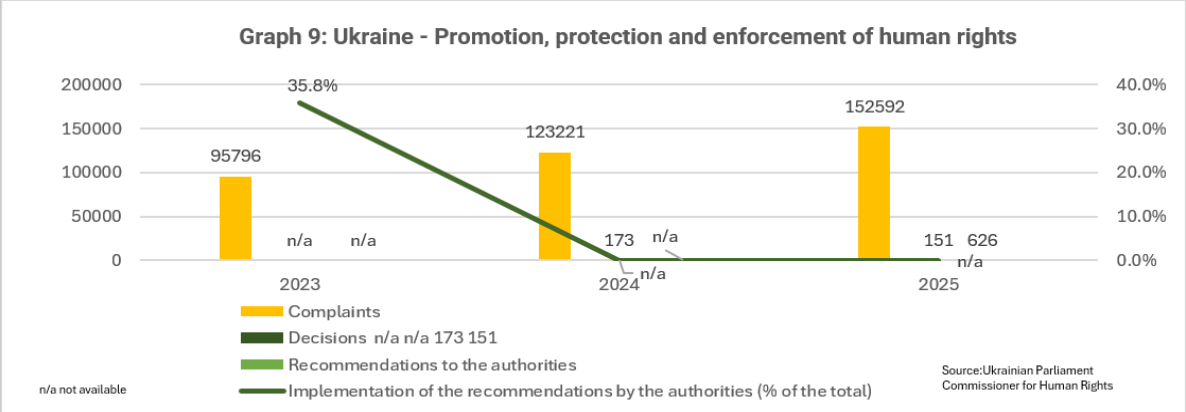


Cooperation with the European Court of Human Rights (ECtHR) and implementation of its judgments still needs to improve. During the reporting period, the ECtHR found breaches of the European Convention on Human Rights, relating mainly to the protection of property, the right to a fair trial, the right to liberty and security of persons, and the prohibition of torture. As of 31 August 2026, there were 755 cases under enhanced supervision by the Committee of Ministers. These cases predominantly concern issues relating to unlawful arrests, the length of detention on remand, breaches of the right to life, ill-treatment by police, poor detention conditions and lack of adequate medical treatment, as well as the excessive length of criminal and civil proceedings and lack of effective remedy. Ukraine needs to address the systemic and structural issues raised by the Court in the areas of the

judiciary, law enforcement and human rights, and to ensure the systematic and timely enforcement of ECtHR judgments.

Promotion, protection and enforcement of human rights

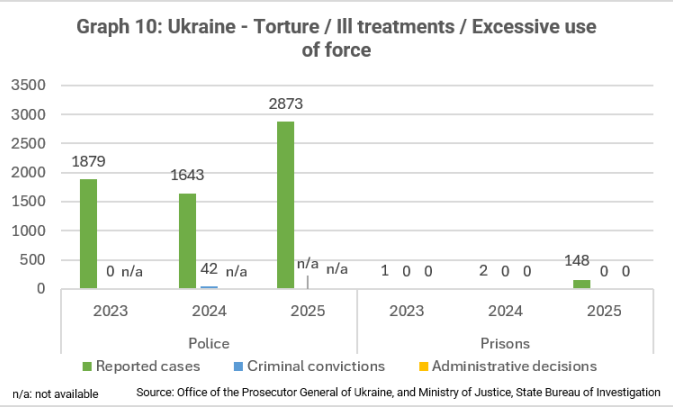
The legal and institutional framework for the promotion, protection and enforcement of human rights is broadly in place. The Parliament Commissioner for Human Rights – the Ombudsperson's office – operates actively and efficiently despite a lack of resources. It is handling an increasing number of complaints and issued 626 recommendations to state authorities in 2025. Although the regulatory and legal framework has not changed, amendments are still needed to ensure the office's full financial and operational independence in line with the Paris and Venice Principles and full alignment with the directives on standards for equality bodies. In April 2026, the Ombudsperson's office was re-



Main themes:
Parliament Commissioner for Human Rights: freedom from discrimination, personal rights, civil rights, children's rights, other issues**
** political rights, economic rights, social rights, cultural rights, appeal without the essence of the violated right, appeals sent by mistake

accredited with 'A' status. In September 2025, a Military Ombudsperson was set up as a permanent auxiliary body under the President of Ukraine to protect the rights of military personnel. Ukraine still needs to finalise the update of its national human rights strategy until 2035 and develop a corresponding action plan through an inclusive public consultation process. Further efforts are still needed to ensure the coordination of state policy and institutional action to support those living under occupation or displaced by the war.

Prevention of torture and other forms of ill-treatment

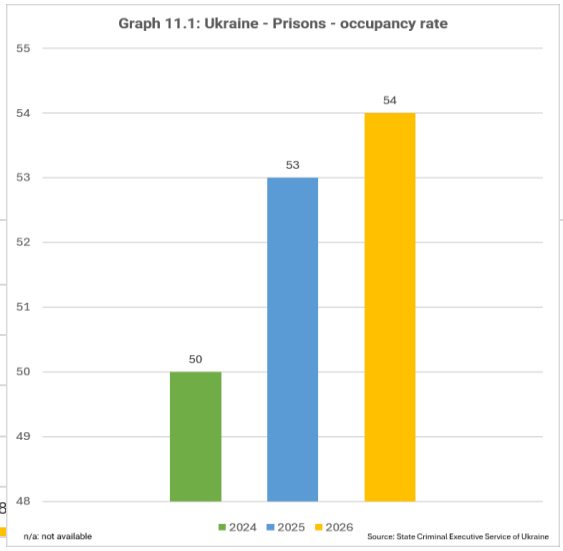


Ukraine's legislation provides some legal guarantees for the prevention of torture and ill-treatment. Further alignment with international law and progress on criminal proceedings in torture cases is key to ensuring accountability. Torture and ill-treatment remain a concern in Ukraine's prison and detention facilities. Investigations by specialised SBI units should become timelier and more effective to ensure prosecution and conviction of those responsible, including for the excessive use of force. Law enforcement and custodial powers should remain separate and independent external oversight mechanisms strengthened and reflected in the penitentiary laws. Annual public reporting to Parliament on the work of the OPG and the SBI in cases of torture has yet to be introduced.

A new online channel allows prisoners to submit anonymous complaints to the Department on Execution of Criminal Punishments. Senior human rights inspectors under the central

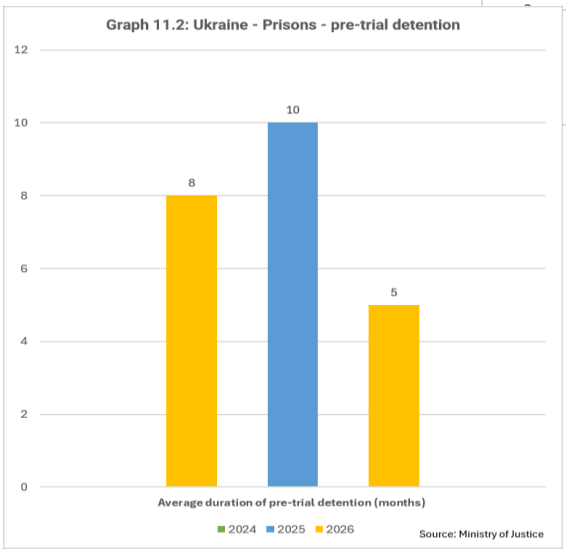
penitentiary administration can also receive complaints, but their independence from prison management should be strengthened to ensure confidentiality and prevent intimidation or reprisals. Access to adequate healthcare, including specialised services, remains a concern. Training on the medical documentation of bodily injuries continued, but implementation of the Istanbul Protocol needs to be more effective. The recommendations of the Committee for the Prevention of Torture to transfer responsibility for prison healthcare to the Ministry of Health have not been implemented.

The National Preventive Mechanism (NPM) plays a crucial role in monitoring places of detention but requires adequate and sustainable funding, including compensation for CSO monitors participating in NPM visits, and legislative amendments to ensure full operational independence. Implementation of NPM recommendations by public authorities at central and local levels still needs to improve. An external oversight mechanism to prevent ill-treatment in military recruitment centres should be put in place, for instance through regular NPM visits.



Execution of criminal sanctions

The system for executing criminal sanctions, including probation, needs to be further improved. The Criminal Code has not yet been amended to reflect this, and the mechanism for reducing the length of sentences required for conditional early release or for the replacement of punishment is not yet operational. Amendments to the Criminal Procedure Code are also needed to enable appeals against the Complaints Commissions' decisions.



Ukraine should continue improving material detention conditions, medical care and prevention in penitentiary facilities to meet standards set by the Council of Europe's Committee for the Prevention of Torture and the Commission's Recommendation on procedural rights of suspects and accused persons in pre-trial detention and on material detention conditions, including in pre-trial detention centres. Limited capacity and resources reduce the effectiveness of probation services. Access to rehabilitation, including educational and vocational training, should be strengthened to facilitate reintegration and reduce recidivism.

Protection of personal data

The legal framework for the protection of personal data and the capacities of the data protection authority remain insufficient. In the existing model, the Human Rights Commissioner can only identify breaches and initiate proceedings, while court takes final decisions. This model falls short of EU standards requiring independent regulators with autonomous enforcement and sanctioning powers. Key draft laws registered in 2022 are still

awaiting final adoption. In 2025, the Human Rights Commissioner was consulted on more than 300 legal acts concerning personal data protection rights.

Freedom of thought, conscience and religion

Ukraine provides legal guarantees for freedom of thought, conscience and religion. Incidents of hate speech and intimidation based on religion or belief are rare. The country continued implementing the Law on religious organisations, which prohibits the activities of religious organisations affiliated with the Russian Orthodox Church in Ukraine. Ukraine should continue to uphold international standards on freedom of religion or belief, including ECtHR case law, especially at local and regional level. A preparatory analysis was conducted on safeguards against criminal prosecution for conscientious objection, taking into account the *amicus curiae* brief of the Venice Commission of March 2025, but a new law on alternative service during martial law remains pending. In July 2026, a draft law to introduce a special coordinator for preventing and combating antisemitism was withdrawn due to the change of government. In April 2026, the law strengthening criminal responsibility for antisemitism was signed by the President.

Freedom of expression and media freedom

Ukraine provides adequate legal guarantees for freedom of expression and has an overall enabling environment for free, independent and professional media. However, constraints remain due to security risks, economic pressure on the media and restrictions under martial law.

Intimidation of journalists

Efforts to ensure the safety and protection of journalists continue amid Russia's war of aggression. Journalists and media workers remain directly targeted by Russian forces. Harassment and intimidation of journalists in government-controlled areas continued to be recorded on similar levels as in previous years. Investigations remain uneven and their effectiveness should be improved. At the same time, free legal assistance, including support to journalists facing legal pressure and strategic lawsuits against public participation (SLAPPs), was provided in cooperation with civil society and public authorities. As of September 2026, five SLAPP cases had been registered, while efforts to establish systematic monitoring and strengthen the legal framework to prevent abusive litigation continued, and a parliamentary working group was preparing an anti-SLAPP package. In these efforts Ukraine should ensure alignment with the EU Anti-SLAPP legal framework.

Legislative environment

In January 2026, a law improving the transparency of state and local authorities and access to public information entered into force, requiring greater openness from parliamentary committees. However, other media-related reform initiatives remain stalled in Parliament. The law protecting lawyers from being identified with their clients has raised concerns that it is not in line with the relevant Council of Europe Convention, lacks an adequate protection of freedom of expression and does not ensure legality, legitimacy, necessity, and proportionality. Ukraine should implement preparatory steps to help national authorities fulfil their regulatory responsibilities upon accession and enable civil society to support implementation of the European Media Freedom Act and the Digital Services Act. Operational readiness will require institution-building, awareness-raising and stakeholder engagement.

Implementation of legislation/institutions

Independent media organisations are actively involved in many national working groups, expert councils and advisory bodies, reflecting strong integration into policymaking,

regulatory and law enforcement processes. The regulator, the National Council on Television and Radio Broadcasting, still lacks the resources to fully carry out its mandate and to reach functional independence.

Public service broadcaster

Ukraine's public broadcaster, Suspilne, continues to operate independently. Although it received a slight increase in state funding for 2026, but still below the legal requirement. Despite these constraints, Suspilne continued to build its audience and maintain a strong reputation for balanced and impartial coverage. As of 1 January 2026, the state-run channel 'Rada TV' ceased broadcasting in the national telethon 'Unified News' . In 2026, substantial public funding of around UAH 1.5 billion for the telethon continued, despite declining levels of public trust and outreach. Ukraine should address concerns regarding its impact on media pluralism and the need for its reassessment.

Economic factors

The war continues to severely affect independent media, especially regional and frontline outlets. At the same time, disclosure of ultimate beneficial owners remains inconsistent, with fewer than half of leading media clearly identifying natural persons as ultimate owners, while the national regulator's public register of media entities which includes media ownership data requires further adjustments in alignment with all EMFA requirements. In addition, civil society noted increases in transparency standards of major online outlets, including basic editorial information, such as leadership and editorial staff. Ukraine should further align its framework with EU law requirements.

Internet

Ukraine has not taken steps to address risks related to the abuse of internet restrictions. The country has also not aligned the use of face-recognition systems and other intrusive technologies with European standards on personal data protection and privacy.

Professional organisations and working conditions

The war continues to create serious safety and financial pressures, particularly for regional and frontline media. Low salaries, fragile job security and declining economic prospects remain a concern, with professional organisations further expanding legal, psychological and emergency support. Working conditions still largely depend on the financial stability of individual media outlets.

Freedom of assembly and association

Overall, Ukraine provides adequate legal guarantees for freedom of assembly and association. The registration of associations remains accessible without undue religious, ethnic or political restrictions. Authorities continue to exercise restraint when introducing temporary restrictions on the right to peaceful assembly under martial law, but these are not always consistently applied or clearly communicated across the country. The absence of a dedicated framework law for peaceful assembly aligned with European and international standards, combined with martial law powers, continues to create legal uncertainty and uneven practice.

Labour and trade union rights are covered in *Chapter 19 - Social policy and employment*.

Property rights

The legal and institutional framework for enforcing property rights is broadly in place. Property rights have continued to be generally respected, and the modernisation of the state land registry system continues. An information campaign targeting owners of non-registered real estate acquired before 2013 was launched. The authorities apply property rights

legislation introduced at the start of the full-scale invasion, in particular on the monitoring of and compensation for property damage. A secure data exchange with the international register of damage was also put in place.

Non-discrimination

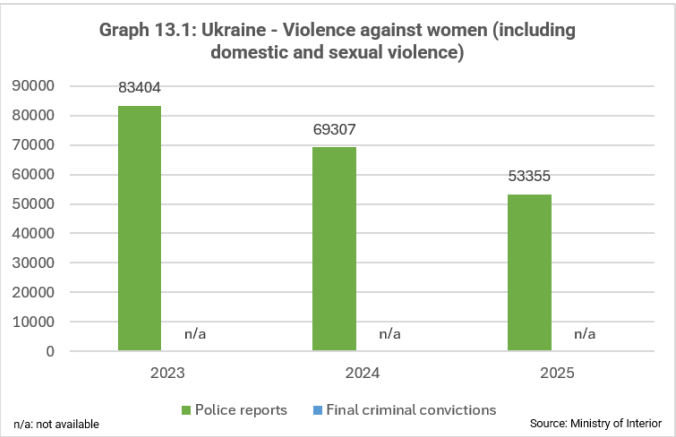
Ukraine has established a stable framework of anti-discrimination laws, partially aligned with the relevant *EU acquis* and Council of Europe standards. However, certain gaps and shortcomings remain, in particular full alignment with the Racial Equality Directive and the directives on standards for equality bodies.

Anti-racism and hate offences

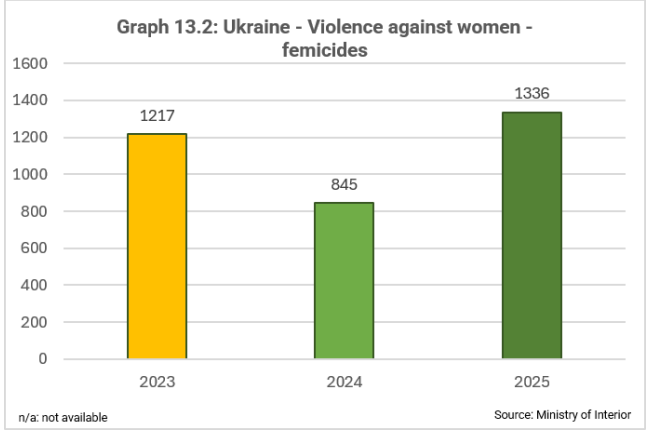
The legal and institutional framework for anti-racism and hate offences is incomplete. Instances of hate offences are generally prosecuted, but gaps remain in implementation and enforcement. As concerns the criminal law framework for hate offences, alignment with the EU *acquis* is required, in particular the 2008 Framework Decisions on combating racism and xenophobia. The legal framework should include a clear definition of the concept of 'intolerance' within Ukrainian criminal law to ensure legal certainty, liability of legal persons, mechanisms to respond to hate speech, as well as 'descent' as ground for protection. The Prosecutor General's order of September 2025 on the Unified Register of Pre-Trial Investigations provides for the systematic collection of hate crime data. Ukraine should continue to strengthen the expertise of law enforcement officers, prosecutors, judges and staff within the Ombudsperson's office to tackle discrimination, hate speech, and hate crimes more effectively, including through training and capacity building.

Gender equality

The legal and institutional framework for gender equality and combating gender-based violence is partially aligned with the EU *acquis*. Effective implementation and enforcement, especially at local level, need to be improved. In February 2026, permanent commissions were set up to respond to cases of gender-based discrimination, gender-based violence and sexual harassment within state authorities and the armed forces. Effective coordination with the national equality body, however, has yet to be ensured. The draft state social programme on domestic violence and gender-based violence prevention until 2030 has been developed further by taking into account the recommendations of the Council of Europe's baseline evaluation report published in September 2026.



Further alignment with the EU *acquis* is needed, including through the adoption of legislation to align with the Directive on equal treatment between women and men in the access to and supply of goods and services, the Istanbul Convention and Directive on combating violence against women and domestic violence. The availability of specialist support services for victims varies across the country and needs to be strengthened, including access to legal aid and specialised psychological, social and health services, alongside access to effective state compensation. Local CSOs remain the main providers of support services compensating for gaps in state-level support but faced significant funding cuts and disruptions of services throughout



2025. Systematic survivor-centred and trauma-informed training for all relevant professionals should continue, particularly for the police, prosecutors, the judiciary, health care and social service providers. The Law on Legal and Social Protection of the Rights of Survivors of Sexual Violence Related to the Aggression of the Russian Federation against Ukraine and provision of Urgent Interim Reparations to Them should be implemented further with stable funding ensured.

Data collection on domestic violence has improved, with law enforcement data disaggregated by type of offence, age, sex and family relationship. However, underreporting persists, particularly among vulnerable groups, such as Roma[2] women and women with disabilities. The prevalence of violence against women in Ukraine appears to have been compounded by Russia's war of aggression. State preventive measures continued to expand, with perpetrator programmes approved in 90% of territorial communities.

Rights of the child

The legal and institutional framework for the rights of the child is broadly in place, but implementation and enforcement need to be improved. Ukraine continued to strengthen its child protection system, including measures for the protection and reintegration of children from territories temporarily occupied by Russia. In November 2025, the National Council for the Protection of Children's Rights was set up to coordinate child protection policy across the relevant authorities.

Ukraine has demonstrated steady progress in implementing its deinstitutionalisation reform, prioritising the right of every child to grow up in a family environment. Since 2023, the number of children in institutions has fallen but numbers remain high (23 524 children in 2025), especially among children with disabilities, and more targeted efforts to expand specialised family-based care are needed. Most local authorities still lack the resources and capacity to sustain quality, community-based social services and workforce, as well as alternative care options.

On child-friendly justice, Ukraine's National Strategy on child justice and its Operational Plan for 2025-2028 are in place. Draft laws to further align with the EU *acquis* and international standards have been developed but have not yet been registered in Parliament. The restorative justice programme continued, with high mediation successful rates, while amendments to legally mandate the involvement of a lawyer and a psychologist for minors remain pending. The use of diversion and restorative justice should fully respect procedural safeguards and the best interests of the child. Progress was made in expanding child-friendly, interdisciplinary and multi-agency services, bringing the total number of operational Barnahus centres to 16. Their availability should be further expanded and their operation adequately regulated and integrated into the child protection and justice systems. Specialised training for all professionals working with children in the justice system should continue. Ukraine should further prioritise the use of alternatives to detention and non-custodial and rehabilitative measures for children in conflict with the law should be further strengthened.

Persons with disabilities

Ukraine's legal and institutional framework for the rights of persons with disabilities remains incomplete, with insufficient implementation and enforcement. Due to the impact of Russia's full-scale invasion, the number of persons with disabilities (both veterans and civilians) continues to grow. Further alignment with EU *acquis* is needed, notably the European Accessibility Act, and relevant sectoral legislation. Accessibility for persons with disabilities remains insufficient and their meaningful participation and consultation in the reform process

[2] In line with the terminology of European institutions, the umbrella term 'Roma' is used here to refer to a number of different groups, without denying the specificities characteristics of these groups.

needs to be ensured. A new system for determining disability status based on everyday functioning has replaced the previous medical-social expert commissions. However, a comprehensive mechanism for assessing individual functioning across different areas, together with the institutional arrangements for determining disability status, has yet to be fully established. Further efforts are needed to ensure the accessibility the built environment, infrastructure, and services, particularly in the context of reconstruction, and to strengthen mechanisms for persons with disabilities to exercise and claim their rights. Systematic barriers faced by persons with disabilities, particularly women with disabilities, need to be better identified and addressed.

Deinstitutionalisation remains a challenge. Implementation of the Strategy on Deinstitutionalisation of Care for Adults with Disabilities and Elderly Persons until 2034 needs to advance, including through effective coordination through a dedicated body. Quality community-based services supporting independent living remain insufficient, including supported living and day care, and lack sustainable financing. The reallocation of resources from institutional care to community and family support services must be accelerated. Gaps in support for persons with disabilities in situations of particular vulnerability remain, including internally displaced persons with disabilities and older people, leading to continuous or new institutionalisation as a result of evacuation measures. Ukrainian legislation continues to allow for full deprivation of legal capacity and substitute decision-making through guardianship, in particular for persons with intellectual disabilities, contrary to Article 12 of the UN Convention on the Rights of Persons with Disabilities. Supported decision-making models have yet to be developed.

LGBTIQ+ persons

The legal protection of the rights of lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ+) persons remains insufficient. Societal acceptance of LGBTIQ+ persons continued to increase, but progress on key legislative reforms remains stalled. No specific LGBTIQ+ equality action plan or strategy has been adopted. Amendments to the Code on Administrative Offences and the Criminal Code to prevent and combat discrimination have yet to be adopted. Same-sex couples continue to lack legal recognition and protection, despite the ECtHR judgment in Maymulakhin and Markiv v. Ukraine. Ukraine is not aligned with the Council of Europe recommendations on sexual orientation and gender identity.

Procedural rights of suspects and accused persons and rights of victims of crime

The legal framework for procedural rights is partially aligned with the EU *acquis,* but more efforts are needed to align further with the EU *acquis* on victims' rights and compensation to crime victims. Ukraine's criminal procedural law is mostly but not fully aligned with EU standards. The scope of application of procedural rights and the procedure to challenge the quality of interpretation in criminal proceedings needs to be aligned with the EU *acquis*. Appropriate remedies to violations of the presumption of innocence need to be developed, and aspects related to *in absentia* proceedings should be improved, in particular as regards the suspect's and accused person's awareness of the trial.

Ukraine's legislation on victims' rights is not fully aligned with the Victims' Rights Directive and the Directive relating to compensation to crime victims. The right to an individual needs assessment to determine appropriate protection measures is not yet enshrined in the criminal procedural legislation. Ukraine should adopt a general accessible reparation mechanism for victims of violent intentional crime in line with the EU *acquis*. In June 2026, the required implementing legislation under the Law on the legal and social protection of victims of sexual violence related to Russia's war of aggression was adopted. However, the commissions for assessing victims' applications for immediate reparations need to be put in place swiftly, and the funding of the compensation mechanism properly ensured. Some categories of victims of war crimes continue to face challenges in obtaining victim status and accessing related benefits. In 2025, the free legal aid system provided more than 800 000 instances of legal assistance and eligibility was expanded to include close relatives and

family members of persons missing under special circumstances. For cases involving children, the quality standards for free legal aid were updated. Interagency collaboration also improved with the introduction of a new system to transfer calls from the police hotline to legal aid services.

Protection of minorities

The legal and institutional framework for the protection of persons belonging to national minorities is broadly in place, and the rights of persons belonging to national minorities continue to be upheld. As part of the implementation of the Action Plan for the Protection of the Rights of National Minorities, which was revised in June 2026, Ukraine introduced several measures in the field of education, culture, the preservation of endangered languages and indigenous groups, including the Crimean Tatars. In September 2025, the Law on vocational education extended the use of EU official languages as languages of instruction to private vocational and professional pre-higher education institutions. The Council of Public Associations of National Minorities (Communities) still needs to develop sufficient capacity to actively represent and promote the interests of national minorities at national level. Stronger central coordination is also needed to strengthen the limited involvement so far of the relevant ministries, implementing bodies, and regional and local administrations in implementing the Action Plan.

Roma

The legal and institutional framework for Roma is largely in place. In March 2026, Ukraine adopted the Action Plan 2026-2028 for the Implementation of the Roma Strategy, and the President of Ukraine proclaimed 31 August as the Romani Language Day. The adoption of resolutions by the Cabinet of Ministers facilitating access to documents is expected to support undocumented Roma. However, implementation and enforcement of Roma policies remain weak, and Roma people still face marginalisation. Social and professional inclusion should be prioritised, including through better access to services at local and national levels. In addition, the relevant authorities would benefit from clear operational guidelines to implement Roma policies effectively on the ground.

Internally displaced persons

Based on June 2026 data from the International Organisation for Migration, 3.9 million people were displaced within Ukraine, and another 5.8 million people fled Russia's military aggression and were registered by UNHCR elsewhere as of June 2026. In June 2026, the government. adopted a new Strategy of State Policy on Internal Displacement for the period until 2030 and a new law "On Ensuring the Rights and Freedoms of Internally Displaced Persons" was signed by the President. Challenges persist in ensuring the evacuation of displaced older people and persons with disabilities, providing them with accessible facilities and housing and giving them adequate social support. Ukraine still needs to ensure that the protection of people coming from the occupied territories and of internally displaced persons remains a priority.

Citizenship rights

The law allowing Ukrainians to hold dual citizenship of certain other countries, including EU Member States, entered into force in January 2026. Attention should be paid to measures aiming to protect the rights of Ukrainian nationals in occupied territories (in particular children born under occupation) who are forced to accept Russian citizenship. In the event of accession to the EU, Ukraine would need to apply the Court of Justice's case-law on the loss of EU citizenship.

2.2.2 Chapter 24 - Justice, freedom and security

The EU has common rules for border control, visas, external migration and asylum. Schengen cooperation entails the lifting of border controls inside the EU. Member States

also cooperate in the fight against serious and organised crime and terrorism, and on judicial, police and customs cooperation, all with the support of the EU Justice and Home Affairs agencies.

Fight against serious and organised crime

The legal framework for serious and organised crime is partially aligned with the EU *acquis*. The capacity to fight serious and organised crime needs to be improved.

General framework

Legal alignment, strategic and institutional frameworks

Ukraine made no progress in aligning with the EU *acquis* on the fight against serious and organised crime: this should be prioritised in the next reporting period.

The Criminal Procedure Code should be amended to clearly delineate investigative jurisdiction among pre-trial investigation bodies and to clarify the procedures for transferring criminal proceedings from one pre-trial investigative body to another. Ukraine also needs to adopt a new law on law enforcement agencies (LEAs). This is a crucial step to comprehensively reform the organisation of LEAs, strengthen their accountability and boost integrity measures. Ukraine also needs to update the Law on the fight against organised crime, which is outdated and not in line with the EU *acquis*, and amend the Criminal Code, particularly relating to the liability of legal entities.

The implementation of the overarching strategic plan on law enforcement reform (OAS AP) is ongoing. According to the Ministry of Internal Affairs, 27% of the measures have been implemented, but many others have been delayed. In February 2026, the Coordination Council in charge of supervising the OAS AP's implementation was set up. However, the Office of the Prosecutor General (OPG) has not yet nominated its representatives. Considering the crucial role of the OPG in implementing the OAS AP (it is responsible for implementing 103 of the plan's 198 measures), a representative should be appointed without delay to ensure a steady pace of reform. To effectively fulfil European integration commitments in this policy area, it is crucial to ensure constructive relations between Parliament, Government and the OPG.

In November 2025, Ukraine completed the serious and organised crime threat assessment (SOCTA) for 2021-2024. Based on the SOCTA results, Ukraine needs to finalise a Strategy for Combating Organised Crime for 2026-2030. Ukraine has not fully implemented the 2025 comprehensive action plan to combat organised crime, which was based on the previous SOCTA. Ukraine has still not set up a permanent national coordination body for the fight against organised crime, which is long overdue. There is lack of consensus on which body should take up the role of the national coordinator as well as on its mandate and powers.

The adoption of the Financial Investigation Strategy and its Action Plan are delayed. The Asset Recovery Strategy and its Action Plan expired in 2025, and the successor strategic documents have not yet been adopted. The re-attestation of the staff of the Economic Security Bureau of Ukraine (ESBU) started in November 2025, alongside the selection of new staff. The first round of re-attestation should be completed by February 2027. The ESBU has started to show good results in de-shadowing Ukraine's economy (i.e. reducing unreported economic activity), despite its very limited capacity. Currently, the ESBU has only 29% of the staff it requires (1 145 out of 4 000). Hiring new staff is complicated as the salaries and other social guarantees of ESBU staff are considerably lower compared with certain other LEAs. Further progress is needed in strengthening the operational independence, status and capacity of the ESBU, including improving access to data.

The selection process for the head of the Asset Recovery and Management Agency (ARMA) had to be relaunched as no candidate was successful in the first selection process. An independent audit of ARMA's performance was conducted, and the inventory of managed assets was completed. Most of the implementing legislation required to give effect to the

ARMA reform was adopted, although revisions are needed to address shortcomings in the selection of asset managers and the absence of judicial supervision. Amendments to the Criminal Procedure Code remain necessary to regulate relations between ARMA and public prosecutors.

The reform of the State Bureau of Investigation (SBI) is under preparation. Given the mandate of the SBI, in particular its investigative powers over members of the government and NABU staff, the reform law should include a high level of institutional independence and safeguards. The reform should: (i) provide for the meaningful involvement of international experts, in particular in the transparent and merit-based selection procedure for the head of the SBI; (ii) put in place a mechanism for the attestation of managerial staff with involvement of independent experts nominated by international partners; and (iii) provide for an external performance assessment conducted by independent experts nominated by international partners. Additional efforts are needed to strengthen the SBI's internal corruption prevention mechanisms.

In the reporting period, no major steps were taken to reform the Security Service (SSU). It is important to focus the SSU's mandate on national security tasks. Its pre-trial investigation functions should be either transferred to the dedicated LEAs or strictly limited to crimes relating to its core mandate. Effective safeguards are also needed against abuse, and internal and external oversight and anti-corruption mechanisms need to be strengthened. The SSU's de facto monopoly on wiretapping communications should be lifted. Ukraine needs to institutionalise the mechanisms of public control and oversight in its internal security sector in line with EU Member States' best practices. The external oversight body, such as an ombudsperson, should be independent, have adequate powers and access to all necessary information to exercise its mandate, and operate at both central and regional levels.

In the reporting period, NABU and SAPO reported undue pressure on their investigations from law enforcement and security agencies, which risks undermining the fight against high-level corruption and trust in Ukraine's law enforcement. Abuses of powers by LEAs need to be addressed effectively.

There was no progress in introducing merit-based selection procedures for the managerial positions in the central and regional offices of the National Police of Ukraine (NPU) with meaningful involvement of independent experts. In late 2025, the NPU presented the 'Integrity Police' IT tool, which helps assess staff compliance with asset declaration obligations under the anti-corruption legislation. However, further efforts are needed to strengthen the integrity framework, the disciplinary mechanism, the internal control system and public oversight of the NPU. This need is highlighted by several corruption cases involving managerial level staff of the NPU that were identified during the reporting period.

Ukraine adopted the Human Resources Management Strategy (HRM Strategy) for LEAs (and the Prosecutor's Office) until 2030, introducing a modern approach to human capital management on the basis of the principles of equality and non-discrimination. However, additional steps are needed to ensure its proper implementation. Ukraine approved the methodological recommendations on preventing and counteracting possible gender discrimination and sexual harassment in LEAs and the Prosecutor's Office.

Implementation and enforcement capacity

Ukrainian home affairs institutions continue to demonstrate strong resilience and determination to deliver on their core mandates, while engaging in countering the Russian war of aggression. The risks of war-related crimes linked to trafficking in arms, illicit drugs and human beings remain high.

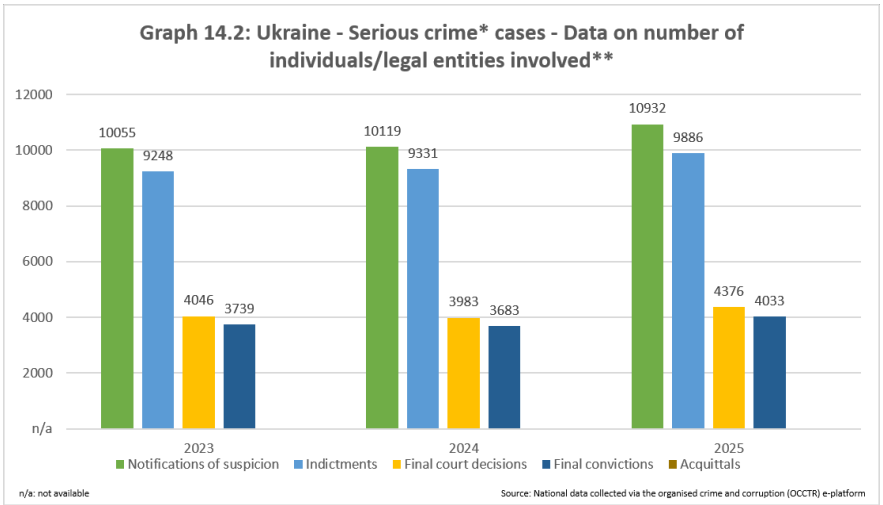
The implementation of risk and criminal analysis in the field of combating organised crime has been strengthened by institutionalising the SOCTA methodology across the relevant agencies. However, further efforts are needed to strengthen LEAs' institutional and

operational capacity to implement strategies got organised crime and their associated action plans.

Intelligence-led policing is at an early stage of development. This is due to: (i) the lack of a single IT law enforcement infrastructure for information and intelligence gathering and sharing; (ii) fragmented and non-interoperable databases and registries; (iii) limited capabilities in using analytical tools; (iv) the lack of a standardised interagency approach to analysis; and (v) the insufficient use of analytical products in decision-making. A draft law on criminal intelligence is under preparation

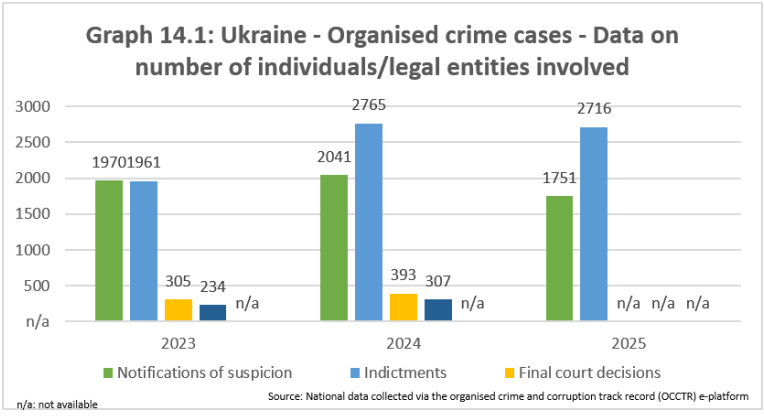
Interagency cooperation remains weak due to: (i) the lack of a suitable IT infrastructure for sharing information; (ii) the related overly bureaucratic procedures; (iii) a lack of trust; and (iv) the overall reactive approach of LEAs. The powers of LEAs for conducting pre-trial investigations need to be clarified. Frequent disputes about the competence of LEAs to conduct pre-trial investigations sometimes result in the inadmissibility of evidence in court, which undermines complex cases against corruption and serious and organised crime

Efforts to combat large-scale smuggling in Ukraine should be strengthened by making cooperation between the Economic Security Bureau (ESBU) and the State Customs Service (SCS) more operational and effective, strengthening referral mechanisms, improving information exchange and ensuring practical access arrangements.



Ukraine's capacity to protect witnesses involved in criminal cases effectively is fragmented across LEAs. In addition, Ukraine should strengthen and harmonise forensic expertise ensuring its quality, efficiency and integrity.

In 2025, there was a slight increase in the number of organised groups and criminal organisations identified (2025: 677; 2024: 663). The number of criminal investigations, indictments and completed criminal proceedings increased for the serious crime cases, however the number of criminal investigations and indictments decreased for the organised crime cases.



There is a pressing need to review the law enforcement model to make it more proactive and preventive and reconsider interagency and international police cooperation to make the fight against organised crime more effective.

Financial investigations remain largely underused, except by NABU and ESBU, which have set up specialised units. Similar units should be introduced in the NPU. Data collection on

financial investigations is expected to improve, following the OPG's instruction to track them in the Register of Pre-Trial Investigation. Improved skills and tools are needed to ensure that investigators adopt the 'follow the money' approach, including access to public and private registers and adequate forensic capacity for economic crime investigations. Practice-oriented methodological guidance and templates have yet to be adopted to ensure the effective implementation of the 2024 Joint Order on financial investigations.

The absence of consolidated statistics on asset freezing and confiscation remains a major obstacle to assessing their effectiveness. Available data point to an insufficient use of confiscation mechanisms in criminal proceedings.

Law enforcement cooperation

Over the period of assessment, Ukraine and Europol have further strengthened their cooperation. There is a regular information exchange, supporting joint operations and analytical work with different Europol units. Organised crime and financial investigations and, increasingly, environmental crime are integrated effectively into EU frameworks such as the European Multidisciplinary Platform Against Criminal Threats (EMPACT). It is expected that international police cooperation will be improved by introducing single points of contact (SPoC). Work is in progress through ongoing reforms spanning from legislative alignment to the development of technical systems.

Ukraine continued to participate in the implementation of 223 operational actions within the framework of 15 operational action plans in ten priority areas of combating crime under the previous EMPACT cycle (2022-2025). The EMPACT cycle (2026-2029) includes 13 operational action plans to address seven EU crime priorities to which NPU is participating. Ukraine is a very active participant in EMPACT framework and participates in 217 operational actions. Ukraine has also taken the role of a co-action leader of four operational actions under the Most Threatening Criminal Networks and Individuals (MTCN-I), Synthetic Drugs and New Psychoactive Substances (SYD/NPS) and Trafficking in Human Beings (THB) operational action plans. Attention should be paid to amendments to certain operational action plans (MTCN-I, Firearms and Explosives) initiated by European partners and agreed with Ukraine in response to new threats related to Russia's war of aggression.

Ukrainian LEAs are actively integrated into the EU's common security system, and Ukraine is actively involved in international cooperation in the field of law enforcement. In November 2025, ARMA was invited by the European Public Prosecutor's Office (EPPO) to join a project entitled 'Safeguarding EU-funded support to Ukraine against Organised Crime infiltration', implemented under the EMPACT´s MTCN-I operational action plan.

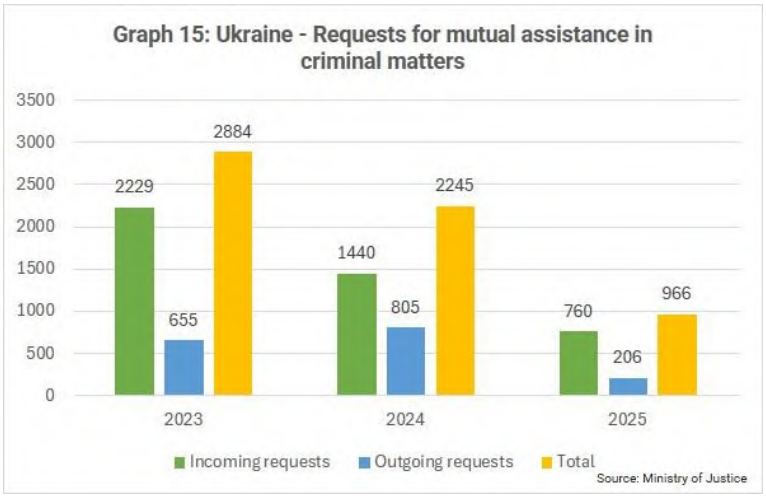
Ukrainian law enforcement officers regularly participate in regional and pan-European training in cooperation with the European Union Agency for Law Enforcement Training (CEPOL). Ukraine is encouraged to make full use of training opportunities provided by CEPOL, including in the area of emerging threats. In 2025-2026 194 Ukrainian law enforcement officers were given access to the LEEd CEPOL educational platform.

To establish a sustainable professional development, Ukraine is encouraged to adopt the sectoral competencies and integrate knowledge acquired through CEPOL capacity-building actions to its law enforcement training system.

Ukraine should accelerate setting up a Passenger Information Unit by adopting a comprehensive legislative framework for processing and exchanging Passenger Name Record (PNR) data. The current fragmented legislative initiatives, led separately by the Security Service of Ukraine and the State Border Guard Service (SBGS), should be consolidated to ensure a more coordinated approach. The authorities should prioritise interagency consultations to reach a final agreement in line with EU standards, particularly for counterterrorism and border security purposes.

Judicial cooperation in criminal matters

Judicial cooperation needs to be improved. The legal framework for judicial cooperation in criminal matters is partially aligned with the EU *acquis* to the extent that alignment is already possible. Between September 2025 and August 2026, Ukraine was involved in 120 new cases at the European Union Agency for Criminal Justice Cooperation (Eurojust), including 79 as requesting country. Most cases were related to organised crime, money laundering and fraud. Ukraine participated in 55 joint investigation teams (JITs), including 20 new ones. Ukraine cooperates with the European Judicial Network (EJN) and developed cooperation with the EPPO, which is taking place based on working arrangements. The EPPO sent 3 requests for mutual legal assistance to the Ukrainian authorities in 2025. At the end of 2025, the EPPO had 5 active cases with links to Ukraine.



Crime areas

Investigation and criminalisation of money laundering

Legislative amendments introducing registers of bank accounts and of beneficial owners of trusts continue to be blocked in Parliament. Their adoption should be prioritised, and problematic provisions delaying the registers' operations and access by law enforcement and authorised bodies should be removed. The planned MONEYVAL assessment was postponed.

In 2025 the track record on money laundering cases improved, with an increase in the number of: (i) criminal proceedings (2025: 3 454; 2024: 3 187); (ii) indictments (2025: 594; 2024: 496); and (iii) convictions (2025: 271; 2024: 157). However, a growing majority of people convicted received suspended sentences with probation (2025: 188; 2024: 105). Courts struggled with increased caseloads, with the backlog increasing by 21% by the end of the year. Judgments ordering confiscation nearly doubled (2025: 96; 2024: 51), yet the overall number remained modest.

In 2025 the State Financial Monitoring Service (SFMS) – Ukraine's financial intelligence unit – transferred 1 441 case referrals to LEAs and prosecutorial authorities, marking an increase compared with 2024 (1 053). There was, however, a substantial decline in the number of referrals submitted to NABU. The number of requests to foreign jurisdictions fell (2025: 455; 2024: 621), while the already low number of criminal cases initiated on the basis of SFMS materials fell further to 2.5% of the total. To improve the effectiveness of case referrals, as well as communication and trust between the SFMS and LEAs, regular independent audits of effectiveness should be conducted. In addition, a transparent and competitive selection procedure for the head of the SFMS should be introduced, including term limits to its mandate.

Cybercrime

The Internet Organised Crime Threat Assessment (IOCTA) has still not been carried out, but preparatory steps are ongoing. The assessment is crucial for moving to a systematic risk-based approach to the fight against organised cybercrime, in line with European standards. The concept of 'electronic (digital) evidence' has still not been incorporated into the Criminal Procedure Code.

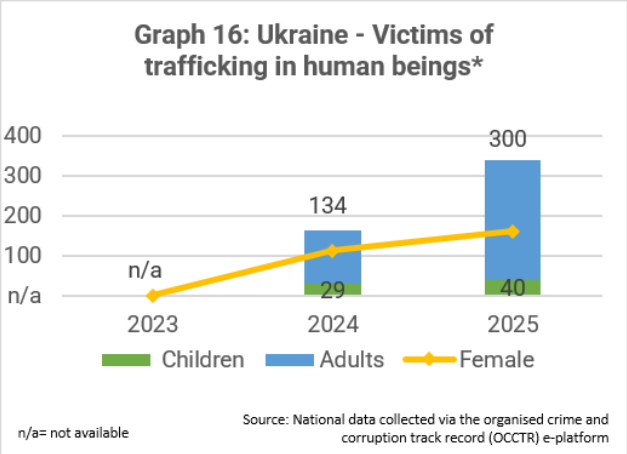
Since the beginning of Russia's full-scale invasion, Ukraine has made significant efforts to protect its internet systems and databases, including critical infrastructure. According to NPU data, the recorded number of cybercrimes dropped by 46% in 2025 compared with 2024.

Child sexual abuse

At the end of 2025, the NPU's Cyber Police Department created a dedicated unit to deal with online child sexual exploitation and abuse. The department received direct access to the International Child Sexual Exploitation (ICSE) database in 2026. In 2026, the NPU's Migration Police Department also created a unit handling sexual exploitation of children on the internet.

Trafficking in human beings

In September 2026, the Cabinet of Ministers approved the new State Programme for Combating Human Trafficking until 2030 Ukraine should appoint a permanent National Coordinator on Trafficking of Human Beings. Further progress is needed in: (i) setting up the National Independent Rapporteur on Human Trafficking; (ii) developing and approving a procedure for information exchange and coordination among entities involved in this area; (iii) improving training for law enforcement officers and other specialists on victim identification, support and assistance and protection of victims' rights; and (iv) investigating trafficking in human beings and prosecuting traffickers.



In 2025, there was a significant increase in the number of victims of trafficking in human beings in criminal proceedings (340 in 2025; 163 in 2024) and of suspects investigated, indicted and convicted of trafficking in human beings.

Migrant smuggling

The regulation of the Criminal Code on the illegal movement of persons across the state border, including its organisation and facilitation, does not fully reflect the EU's evolving anti-smuggling approach. Stronger intelligence-led and financial investigation capacity are needed to increase the effectiveness of migrant smuggling investigations.

International cooperation in this area was further strengthened through two international task forces coordinated by Europol. Ukrainian law enforcement authorities participated in two pan-European events as part of EMPACT operational action plans, targeting trafficking in children and trafficking in human beings for labour and sexual exploitation. Ukraine continues to take part in the Global Alliance to Counter Migrant Smuggling and endorsed the Global Alliance Joint Declaration during the second international conference in December 2025.

Trafficking in firearms

The legal framework for the acquisition and possession of firearms needs further alignment with the EU *acquis*. The Criminal Code of Ukraine criminalises the smuggling of weapons, ammunition, explosives and parts of rifled firearms, but it still does not establish criminal liability for the illicit trafficking of essential components of firearms within the country. Ukraine should amend its Criminal Code to fully comply with international standards, particularly the UN Firearms Protocol. As of September 2026, 23 668 firearms and 14.5 million rounds of ammunition had been declared in line with the law. Ukraine needs to adopt a law on the possession of civilian firearms and ensure the existing legal framework is aligned with the

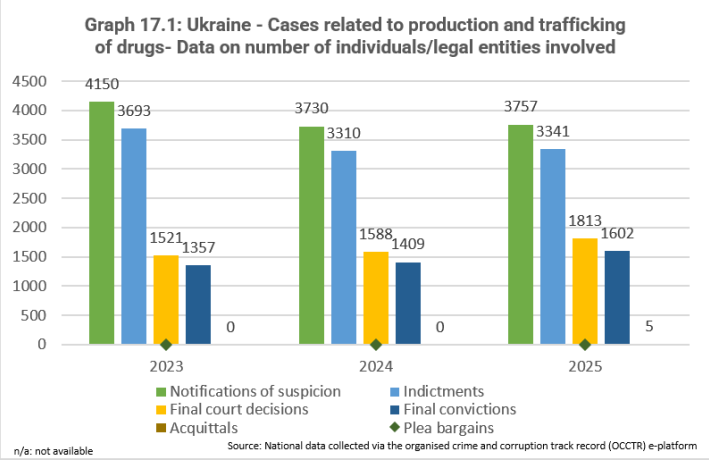
EU *acquis*. Ukraine should also urgently adopt the national roadmap to fight against firearms and other small arms and light weapons and ensure its alignment with the Strategy for Combating Organised Crime for 2026-2030.

Ukraine continued to work with EU Member States to reduce the risk of illicit firearms trafficking in a post-conflict context by engaging in different EMPACT operational actions on firearms and by regularly sharing records of lost, stolen and seized weapons with Europol. Further efforts should be focused on data sharing and putting in place effective cooperation between the National Firearms Focal Point (NFFP) and its counterparts abroad and to integrate all LEAs and other relevant agencies which have competences on firearms within the NFFP. Ukraine should streamline coordination with EMPACT and maximise its contribution to the platform, particularly by improving monitoring of trafficking routes connected to Ukraine. In this regard, the designation of a single national focal point for EMPACT coordination remains an urgent issue. According to the NPU's operational information, the number of firearms-related crimes, in particular gun violence, is on the rise; however, official state statistics do not reflect this specific type of crime. Ukraine should improve reporting on firearms-related crimes and clarify this inconsistent information.

The number of crimes committed with firearms, explosives and ammunition remains high. In 2025, 5476 criminal proceedings were opened for illegal trafficking in firearms, ammunition and explosives, 4676 suspects were served a notice of suspicion, and 4125 indictments were sent to court.

Cooperation in the field of drugs

Ukraine continued to successfully cooperate with the European Union Drugs Agency.



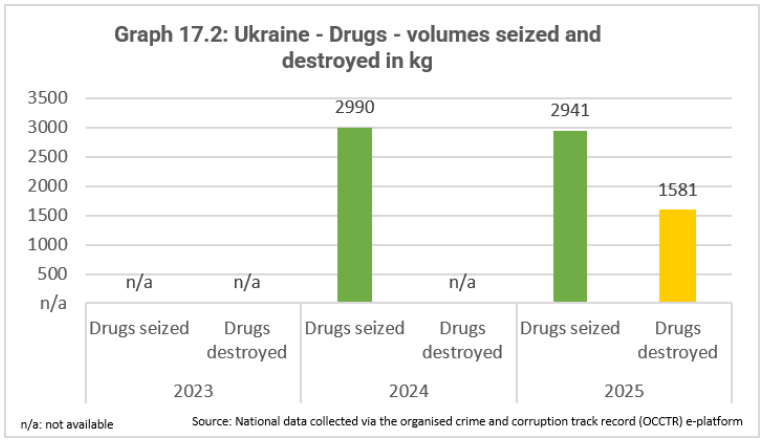
Ukraine should align its national priorities with the EU drugs strategy by improving cooperation between the Ministry of Health and the Ministry of Internal Affairs. The Action Plan on the implementation of the National Drugs Strategy lacks measurable goals and does not consider future developments sufficiently.

Ukraine should further align its legislative framework with the EU *acquis* on drugs, including with the EU list of new psychoactive substances included in the definition of drugs. The country should also strengthen its institutional framework in this area, particularly through the set-up of a National Drugs Observatory and the launch of an effective national Early Warning System to ensure the timely exchange of information on psychoactive substances.

The use of drugs and other illegal substances is a growing problem. Drugs, especially synthetic drugs, are sold and widely available across Ukraine, including at the frontline. The illicit production of synthetic drugs continues. Drug monitoring is heavily affected by the war. Cooperation between judicial entities and LEAs should increase, alongside international cooperation in this area, including under EMPACT. A coordinated, joint framework (including LEAs and the armed forces) is needed to: (i) enable rapid referral to support and treatment services; and (ii) support intelligence-led operations to counter drug supply and trafficking in military units.

Ukraine has taken steps to expand international cooperation on tackling illegal drug production and trafficking. For example, in February 2026, the NPU carried out a successful operation in cooperation with Europol and LEAs from Poland and the Republic of Moldova, leading to the dismantling of 34 illegal drug laboratories and 74 warehouses for storing drugs. The operation also resulted in the seizure of 220 kg of PVP, 156 kg of amphetamine, 17 kg of mephedrone, 7 kg of methamphetamine, 47 kg of cannabis, 7 000 MDMA tablets, 47 kg and 284 litres of phenylnitropropene, and more than 20 tonnes of precursors. 27 million doses of drugs were prevented from entering illegal circulation, and 123 members of criminal groups were served a notice of suspicion.

In 2025 there was a slight increase in notifications, indictments, final court decisions and final convictions in cases related to production and trafficking of drugs compared to 2024. Ukraine needs to make additional efforts to improve drug destruction, drug-sample transfers and data exchange.



Counterfeiting of the euro

Ukraine's legal framework for the criminalisation of euro counterfeiting is partially aligned with the EU *acquis.* No progress was observed in ratifying the 1929 Geneva Convention for the Suppression of Counterfeiting Currency. Further steps are also needed on: (i) the harmonisation of definitions; (ii) minimum penalties; (iii) the systematic treatment of aggravated offences; and (iv) the integration of specialised investigative tools.

Counterterrorism, prevention and resilience

The legal framework for the fight against terrorism, countering violent extremism and critical infrastructure protection, as well as resilience of critical entities is partially aligned with the EU *acquis*.

Fight against terrorism and prevention of radicalisation

Legal alignment, strategic and institutional frameworks

The national system to fight terrorism and the dedicated legislation are comprehensive. The SSU is the main agency in the national system and other relevant institutions are involved, ensuring an integrated approach. Ukraine needs to align its anti-terrorism legislation with the EU *acquis*, in particular the EU Counter-terrorism Directive and the EU Regulation on Terrorist Content Online, including appointing specific competent authorities to issue removal orders. Ukraine should also ensure compliance with the EU *acquis* on explosives precursors. In June 2026, Ukraine approved a new concept on combating terrorism. Ukraine should also approve a corresponding action plan for its implementation. The country should also set up a coordination mechanism to develop and adopt a strategy and action plan for preventing and countering violent extremism.

Implementation and enforcement capacity

The institutions in charge of counterterrorism work effectively and professionally. The SSU deals with the terrorism threat from Russia's war of aggression. Its counterterrorism units are also heavily involved in countering and investigating international crimes committed by the Russian authorities. The SSU is also countering the dissemination of calls for terrorism and sabotage attacks by Russian intelligence agencies against both civilian and military targets. The SSU is carrying out a series of countermeasures with good results; however, Russia continues to intensively recruit perpetrators of terrorist and sabotage attacks, in particular

among vulnerable groups, such as minors, unemployed people and those with criminal records.

Critical infrastructure protection

Legal alignment, strategic and institutional frameworks

The Law on critical infrastructure protection explicitly references the (EU) Directive 2022/2557 on the resilience of critical entities (CER Directive) as a foundational framework. However, additional steps are required to fully align Ukrainian legislation with the CER Directive. Secondary legislation is partially in place, including on the responsibilities of sectoral and functional bodies. Cybersecurity provisions aligned with the NIS2 Directive are also under development.

Ukraine has created a register of critical infrastructure objects and put in place a sectoral identification process coordinated by the State Service of Special Communications and Information Protection (SSSCIP), covering sectors broadly comparable to those set out in the CER Directive. However, the identification methodology and applicable thresholds are not yet fully harmonised with CER Directive's criteria, and the designation of critical entities at sectoral level is still incomplete but under development. The national resilience strategy is in development, and there is a national critical infrastructure protection plan framework. Sectoral risk assessment processes are ongoing, led by sectoral bodies under SSSCIP coordination, although systematic all-hazards risk assessments aligned with the CER Directive's methodology across all 11 sectors have not yet been completed.

The institutional framework is in place. The SSSCIP is the authorised coordinating body, and sectoral ministries are designated as sectoral bodies. The SSU, the NPU, the State Emergency Service, the Ministry of Health, the armed forces and others have functional roles in responding to specific threats. Coordination mechanisms between law enforcement, counterterrorism, civil protection and cybersecurity authorities are legally established, although operational coherence, particularly in active wartime conditions, continues to be tested and refined.

Implementation and enforcement capacity

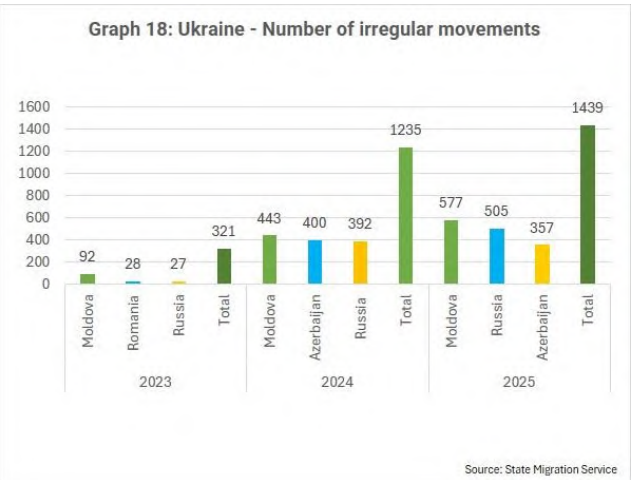
Ukraine conducts ongoing threat and risk monitoring through the SSSCIP. Threat assessments explicitly cover sabotage, missile and drone strikes, and hybrid threat vectors as core risk categories. However, systematic, cycle-based risk assessments and stress tests across all CER Directive-covered sectors remain incomplete. The SSSCIP itself has identified the absence of a dedicated situational centre and secure interagency information-sharing infrastructure as institutional gaps that currently limit comprehensive risk monitoring capacity.

Migration and asylum

Legal and irregular migration and returns

The legal framework for legal and irregular migration management is partially aligned with the EU *acquis*. The management of legal and irregular migration needs to be improved.

Legal alignment, strategic and institutional frameworks



Interagency coordination and cooperation between the relevant authorities needs to be strengthened further. Full alignment with the EU *acquis* has not yet been achieved on: (i) the status of third-country nationals who are long-term residents; (ii) the right to family reunification on the Blue Card Directive; (iii) intra-corporate transferees; (iv) seasonal workers; and

(v) a single permit for work and residence for third-country nationals. The situational centre for monitoring the migration process and assessing migration risks was formally created in February 2026.

The State Migration Policy Strategy and Action Plan have not been adopted. The legislative framework for a mass influx of migrants is in place, but there is still no permanent and effective mechanism for interagency coordination in the event of a migration crisis. The voluntary returns procedure was rarely applied during the reporting period. The rules on passenger information and visa verification obligations for carriers transporting foreign nationals to Ukraine have not been adopted.

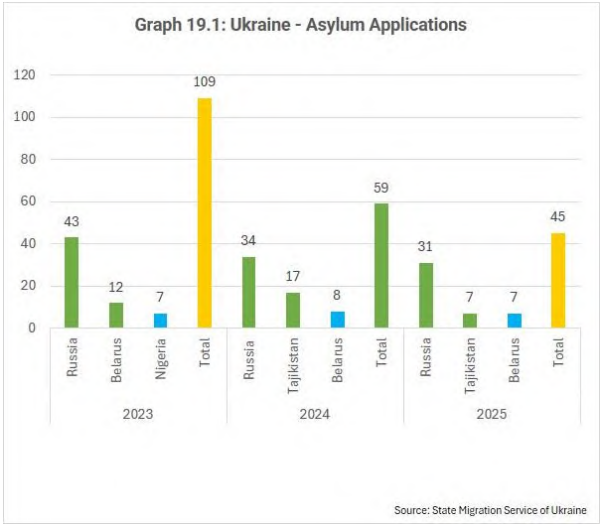
Implementation and enforcement capacity

In 2025, the number of irregular migrants detected by the State Migration Service throughout Ukraine increased compared with 2024. The largest number of migrants detected originated from Moldova, Azerbaijan and Russia. Most irregular migrants were detained for irregular border crossings. Cases of illegal smuggling of people have been registered as criminal offences and investigated by the relevant authorities. Migrant accommodation centres have sufficient capacity, although staffing levels remain below the number of envisaged posts.

The 2007 EU-Ukraine **readmission** agreement was continuously applied, together with the protocols facilitating its implementation signed between Ukraine and 10 EU Member States. The implementing protocols with Hungary, Spain, Bulgaria and Serbia are awaiting signature. The integrated migration management system is not yet fully operational.

Asylum

While the legal framework on asylum is partially aligned with the EU *acquis* as it was in force until 12 June 2026, Ukraine should focus on developing its national legal framework and operational capacities on migration and asylum to align with the Pact.The management of asylum needs to be improved.

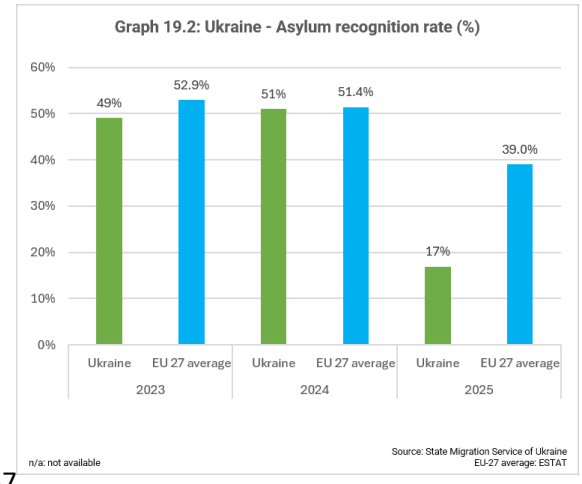


Legal alignment, strategic and institutional frameworks

Due to a lack of capacity and a shortage of staff, allocated by the State Migration Service of Ukraine, limited support is available to applicants for international protection. Ukraine needs to start developing a roadmap for bilateral cooperation with the EU Agency for Asylum.

Implementation and enforcement capacity

The number of applications for international protection was stable during the reporting period. No cases of refoulement or non-admission at the border were reported, although the capacity to integrate recognised refugees remains limited. In 2025, Ukraine received 55 asylum applications, continuing the decreasing trend since the full-scale invasion began. Ukraine should ensure that the conditions for identifying applicants for



international protection are in line with the EU *acquis*.

Visa policy

Ukraine's visa policy is not fully aligned with the EU's, in particular the list of countries whose nationals require a visa to enter the EU. Ukraine maintains a visa-free regime with 15 countries that are on the EU list of visa-required third countries[3]. No steps were taken to further align Ukraine's visa policy with the EU's in the reporting period. Ukraine's alignment of its visa policy should focus on countries whose nationals present illegal migration or security risks to the EU. Ukraine should also make greater efforts to tackle the use of fraudulent documents, including passports. The phasing out of non-biometric passports by 2026 is ongoing. The EU *acquis* compliance assessment of two draft laws was submitted in March 2026, and they were subsequently revised.

The national visa system is largely aligned with the EU *acquis*, including on the processing of applications and the criteria and process for issuing visas. The issuing of visas at the border was suspended on 24 February 2022 and has not resumed. The European Commission's eighth report under the visa suspension mechanism, published in December 2025, concluded that Ukraine continues to meet the visa liberalisation benchmarks. Nonetheless, further efforts are needed, where feasible given the ongoing war.

Schengen governance and external borders

The legislative and strategic framework for the management of external borders is partially aligned with the EU *acquis*. The management of borders needs to be improved.

Legal alignment, strategic and institutional frameworks

The interagency working group on the coordination of activities in the field of Schengen governance was set up in January 2026. The group is tasked with the preparation of the National Schengen Strategy and the Schengen Action Plan by July 2027, covering the whole Schengen framework. Ukraine should adopt additional legislation on border controls and simplify border and customs procedures to be aligned with the Schengen Borders Code and Directive. Full implementation of the integrated state border management (IBM) action plan for 2023-2025 is needed. A new strategy and an associated action plan for 2026-2028, including clear indicators for its assessment and based on principles of the European IBM, have been developed and are awaiting approval by the President and the Cabinet of Ministers.

Implementation and enforcement capacity

The authorities should put in place clear coordination mechanisms among the security authorities and LEAs, including clearly defined roles and responsibilities, structured information-sharing procedures, and regular joint operational activities. These mechanisms should aim to improve effectiveness and ensure a proper response to security and border management challenges and threats.

The institutional capacity and interagency cooperation mechanisms for the IBM should be further improved. During the reporting period, the Interagency Working Group for IBM met twice. The National Coordination Centre needs to be strengthened to bring tangible operational results. There is still no structured crisis response mechanism. The main challenges affecting the capacity of border management agencies to carry out their work, including border surveillance, are shortages of staff, infrastructure, financial resources and equipment. While border controls meet minimum standards, the technical infrastructure requires a significant upgrade. A comprehensive asset management system for the border

[3] Armenia, Azerbaijan, Bahrain, Belarus, Ecuador, Kazakhstan, Kuwait, Kyrgyzstan, Mongolia, Oman, Qatar, Saudi Arabia, Tajikistan, Türkiye, and Uzbekistan.

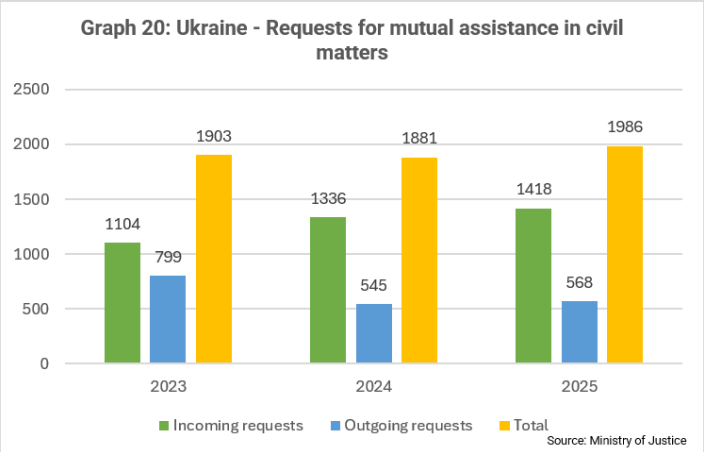
agencies is required. Half the border crossing points remain closed. Further efforts by the SBGS and the SCS in the fight against corruption at the border are needed.

The Ministry of Finance has endorsed the use of body cameras by customs officials. The systematic and comprehensive use of these devices should be prioritised, with particular focus on the busiest border crossing points along the Ukraine-Moldova and Ukraine-Hungary borders. The SBGS continues to cooperate with the European Border and Coast Guard Agency ('Frontex') on information exchange, joint risk analysis, operations and staff training.

Judicial cooperation in civil and commercial matters

Judicial cooperation in civil and commercial matters needs to be improved. The legal framework in this area is partially aligned with the EU *acquis*.

Ukraine maintained good cooperation with partners on mutual legal assistance in civil and commercial matters and continues to actively participate in the activities of the European Judicial Network in civil and commercial matters (EJN-civil), in which it participates as an observer. The number of EJN cases involving Ukraine has increased significantly in recent years, from relatively low levels in 2017-2018 (approximately three-four cases) to around 20 cases in 2025, reflecting intensified cooperation. The insolvency regime should be further aligned with the EU *acquis*.



2.3. ECONOMIC CRITERIA[4]

Table: **Ukraine - Key economic figures**	**2017-22** average	**2023**	**2024**	**2025**
GDP per capita (%of EU-27 in PPS)	30.1	28.7	28.4	28.5
Real GDP growth (%change)	-3.4	5.5	3.2	1.8
Activity rate of the population aged 15-70 (%), total[1)]	61.6	57.0	56.6	57.0
Unemployment rate of the population aged 15-70 (%), total[1)]	11.8	20.0	14.0	12.0
Employment of the population aged 15-70 (annual growth %)	54.5	46.0	48.2	49.4
Nominal wages (annual growth %)	19.6	17.5	23.1	20.8
Consumer price index (annual growth %)	10.9	12.9	6.5	12.7
Exchange rate against EUR	31.4	39.6	43.5	47.1
Current account balance (%of GDP)	-2.1	-2.7	3.8	-5.9
Net foreign direct investment, FDI (%of GDP)	-2.3	-2.4	-1.9	-1.2
General government balance (%of GDP)	-5.1	-20.1	-17.6	-18.6
General government debt (%of GDP)	61.7	64.2	72.3	80.5
Sources: WiiW, State Statistics of Ukraine, National Bank of Ukraine, Ministry of Finance				

2.3.1. The existence of a functioning market economy

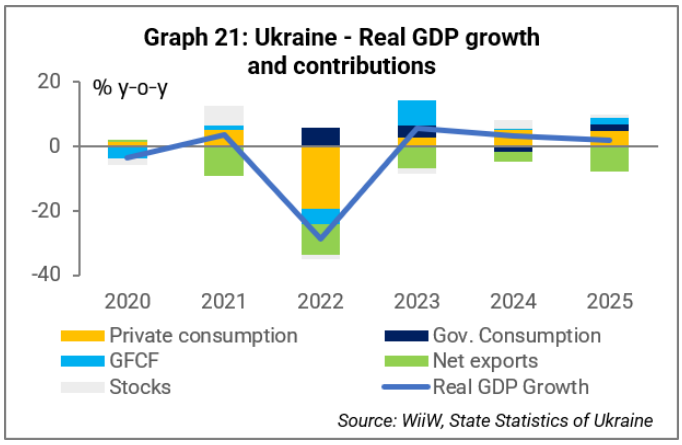
Economic governance

Ukraine continued to advance key reform programmes under EU and IMF frameworks despite the challenging wartime environment. A new four-year IMF programme of USD 8.1 billion was approved in February 2026, releasing USD 1.5 billion of financial assistance. The programme's first review was completed in July, releasing another USD 690 million. A first instalment of EUR 3.2 billion was released under the Ukraine Support Loan's Macro-Financial Assistance in June. To date, Ukraine has completed 86 out of 178 measures under the Ukraine Plan, bringing total assistance under the Plan to EUR 29.5 billion. Ukraine also continued implementing the National Revenue Strategy, with 90 measures completed by end-2025. However, important reforms remain delayed, such as those of the simplified tax system, personal income tax, and corporate tax anti-avoidance.

Economic governance has further improved, supported by continued engagement with international partners. In February 2026, the Cabinet of Ministers approved the PFM strategy for 2026-2030. Ukraine also took further steps to strengthen its medium-term budgetary framework, in line with the EU *acquis*. The integration of spending reviews into the annual budget cycle improved, with the latest 2027 state budget explaining how spending review conclusions are reflected in budget preparation. Spending reviews continued to be carried out in priority areas, including healthcare, social protection, housing and veterans' policy. In December 2025, the medium-term debt management strategy was adopted, setting debt sustainability targets and measures to deepen the domestic bond market. Public investment management was further strengthened. The 2026 state budget marked the first full budget cycle under the updated PIM procedure. The medium-term plan for priority public investment was prepared alongside the Budget Declaration, which also explained how PIM projects were integrated into budget projections. The NBU refrained from monetary financing in 2025, while preserving managed exchange-rate flexibility and keeping monetary policy focused on returning inflation to its 5% target. The NBU continued to implement its foreign exchange liberalisation strategy gradually, introducing new easing packages in January, April, and August 2026.

[4] Unless otherwise indicated, the data in this section are taken from the relevant national sources (State Statistics Service, Ministry of Finance and National Bank of Ukraine).

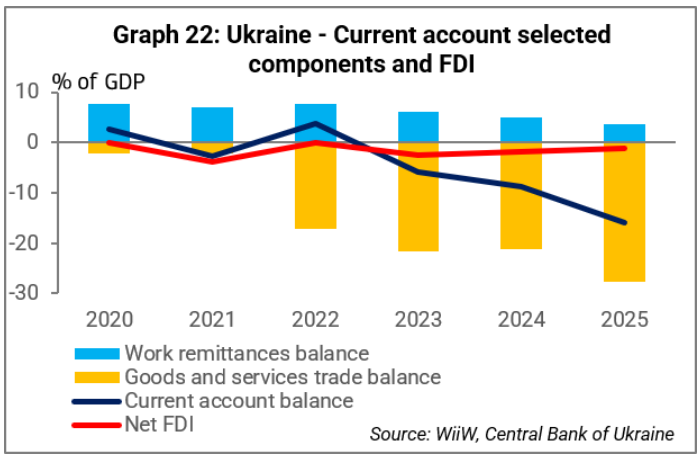
Macroeconomic stability



Economic growth has lost momentum. Real GDP growth remained subdued in 2025, slowing to 1.8%, down from 3.2% in 2024. Relentless Russian attacks on energy infrastructure and unfavourable weather conditions reducing agricultural output aggravated the pre-existing supply-side constraints, weighing on exports. War-related disruptions to Black Sea shipping and access to ports further constrained agricultural exports and increased transport costs, weighing on producers' incomes and Ukraine's capacity to generate export earnings and mobilise domestic tax revenues. Persistent labour shortages bolstered wages, with real wage growth averaging 7% in 2025. This allowed for sustained strong private consumption, which, coupled with growing public expenditure, drove up imports. In the first half of 2026, the economy contracted by 0.2%, as economic activity was constrained by energy shortages and supply chain disruptions.

The current account deficit widened sharply to 15.6% of GDP in 2025, roughly double from its 2024 level. This deterioration was driven by a significant widening of the trade deficit, which reached 27.7% of GDP in 2025 (up from 21.2% in 2024). Imports of goods surged due to war-related defence and reconstruction needs, while exports of goods fell slightly because of a weak harvest. The trend continued in the first quarter of 2026, with the current account and trade deficits widening by 55% and 51% year-on-year, respectively. Gross international reserves reached a record USD 57.3 billion at the end of 2025, before declining steadily driven by sustained NBU foreign exchange interventions and foreign debt repayments that outpaced inflows from international partners to USD 51.3 billion by the end of the first half of 2026, equivalent to more than 4 months of imports.

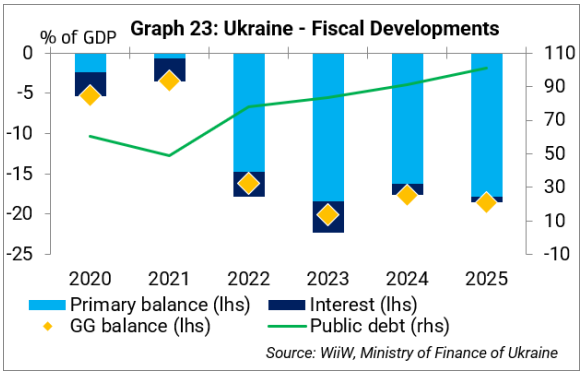
After declining steadily since mid-2025 thanks to tight monetary policy and falling energy prices, inflation has been rising again. After inflation peaked in the first quarter of 2025 at 14.6%, driven by higher electricity and labour costs, rising food prices, and the depreciation of the hryvnia, the NBU tightened monetary policy. Coupled with conducive domestic supply conditions and falling energy prices, this allowed inflation to fall back to below 8% by the end of the first quarter of 2026, before rising oil and gas prices and war-related disruptions reversed the trend in the second quarter. The hryvnia has continued to weaken by about 7% from around UAH 41.1 per USD in mid-2025 to approximately UAH 44.6 per USD in mid-2026, reflecting a controlled, gradual weakening under the NBU's managed-float regime.



Ukraine's fiscal deficit increased slightly in 2025, reflecting the war's continued budgetary impact. The general government deficit widened to 17.6% of GDP in 2025, from 17.2% in 2024, and remained substantially higher when excluding international grants, at 23.5% of GDP compared with 23.1% in 2024. Tax revenues increased markedly, supported

by measures such as the rise in the military levy on personal income to 5%. However, these gains were outweighed by very large expenditure needs, particularly for defence and security, which reached 42.8% of GDP in 2025, up from 38.5% in 2024. The Pension Fund's deficit remained sizeable, at an estimated 2.7% of GDP. Public debt continued to rise, reaching 98.2% of GDP in 2025[5], while financing remained reliant on concessional external financing and more costly domestic borrowing. The concessional terms of external financing remain essential to ensuring debt sustainability.

Ukraine has made further progress in improving revenue administration and the tax system, but significant structural weaknesses persist. The regulatory framework for compliance risk management has been adopted, supporting the State Tax Service's transition towards a more risk-based approach. Ukraine also introduced e-audits for large taxpayers and adopted legislation introducing rules for reporting on income earned through digital platforms. Steps were also taken to streamline tax exemptions, including through the elimination of the VAT exemption for low-value imported parcels. Customs reform progressed with the appointment of a new head of the State Customs Service through an open competition involving international experts. However, revenue mobilisation remains constrained by high levels of undeclared work, complex tax compliance procedures, and tax avoidance. Key reforms under the National Revenue Strategy, including reforms of the simplified taxation system, personal income taxation, and corporate tax anti-avoidance are pending. In this context, conditionality under the EU and IMF programmes are a major anchor for advancing tax reforms. The publication of fiscal data at the general government level remains limited, and access to this data is restricted.



The macroeconomic policy mix has remained broadly appropriate and has helped preserve macroeconomic stability despite substantial pressures stemming from the war. Fiscal policy has continued to accommodate exceptional defence and security needs, while remaining heavily reliant on external support. Going forward, fiscal policy will need to focus on strengthening domestic revenue mobilisation, improving expenditure efficiency, and safeguarding medium-term fiscal sustainability. The IMF and EU programmes, together with the National Revenue Strategy, should remain key anchors for achieving these goals. Monetary policy has remained appropriately tight to contain inflationary pressures, with the NBU preserving managed exchange-rate flexibility, continuing gradual foreign exchange liberalisation where conditions allowed, and refraining from monetary financing. Risks to macroeconomic stability stem predominantly from the prolonged war, which could further damage productive capacity and infrastructure, trigger renewed outward migration, increase financing needs, and weaken the current account balance.

Functioning of product markets

Business

Despite ongoing reform efforts, Ukraine's business environment remains constrained by structural and wartime challenges. Business surveys continue to identify labour shortages as the primary economic constraint. But companies also suffer from relatively high energy costs and energy shortages, uncertainty related to hostilities, and the physical

[5] Public debt includes the EU's Ukraine Facility, previous Macro Financial Assistance (MFA) operations, and the Extraordinary Revenue Acceleration (ERA) MFA. Other ERA-related contributions from the US, Japan, Canada and the UK are either treated as revenue or as borrowings not counted towards public debt.

destruction of infrastructure. Under the Macro-Financial Assistance (MFA) programme, the government has taken important further steps to simplify the VAT registration process for businesses. Progress on implementing the 2024 Action Plan on Deregulation is slow, with only one action implemented, namely the adoption of the Law on the basic principles of state supervision, which mandates all supervisory bodies of the state to shift from a punitive inspection model to a risk-based, preventive approach.

State influence on product markets

The state's footprint in the economy remains high. Ukraine's economy continues to exhibit features of a wartime economy, with the state playing an increasing role. Government spending increased by 1.3 percentage points to 38.9% of GDP in 2025. Energy price liberalisation for households continues to be deferred. In April 2026, the fixed household electricity tariff of UAH 4.32/kWh was extended until at least November 2026, although the preferential tariff of UAH 2.64/kWh lapsed in May 2026. The moratorium on district heating and gas tariff increases for households set out in the July 2022 Law on gas market regulation during martial law is still in place.

Privatisation and restructuring

Some progress was made on privatisation and restructuring during the reporting period. Proceeds from the privatisation of state property amounted to UAH 3.4 billion in 2025, including UAH 2.2 billion received between September and December 2025, fulfilling Ukraine's own annual target but coming in lower than the 2024 record volume. For 2026, the privatisation revenue target has been set at a more modest UAH 2 billion, reflecting difficult conditions for state divestment, with several high-profile auctions having failed in late 2025 and early 2026, including for the Odesa Port Plant. On restructuring, the Law regulating the activities of legal entities, which entered into force in August 2025, requires all state-owned enterprises (SOEs) to be converted into joint-stock or limited liability companies (with state ownership) or liquidated. 352 decisions on the transformation of SOEs have already been adopted under this law. War remains the primary obstacle to broader privatisation, complicating the identification of assets, creating risks of destruction of privatisation objects, and making privatisation impossible in occupied or active combat territories. On corporate governance, the government adopted resolutions to bolster safeguards and transparency around supervisory board recruitment processes. In April 2026, Ukraine formally adhered to the OECD Guidelines on Corporate Governance of SOEs and launched preparations for an action plan under OECD guidance to tackle persistent implementation gaps. Progress was achieved during the reporting period as the charters of key SOEs, including Ukrenergo, GTSOU, Ukrhydroenergo, and Energoatom have been revised. However, challenges remain in ensuring that the new governance framework is applied consistently in practice. Political considerations continue to influence some appointments to SOE governance bodies. Alignment with OECD standards will be crucial going forward, in particular to ensure that politicians and individuals in a position to influence the operating conditions of SOEs do not serve on supervisory boards.

Functioning of the financial market

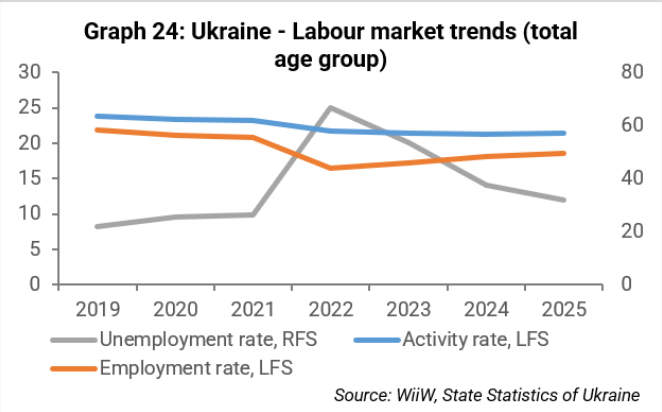
The Ukrainian banking sector has remained resilient despite persistent security risks. Banks continued to hold strong profits and liquidity positions, with short-term liquidity coverage ratios around three times the minimum requirement, supported by a stable funding base in which client deposits accounted for over 90% of liabilities. Solvency indicators also remained robust: the 2025 resilience assessment found that nine banks, representing 18% of sector assets, needed higher capital adequacy ratios, while the sector's Tier 1 capital ratio remained above 15% in early March 2026, well above minimum requirements. Asset quality improved, with the non-performing loan (NPL) ratio falling to 12.6% in May 2026 from 35.5% in May 2025, partly reflecting legacy NPL write-offs and the good quality of new lending. However, the wider stock of distressed assets remains significant, while their resolution is constrained by the limited use of restructuring procedures and an underdeveloped

secondary market for distressed assets. Following the update of the Financial Sector Development Strategy in August 2025, Ukraine has taken steps to strengthen financial stability and align with the EU *acquis*. These include supervisory reforms, the banking resilience assessment, and reforms to financial market infrastructure. In April 2026, the National Securities and Stock Market Commission (NSSMC) approved the concept for a draft law on financial market infrastructure. This law aims to strengthen the operational resilience of market infrastructure and further align with the relevant EU *acquis*.

Lending continued to recover strongly, although credit penetration is low. Net hryvnia loans to businesses increased by 33.5% year-on-year in February 2026, and net foreign-currency business loans rose by almost 28% year-on-year. Lending growth was broad-based across bank groups and covered companies of different sizes, ownership forms, and sectors. SME lending remained at the core of portfolios and demand for investment loans from large corporates rose in the second half of 2025. Household lending also expanded rapidly, with the portfolio increasing by 34% in 2025, mainly driven by retail loans. The quality of new loans has remained sound, supporting the decline in NPLs and enabling banks to maintain moderate lending rates. Nevertheless, financial intermediation remains shallow: net loans to businesses amount to less than 9% of GDP, while net hryvnia loans to households account for about 3% of GDP. Further implementation of the Lending Development Strategy and Mortgage Lending Strategy will be essential to deepening financial intermediation, while keeping credit risks contained and better targeting public support schemes at firms that need them most. The launch of the Local Development Finance Facility under the National Development Institution should help support reconstruction and recovery by turning local recovery projects into bankable investments and improving access to finance for municipalities, SMEs, and priority sectors.

Functioning of the labour market

Large-scale displacement, demographic losses, and military mobilisation have significantly contributed to labour shortages and rising real wages in 2025. Approximately 50% of businesses reported difficulties in recruiting, particularly in manufacturing, construction, transport, energy, and healthcare, reflecting persistent skills mismatches and low labour mobility. Women remained disproportionately represented among unemployed people, partly reflecting mobilisation patterns. Young people and internally displaced persons continued to face challenges in integrating into the labour market. Ukraine continued expanding active labour market policies for displaced persons and veterans, including retraining, employment support, and entrepreneurship programmes. The Population Employment Strategy for the period up to 2030 was adopted in January 2026. Ukraine also took steps to reduce undeclared work in the labour market by adopting a law on digital platforms in June 2026, which aims to bring more activity in the digital sector into the formal economy.



2.3.2. The capacity to cope with competitive pressure and market forces within the EU

Education and innovation

Ukraine continued efforts to improve the quality, accessibility and labour market relevance of education despite severe wartime disruptions. An action plan to implement the Strategy for the Development of Higher Education in Ukraine (2022-2032), was adopted in December 2025, aiming to strengthen institutional autonomy and align the sector more

closely with European Higher Education Area principles. The New Ukrainian School reform continued, together with the roll-out of the Law on preschool education, supported by the adoption of the State Standard of Preschool Education in December 2025, which sets out mandatory learning outcomes and child competencies. The results of the latest PISA assessment (2026) were in line with the 2022 results, despite the combined impact of the COVID-19 pandemic and the war. Demographic decline and war-driven migration of teachers and students continued to weigh on human capital formation. A sizeable increase in salaries for teachers and academic staff in 2026 is expected to improve the profession's attractiveness and status. A new Law on vocational education entered into force in September 2025, and dual education expanded to 163 VET institutions and over 16 500 students across 115 professions, particularly in construction, transport, energy, and manufacturing. Around 78% of VET graduates were employed in their acquired profession. Research and development expenditure remained below 0.4% of GDP, constraining innovation capacity despite the continued implementation of the Global Innovation Development Strategy to 2030. At the same time, the expansion of domestic defence production supported technological development and resulted in globally relevant products, particularly in unmanned systems and digital technologies.

Physical capital and quality of infrastructure

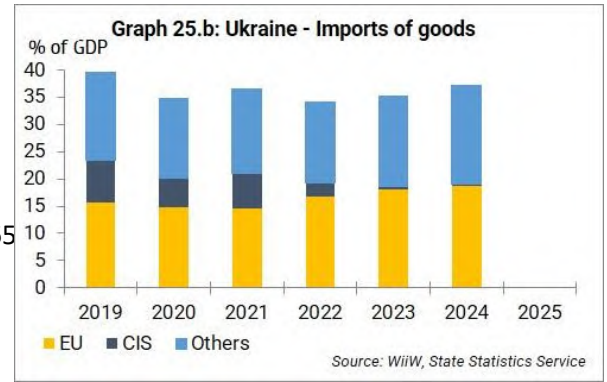
Ukraine continued to face severe infrastructure challenges due to repeated attacks on critical assets, particularly in the energy sector. Despite the restoration or commissioning of around 4 GW of generation capacity, the energy system remained under severe strain, as around half of total electricity generation capacity was destroyed during the 2025/2026 heating season. Available domestic capacity, at around 10 GW, remained well below peak demand of around 18 GW. Electricity imports helped narrow the gap but did not prevent significant shortages during peak periods, weighing on industrial activity, logistics, and business confidence. Reconstruction and repair efforts increasingly focused on decentralised electricity generation. Below-cost utility tariffs continue to limit SOE resources for reconstruction and repairs. Despite continued efforts to maintain export routes and connectivity, transport and logistics infrastructure also remained affected by war-related damage and security risks, accounting for 20.6% of Ukraine's total physical damage, most of it concentrated in the railway system. Economic losses were driven by disrupted access to Black Sea ports and the continued closure of airspace. Digital infrastructure remained comparatively resilient, including in rural areas. Ukraine made progress in reforming public investment management, with investment planning becoming more closely integrated into the budget cycle, with the Budget Declaration reflecting public investment projects in medium-term expenditure projections.

Sectoral and enterprise structure

The structure of the economy saw a continuous shift towards services. Agriculture remained below pre-war levels despite a gradual recovery, although agricultural products continued to account for most merchandise exports. Industry continued to face high logistics and energy costs, while recent developments pointed to gradual upgrading in parts of the industrial base, in particular through the expansion of defence-related manufacturing, engineering, and dual-use technologies. The service sector continued to expand its relative importance and accounted for around 70% of GDP, supported by digitalisation and wartime adaptation, with ICT and other knowledge-intensive activities increasing their contribution to exports and value added. Economic activity increasingly shifted towards western regions due to displacement and business relocation.

Economic integration with the EU and price competitiveness

Ukraine remained relatively open to trade despite of continued war-related disruptions. The trade-to-GDP ratio



declined markedly, from 29.7% in 2024 to 25.3% in 2025, reflecting lower agricultural production, as well as the impact of attacks on enterprises, infrastructure, and energy facilities. The EU remained Ukraine's largest trading partner, accounting for 55.1% of total foreign trade in goods and services, although its share declined slightly from 56.7% in 2024. Ukraine's trade deficit with the EU widened, as imports from the EU increased, while nominal exports to the EU declined, broadly in line with the overall fall in exports in 2025. At the same time, integration into European value chains continued to strengthen, with exports of processing services to the EU increasing and accounting for close to 89% of Ukraine's total exports of such services.



Price competitiveness remained under pressure. Although the hryvnia only weakened slightly against the US dollar in 2025, it depreciated more markedly against the euro and in nominal effective terms, reflecting global currency movements. This nominal depreciation provided some support to export price competitiveness. However, this nominal depreciation was insufficient to compensate for the unfavourable inflation differential, leaving the annual average real effective exchange rate stronger than in 2024. Some real depreciation towards the end of the year partly reversed this trend. Rising real wages driven by labour shortages added to cost pressures and reduced competitiveness.

2.4. PUBLIC PROCUREMENT, STATISTICS AND FINANCIAL CONTROL

Chapter 5 - Public procurement

EU rules ensure that the public procurement of goods, services and works in any Member State is transparent and open to all EU economic operators on the basis of non-discrimination and equal treatment.

Institutional set-up and legal alignment

The **legal framework** on public procurement is partially aligned with the EU *acquis*. In line with the Strategy for Reforming the Public Procurement System for 2024-2026, the adopted Public Procurement Law represents a significant improvement in alignment with the EU *acquis*. With its adoption, Ukraine has moved forward with its commitments under the Deep and Comprehensive Free Trade Agreement (DCFTA) in the area of public procurement, with the exception of the utilities sector, which remains not aligned. However, Ukraine continues to apply exceptions to its public procurement rules, including temporary direct contracting for the protection of critical infrastructure during martial law. Another point of concern is the use of pilot framework agreements for certain construction works without open tenders, limitations to monitoring, transparency of procedures and review mechanisms. In January 2026, the procurement procedure was amended to extend the obligation to disclose beneficial ownership information to all types of procurement.

The PPP and Concessions laws still contain gaps in alignment with the EU *acquis*. In particular, PPP award procedures are regulated by a separate by-law, the content of which appears to fall outside the applicable EU public procurement rules.

In January 2026 the two central defence procurement bodies for non-military and military procurement were merged. The lack of legal clarity related to the distinction between conventional and defence procurement, was not resolved, primarily due to the lack of clear definitions. Decentralised defence procurement has allowed for faster delivery of military equipment, although with limited financial oversight. To mitigate risks, special training programmes were launched to educate procurement officers within military units.

Implementation and enforcement capacity

In 2025, contracts worth EUR 19.74 billion were concluded through public procurement (excluding defence and gas purchases), of which 72.3% were awarded -through competitive procedures. The value of contracts concluded by competitive procedures, compared to 2024 increased from EUR 13.51 billion to EUR 14.27 billion. However, 70.6% of the value of contracts under open tenders were assigned in procedures with a single bidder.

The government approved the roadmap and action plan to strengthen the State Audit Service (SAS) and its control mechanisms, defining strategic guidelines and stages for increasing the efficiency of state control over public procurement processes. The SAS continued to carry out monitoring of legal compliance of contract award and implementation, while only a minority of monitoring actions were triggered by automatic risk indicators. In 2025, the SAS identified violations in 63% of monitored procurement, yet the violations identified were challenged in court only in some cases, with a low success rate. In order to facilitate enforcement, the SAS improved procedures to access personal data of individuals committing violations.

The contracting authorities need to continue strengthening the **capacity and integrity of management of public procurement processes** across all institutions. Progress was made in updating the training offer for procurement managers end economic operators.

Regarding **prevention of corruption**, law enforcement agencies conducted investigations in several cases related to corruption in public procurement. The operation Midas uncovered alleged large-scale embezzlement in the procurement of a state energy company and high-level political influence in the award of defence contracts. The capacities of contracting authorities, as well as internal and external controls to prevent corruption and bid rigging remain weak, particularly at sub-national level and in state-owned enterprises. Integrity due diligence and exclusion criteria for bidders, alongside the monitoring and enforcement capacity, require further strengthening. The Public Procurement Strategy for 2027-2030 needs to address outstanding issues, ensuring complementarity with the strategic results on public procurement of the State Anti-Corruption Strategy 2026-2030.

Efficient remedy system

The legislation on review of public procurement is largely aligned. However, compliance issues remain, requiring addressing, in particular, time limits to bring review that should have a required length in all sectors and correct application of automatic suspension of public procurement procedure in case of review of award decisions. In 2025, the Antimonopoly Committee (AMCU) received 9 783 complaints, of which 66% were justified. In 2025, 172 decisions were appealed in court out of which 9 were confirmed. The remaining 163 decisions are still under consideration in the courts of the first, appellate and cassation instances.

Chapter 18 - Statistics

European statistics are developed, produced and disseminated by EU Member States, guided by the principles and criteria elaborated in the Regulation on European statistics, such as professional independence, impartiality, reliability, transparency and confidentiality. Common rules are provided for the methodology, production and dissemination of statistical information, which are further specified in sectoral legislation that constitute the EU acquis on statistics.

On **statistical infrastructure**, Ukraine should amend the Law on official statistics to ensure the full professional independence of the State Statistics Service of Ukraine (SSSU) and its role in defining the state policy in statistics, and to strengthen the institutional status of the SSSU and its powers regarding coordination of the stakeholders in the national statistical system. Ukraine needs to ensure that the SSSU receives the necessary financial and human resources to fulfil its mandate to produce official statistics and to comply with the EU *acquis* in statistics. Some progress was achieved in statistical reporting with the legal entities resuming statistical and financial reporting to state statistical bodies in July 2025.

On **classifications,** Ukraine adopted NACE 2.1-UA (entering into force in 2027), a new NUTS-UA regional classification (entering into force in 2027), and a new version of the nomenclature of industrial products, harmonised with the PRODCOM. On **registers**, no progress was achieved.

The compilation of **macroeconomic statistics**, including government finance statistics remains seriously disrupted due to the martial law and no substantial progress was achieved in comparison with the previous year. The Commission encourages Ukraine to conclude a memorandum of understanding between the SSSU, the National Bank and the Ministry of Finance and to set up a working group in macroeconomic statistics.

On **social statistics**, the SSSU resumed household surveys. Measures were taken to prepare the 2026 household budget survey and the labour force survey. The main interviews for the 2026 household budget survey and the 2025 European health interview survey began in 22 regions. Information on the socio-demographic characteristics of households based on the results of the main interviews are expected to be released in August 2026. The labour force survey began in January 2026, while in March 2026, the survey on income and living conditions (EU-SILC) was introduced in Ukraine for the first time, continuing through July 2026.

On **sectoral statistics**, the transmission of some datasets to Eurostat has increased in **energy, price, transport** (for each, several datasets were transmitted), **business** (datasets on short-term business statistics, on business registrations and bankruptcies by economic activity on a quarterly basis were transmitted) and **agriculture statistics** (the methodologies on integrated farm statistics and agricultural machinery availability were amended, progress on animal production statistics was achieved). Substantial progress is still expected in the areas of **business, trade, science, technology, innovation, environment and tourism statistics**.

Chapter 32 - Financial control

The EU promotes the reform of national governance systems to improve managerial accountability, sound financial management of income and expenditure, and external audit of public funds. The financial control rules further protect the EU's financial interests against fraud in the management of EU funds and the euro against counterfeiting.

Public internal financial control (PIFC)

The **strategic framework** for PIFC is in place as part of the newly adopted Public Finance Management Reform Strategy for 2026-2030. Continuous progress in strengthening the legal and methodological PIFC framework was demonstrated. Nevertheless, the operational effectiveness of the PIFC system remains limited due to fragmented implementation and varying institutional capacities, and the need for stronger coordination. Further strengthening of the central harmonisation unit's capacity remains important to support the implementation of the PIFC system.

Efforts continued in supporting the implementation of the **internal control** framework, notably through the launch of an institutional pilot under the Ministry of Justice and targeted training.

Implementation of **managerial accountability** remains uneven, particularly regarding managerial ownership of internal control and risk management practices.

On **internal audit**, initial steps have been taken to align the internal audit framework with the Global Internal Audit Standards, notably through the preparation of revised national internal audit standards. The establishment of audit committees continued expanding across the public sector. As of January 2026, 42 audit committees have been newly established in key spending units. Further efforts are needed to strengthen the quality, independence, and strategic role of internal audit, and to ensure the effective functioning of audit committees.

External audit

The Accounting Chamber of Ukraine (ACU) continued implementing the existing reform framework, which also plans for the consolidation of its institutional and financial **independence**. The appointment of six members of the ACU Board, still pending, would strengthen its governance capacity.

On **administrative capacity**, timely recruitment and filling of vacancies would be better ensured by more solid financial independence. All audits were conducted using the newly approved ISSAI-based audit methodologies, while strengthening their implementation especially through quality management and continuous professional development. The audit coverage of the consolidated financial statement is gradually expanding, with the ACU applying the financial audit methodology to the statements of key budget holders, local government entities, and externally financed programmes.

Parliamentary scrutiny is being gradually reinforced thanks to a better cooperation between the ACU and the relevant committees within the Verkhovna Rada, which starts using ACU's report more systematically in discussions and for oversight purposes. There remains scope for further progress on these aspects and on strengthening the follow-up mechanisms.

Protection of the EU's financial interests

The national legislation still needs to be fully aligned with the **PIF Directive**. A national **anti-fraud strategy** to protect the EU's financial interests was adopted in July 2026.

The State Audit Service's mandate and capacity need to be further consolidated to perform its role as the **anti-fraud coordination service** (AFCOS). At the moment, it can only provide information on irregularities within the scope of the Ukraine Facility. A corresponding **AFCOS network** comprising 13 national authorities continued supporting the AFCOS.

A track record in the reporting of irregularities and **cooperation with the European Anti-Fraud Office** (OLAF) on investigations should continue to be developed. The AFCOS started using the Irregularity Management System in 2025, with 32 irregularities under the Ukraine Facility by the end of the year, of which 23 classified as suspected fraud and one as established fraud.

Protection of the euro against counterfeiting

The ratification of the 1929 Geneva Convention for the suppression of counterfeiting currency would be beneficial to support international cooperation in the area.

3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION

Ukraine is an active participant in several regional formats, including the Eastern Partnership, the Central European Initiative, Black Sea Economic Cooperation, the Organisation for Democracy and Economic Development and the Regional Cooperation Council. Moreover, Ukraine has invested diplomatic capital in improving ties with its neighbours, especially EU Member States. In 2026, Ukraine hosted a successful Ukraine-Southeast Europe Summit in Kyiv.

The relationship between Ukraine and ***Hungary*** was marked by a certain level of tension, reflecting differing perspectives on minority rights, energy cooperation and broader geopolitical alignment. Following the Hungarian parliamentary elections in April 2026, bilateral relations improved, with potential for more forward-looking engagement.

Poland is one of Ukraine's closest strategic partners in the context of Russia's war of aggression. Poland provides vital political, humanitarian, economic, technical and defence assistance and hosts the largest number of Ukrainians fleeing Russian military aggression. It also provides logistical hubs to deliver EU humanitarian and civil protection support to Ukraine. Despite disputes over historical issues, both countries have demonstrated a strong political commitment to finding solutions to those longstanding problems. Ukraine and ***Romania*** continue to cooperate closely and have recently strengthened bilateral political dialogue by signing the Strategic Partnership Agreement in March 2026. Since early 2022, Romania has provided strong political support to Ukraine, including by facilitating the export of Ukrainian food products through EU solidarity lanes and hosting logistical hubs for the delivery of EU humanitarian and civil protection support.

Ukraine's relations with ***Slovakia*** have been politically strained over military support and energy issues but practical cooperation continued. Slovakia hosts a network of logistical hubs to channel EU in-kind assistance to Ukraine. Slovakia also hosts a significant number of Ukrainians fleeing Russian military aggression under temporary protection arrangements, with one of the highest numbers per capita.

Relations with ***Bulgaria*** have been bolstered by Bulgarian political, financial and humanitarian aid for Ukraine and by growing economic ties. Ukraine and Bulgaria share a robust, multifaceted strategic partnership, further strengthened by a Security Cooperation Agreement signed in March 2026.

Ukraine maintains longstanding and close ties with neighbouring ***Moldova***. Bilateral political dialogue has been strengthened at all levels, reflecting Moldova's strong support for Ukraine in the context of Russia's war of aggression. The two countries also discuss regional and security issues, the situation in the Transnistrian region and the management of the Nistru River's water resources, which remains a challenging topic.

Ukraine and ***Georgia*** continue to implement a strategic partnership that began in 2017. While Georgia supports Ukraine's territorial integrity and sovereignty, Ukraine has expressed concerns that Georgia has not aligned itself with EU sanctions against Russia and does not cooperate on military-technical matters. The de facto halt of Georgia's accession process has led to further political dissonance between the two countries. Despite political relations cooling, some diplomatic channels have reopened.

Türkiye is a partner of strategic significance for Ukraine, with major economic and people-to-people ties, reflected in a bilateral visa-free regime and a free trade agreement (not yet ratified). Bilateral relations have been bolstered since the beginning of Russia's full-scale war by Türkiye's technical, humanitarian and military support for Ukraine, and by its co-sponsoring of UN resolutions supporting Ukraine's territorial integrity and sovereignty. Türkiye has consistently supported Ukraine's territorial integrity and sovereignty and has continued to highlight its role as facilitator and potential mediator. This was shown when Türkiye facilitated grain export and prisoners' exchanges and when it hosted three rounds of direct talks between Russia and Ukraine in Istanbul in 2025. Türkiye has refrained from aligning with the EU's restrictive measures against Russia but continues to collaborate constructively with the EU to identify solutions to sanctions circumvention.

Relations with ***Albania*** and ***Bosnia and Herzegovina*** are based on their support for Ukraine's territorial integrity and sovereignty and its condemnation of Russia's war of aggression. The ties between Ukraine and ***North Macedonia*** are strong and deepening through political dialogue, diplomatic support and military assistance in the face of the war.

Ukraine-***Montenegro*** relations remain strong, bolstered by Montenegro's continued support in UN forums and on sanctions, trade and technical and military assistance.

Ukraine-***Serbia*** relations have improved, although Serbia has not joined the sanctions against the Russian Federation. High-level contacts between both countries have increased since February 2024, including the first visit to Serbia by President Zelenskyy in August 2026. Serbia is Ukraine's biggest trading partner in the Western Balkans, and it has also provided by far the most financial and humanitarian assistance to Ukraine of any country in the region.

Ukraine has not recognised the independence of ***Kosovo***[*] but has indicated continued support for EU-facilitated dialogue between Belgrade and Pristina. On a voluntary basis, Kosovo has aligned with EU restrictive measures relating to Russia's war of aggression against Ukraine.

4. SECURITY, DEFENCE AND RESILIENCE

While continuing to receive the EU's political, financial, economic and military support, Ukraine is also becoming a substantial contributor to European security, resilience and defence readiness.

The 2024 EU-Ukraine Joint Security Commitments continued to guide cooperation on security, resilience and defence, while complementing bilateral security agreements between EU Member States and Ukraine.

The EU and its Member States increasingly benefitted from Ukraine's advanced defence and technology innovation, industrial capabilities, cyber expertise and unique operational experience, including in countering hybrid threats. Ukraine also took steps towards closer integration into the European Defence Technological and Industrial Base (EDTIB), contributing to the EU's long-term security, defence readiness and competitiveness.

The EU's military support under the Ukraine Support Loan, the European Peace Facility, windfall profits generated by the immobilised Russian assets, and other EU support tools substantially strengthen the security and resilience of both Ukraine and the EU, fostering the transformation and integration of our respective defence industries.

Ukraine also benefits from the support provided by the EU Advisory Mission (EUAM) and the EU Military Assistance Mission (EUMAM), which reinforce Ukraine's security and resilience while advancing closer cooperation and Ukraine's integration into the EU's common foreign, security and defence policy.

<u>Democratic resilience</u>

Despite Russia's full-scale war of aggression and the constraints of martial law, Ukraine maintained constitutional continuity and functioning democratic institutions, supported by an active civil society. For Ukrainians, the war is not only a fight for territorial integrity and independence, but also a defence of democratic values, civic freedoms and the sovereign right to determine the country's European future.

Countering hybrid threats in Ukraine extends far beyond military defence. It encompasses resilience against cyberattacks and foreign information manipulation and interference (FIMI), including disinformation, sabotage, political interference and attacks on critical infrastructure, requiring coordinated action across government, civil society and the private sector. Ukraine's experience in countering hybrid threats offer valuable lessons for the EU's

[*] This designation is without prejudice to positions on status and is line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

security, preparedness and societal resilience. Ukraine's operational experience in civil protection and crisis response can strengthen the EU's preparedness and resilience, notably through the Union Civil Protection Mechanism (UCPM).

Economic security and resilience

Ukraine continued to strengthen the resilience of its critical infrastructure and energy systems even under intensified Russian attacks. Further integration steps of its electricity system with the European market contributed to both Ukraine's resilience and wider European energy security.

Ukraine's strategic importance for the resilience of European supply chains increased. It continued to prioritise the development of critical raw materials. In May 2026, EU and Ukraine endorsed the updated 2026-2027 Roadmap under the EU-Ukraine Strategic Partnership on Critical Raw Materials, and, in June 2026, Ukraine approved a 20-year strategy to develop critical minerals and value-added industries. Developing Ukraine's critical material sector and ensuring relevant regulatory and investment framework, could diversify European supply chains and reduce strategic dependencies, including in defence, energy and advanced technologies.

Ukraine further developed capabilities relevant to the EU's economic security agenda. The country continued to strengthen cyber defence capacities and digital governance systems in response to persistent cyber threats. Ukraine's experience in protecting critical systems against cyberattacks and maintaining the continuity of essential services in wartime, provides a valuable expertise for the EU.

Ukraine continued to expand its capabilities in dual-use and emerging technologies, including autonomous systems, artificial intelligence and defence-related innovation. These capabilities are increasingly reflected in the development and deployment of unmanned systems, including unmanned ground vehicles (UGVs) and maritime drones. Beyond their military applications, such technologies have significant dual-use potential, including for security and emergency services, firefighting, medical and casualty evacuation, and forestry, environmental and border monitoring.

Ukraine is an important contributor to European food security and strategic resilience. Ukraine is a key supplier of feed such as cereals, oilseeds and vegetable oils and has the potential to strengthen the EU's plant protein autonomy. However, to work closer together, Ukraine will need to align with EU production, food safety and sustainability standards. This will help Ukraine's deeper integration into European agri-food value chains. Nonetheless, Russia's increasing attacks on Ukraine grain and port infrastructure are causing significant damage to Ukraine's agricultural production, storage, distribution and exports, disrupting grain and vegetable oil supply chains, and increasing global food insecurity.

Ukraine should continue efforts to strengthen the resilience of critical infrastructure, gradually meet EU production standards in agriculture, deepen energy market integration with the EU and enhance cyber resilience.

Defence capacity building and defence industrial dimension

Ukraine expanded its defence production and technological innovation, drawing on operational experience to accelerate innovation, particularly in drone and counter drone systems.

Ukraine also strengthened the governance framework for defence exports and committed to a partial lifting of the wartime export ban. As a result, the government issued the first wartime export licences. Authorities also boosted coordination mechanisms aiming at facilitating internationalisation of Ukraine's defence industry within the framework of Build with Ukraine.

To advance integration into the European Defence Technological and Industrial Base (EDTIB), Ukraine announced in February 2026 the roll-out of a network of defence technology export hubs across Europe aimed at supporting exports, industrial partnerships and co-production arrangements with European partners. Ukraine and the European Commission signed in July 2026 a Letter of Intent committing to develop a Strategic Defence Industrial Partnership and establish, together with EU Member States, an EU-Ukraine Defence Industrial Pact.

Meanwhile, Ukraine is increasingly integrated into and participating in flagship EU programmes and associated defence innovation ecosystems. Ukrainian entities' participation in activities supported under the European Defence Fund (EDF), is expected to contribute to innovation, capability development and Ukraine's integration into the EDTIB. The launch of BraveTech EU linked the EU Defence Innovation Scheme (EUDIS), the EDF, the European Defence Agency and Ukraine's Brave1 defence innovation platform, creating new opportunities for joint technology development, testing, investment and industrial cooperation.

Cooperation in the field of unmanned systems also intensified. In July 2026, the EU- Ukraine Drone Alliance is bringing together Ukrainian operational experience and rapid innovation cycles with European industrial capacity. The Alliance aims to supporting joint ventures and accelerating the development and production of next-generation drone and counter-drone systems.

The Ukraine Support Loan (UASL), covering 2026-27, provides a major financing framework to support Ukraine's defence needs and the integration of the Ukrainian and European defence industrial bases. The implementation of the Security Action for Europe (SAFE) instrument and the European Defence Industry Programme (EDIP) and its Ukraine Support Instrument (USI), create additional opportunities for industrial cooperation, joint procurement, co-production, and gradual integration.

Despite growing cooperation, joint production and industrial integration remain constrained by defence export restrictions, intellectual property and technology transfer issues, limited financing, weak supply chain integration and fragmented regulatory and procurement frameworks in Ukraine. Further alignment of technical standards and more transparent procurement practices would facilitate industrial integration, partnerships and co-production.

Civil protection and disaster resilience

Despite Russia's full-scale war of aggression, Ukraine continues improving its resilience through robust civil protection and disaster risk management. Ukraine is an active participant in the UCPM and has proven that its national and local civil protection systems can deal effectively with human-induced crises, while it is improving its capacity to deal with natural hazards.

5. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP

CLUSTER 2: INTERNAL MARKET

This cluster covers: the free movement of goods (Chapter 1); freedom of movement for workers (Chapter 2); right of establishment and freedom to provide services (Chapter 3); free movement of capital (Chapter 4); company law (Chapter 6); intellectual property law (Chapter 7); competition policy (Chapter 8); financial services (Chapter 9); and consumer and health protection (Chapter 28).

Chapter 1 - Free movement of goods

The free movement of goods ensures that many products can be traded freely across the EU based on common rules and procedures. Where products are governed by national

rules, the principle of the free movement of goods prevents these rules from creating unjustified barriers to trade.

General principles

The Deep and Comprehensive Free Trade Area (DCFTA) provides for the possibility to conclude an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) once Ukraine fully aligns and implements the relevant EU harmonised *acquis*, and selected product legislation. The preparations for negotiating an ACAA made significant progress in the identified actions, following the adoption of the legislation aiming to align with the EU *acquis* on accreditation and conformity assessment, and market surveillance, as well as technical regulation on machinery.

Non-harmonised areas

Ukraine is not aligned with all the general principles governing the free movement of goods. It has not started activities for screening national technical regulations for compliance with Articles 34-36 of the TFEU and relevant CJEU case law.

Harmonised area: quality infrastructure

Ukraine's legislation is fully aligned with the EU *acquis* on **standardisation**. The national standards body needs to replace staffing losses and to apply to becoming a full member to the European Committee for Standardisation (CEN), the European Committee for Electrotechnical Standardisation (CENELEC), the European Telecommunications Standards Institute (ETSI) as well as European Association of National Metrology Institutes (EURAMET). Ukraine is aligned to the EU *acquis* on **accreditation** and on **conformity assessment** and is partly aligned on **metrology**. Ukraine has currently 77 conformity assessment bodies, an increase of 15 since 2025, covering over 20 sectors.

Ukraine is largely aligned with the EU *acquis* on **market surveillance**; however Ukrainian market surveillance bodies continue to lack funding and face serious staffing issues. During 2025, the market surveillance authorities conducted 4 130 scheduled and 2 792 unscheduled inspections resulting in 25 556 corrective measures.

Harmonised area: sectoral legislation

During the reporting period, Ukraine adopted legislation intended to be fully aligned with the EU **'new and global approach'** product *acquis* on machinery.

No progress was made on alignment with EU **'old approach'** product *acquis*.

No developments were recorded on **procedural measures**.

On **anti-corruption**, insufficient risk mitigation and effective penalties remain a serious challenge regarding market surveillance, and no progress was made in the reporting period.

Chapter 2 - Freedom of movement for workers

Citizens of one Member State have the right to work in another Member State and must be given the same working and social conditions as other workers.

On **access to the labour market**, no significant legislative developments took place in the reporting period. Ukraine's legislation is not aligned with the EU *acquis* on access to the labour market. EU citizens also do not have access to public posts.

In December 2025, Ukraine adopted a new Employment Strategy, which includes preparatory measures for Ukraine's future participation in the **European Network of Employment Services (EURES)** and for the implementation of the *acquis* on free movement of workers, with the objective of expanding worker mobility and strengthening vacancy and working conditions information exchange.

On the **coordination of social security systems**, there were no developments on establishing an electronic system for exchange of social security data. No new agreement on social security coordination was signed with Member States during the reporting period

With regards to the **European Health Insurance Card**, a national health insurance card has yet to be implemented in Ukraine.

Chapter 3 - Right of establishment and freedom to provide services

EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. EU rules on postal services focus on improving the quality of universal service, gradual market opening to competition, and the establishment of an independent regulator.

On the **right of establishment** and **freedom to provide cross-border services,** Ukraine should make progressive steps to align with the EU service Directive.

In the area of **postal services**, Ukraine is partially aligned with the Postal Services Directive and Regulation on cross-border parcel delivery services. Opening of the postal market to full competition is to be completed with the state-owned postal operator retaining a monopoly on delivery of letters and postcards. In February 2026, Ukraine adopted a government resolution on quality standards for the provision of universal postal service aligning with the Postal Services Directive. A draft Law amending the Law on Postal Services is under preparation aiming at aligning Ukrainian legislation with the Regulation on cross-border parcel delivery services, in line with commitments taken by Ukraine under the DCFTA on postal and courier services. In May 2026, Ukraine demonstrated progress in aligning with the *acquis* on mutual recognition of professional qualifications by developing a test version of the Unified Register of Qualifications. The register enables Ukraine to formally designate regulated professions and facilitates access to information, thereby demonstrating progress towards alignment with Article 57 of the Directive on the recognition of professional qualifications, which governs central online access to information.

Chapter 4 - Free movement of capital

In the EU, capital and investments must be able to move without restrictions, with common rules for cross-border payments. Banks and other economic operators apply certain rules to support the fight against money laundering and terrorist financing.

On **capital movements**, the National Bank (NBU) continued implementing its strategy to gradually ease the war-related foreign exchange restrictions and transition towards greater exchange rate flexibility. In particular, the NBU introduced limited relaxation of foreign exchange restrictions aimed at supporting the defence industry, facilitating the restructuring of outstanding external loans, and easing exports of agricultural machinery. The NBU also expanded the list of cases where banks may execute certain foreign exchange transactions abroad, including for specific trade-related and public payment purposes. These measures represent continued gradual liberalisation, although significant restrictions introduced under martial law remain in place. As soon as conditions allow, Ukraine should lift the restrictions enacted following martial law and continue the liberalisation of pre-existing restrictions to foreign exchange transactions. In addition, Ukraine should remove the restrictions remaining in national legislation on the acquisition of agricultural land by EU nationals, which are contrary to the EU *acquis*.

On **payments system**, work continued with the aim to further align with the Payment Service Directive II. Further work on the legislative framework, including the preparation of amendments and implementing measures by the relevant authorities, is ongoing. Ukraine continued modernising its payment infrastructure, including through the introduction of new functionalities in the System of Electronic Payments based on the ISO 2022 standard, as

well as further steps towards the development of open banking and instant payment services.

On the **fight against money laundering and terrorism financing (AML/CFT)**, in December 2025, the government resubmitted to Parliament a comprehensive legislative package aiming to align with the AML/CFT EU *acquis*, including the establishment of the register of accounts and individual bank safes of natural persons and the register of beneficial owners of trusts and similar legal arrangements. The delay in adopting this legislation continues to hinder Ukraine's efforts to advance alignment with the EU AML/CFT framework. In June 2026, the Parliament adopted legislation limiting the financial monitoring of former politically exposed persons (PEPs). The provisions were amended in October before their entry into force. Ukraine should further align with the EU acquis on politically exposed persons aspects. Further progress is needed in the regulation and supervision of crypto-assets and their service providers. The draft law on virtual assets aiming to align with the Transfer of Funds Regulation was approved by Parliament in first reading in September 2025 and is still pending adoption.

The 4th AML/CFT National Risk Assessment has been adopted in August 2026. The government should now elaborate a comprehensive national plan addressing the identified risks.

In 2025, the Financial Intelligence Unit (FIU) received almost two million reports on financial transactions, an increase of 11% compared to 2024. Banks remained the predominant source of reports, while reporting by the non-financial sector continues to be very limited and requires further strengthening. In 2025, the FIU received 11 523 beneficial ownership discrepancy reports, but the capacity of the Ministry of Justice to process them needs strengthening.

The functioning of the FIU continues to face resource constraints, while its strategic documents have expired and have yet to be renewed. Ukraine should strengthen its operational independence and administrative capacity, including through the introduction of periodic independent effectiveness audits of the AML/CFT system and a transparent competitive selection procedure for the head of the FIU, alongside a time-bound mandate.

Chapter 6 - Company law

The EU has common rules on the formation, registration and disclosure requirements of a company, with complementary rules for accounting and financial reporting, and statutory audit.

In the area of **company law and corporate governance**, Ukraine modernised the Unified State Register, including through the introduction of functionality for a European Unique Identifier (EUID), technical improvements facilitating the registration, modification and termination of branches and representative offices of foreign legal entities, and the resumption of publication of business-register data in open data format, subject to some restrictions under martial law. Amendments to the Civil Code and other legislative acts regarding the introduction of the procedure for divisions by acquisition were drawn up in 2026. Partial alignment with the EU *acquis* on fully online registration and disclosure of company information has been carried out. Ukrainian legislation shall continue aligning with the EU *acquis* regarding the disqualification of directors, particularly for limited liability companies. The National Securities and Stock Market Commission (NSSMC) adopted a resolution providing further clarity on the disclosure framework applicable to issuers of securities, collateral providers, and corporate rights advisers during martial law, including revised deadlines for outstanding annual and interim reporting obligations. The NSSMC also initiated work on updating the national Corporate Governance Code. Ukraine should ensure that the revised code and the monitoring of its implementation closely align with relevant EU *acquis* and retains strong anti-corruption safeguards. Ukraine should also complete alignment with the Directive 2024/1760 on corporate sustainability due diligence (CSDDD),

as amended by the Directive (EU) 2026/470 (Omnibus I). The amendments simplified some of the obligations and postponed the transposition deadline to July 2028 and the application deadline to July 2029.

In the area of **company reporting and statutory audit**, Ukraine prepared draft legislation to amend the Law on Accounting and Financial Reporting, introducing sustainability reporting requirements. Ukraine also prepared draft legislation amending the Law on Audit of Financial Statements and Auditing to introduce requirements related to the assurance of sustainability reporting. Ukraine should adopt these pending pieces of legislation.

Chapter 7 - Intellectual property law

The EU has to a large extent harmonised rules for the legal protection and enforcement of copyright and related rights, as well as of industrial property rights, including trademarks, designs, patents and related supplementary protection certificates (SPCs), geographical indications (GIs), including craft and industrial GIs.

On **copyright and related rights**, Ukraine continued its work to align its legislation with the EU *acquis*. Concerns remain notably on collective rights management, in particular, with regard to the accreditation of collective management organisations during martial law, discrepancies between collected and distributed royalties, particularly for EU rightsholders, and transparency of the system as a core requirement of the EU *acquis*.

On **industrial property rights**, in October 2025, guidelines on granting legal protection to a trademark that contains or derives from a geographical indication were approved. Further steps are required towards alignment with Regulation 2023/2411 to extend the protection of GIs to craft and industrial products. Ukraine started preparations for the accession to the Geneva Act of the Lisbon Agreement on appellations of origin and geographical indications, including the designation of the competent authority responsible for its application.

On the enforcement of **intellectual property rights,** Ukraine drafted an IPR Strategy until 2030. The Ukrainian National Office for Intellectual Property and Innovations (UANIPIO) published its consolidated 2025 data on enforcement in July 2026, pointing to a downward trend in the total number of court cases and a gradual increase in the effectiveness of the work of law enforcement agencies (customs, police, Economic Security Bureau) as well as a substantial rise in the UANIPIO's appeals chamber's activities. Implementing provisions for the IP-related articles of the new Customs Code, such as simplified procedure to confirm the infringement of IP rights by the rightsholder at the border, require enactment. The growing availability of counterfeit products, including plant varieties, should be addressed, in particular through enhanced interinstitutional cooperation. Specialised trainings were organised for judges, police officers and investigators of the Economic Security Bureau. These trainings should continue and include prosecutors.

On the institutional framework, UANIPIO maintained close collaboration with the European Union Intellectual Property Office (EUIPO), in particular through the EU4IP project. Ukraine advanced its integration with tools and common practices of the European Union Intellectual Property Network. The integration of data on national designs (from UANIPIO Special Information System API) into the EUIPO was completed in July.

Chapter 8 - Competition policy

EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of dominant position and also include rules on concentrations between companies which would significantly impede effective competition. EU rules also set out a system of State aid control. Governments are only allowed to grant State aid if restrictive conditions are met, with a view to preventing distortion of competition.

Antitrust and mergers

On the **legislative framework**, some provisions of the Law on the protection of economic competition and the implementing legislation still need to be aligned with the EU *acquis*. The Antimonopoly Committee (AMCU) adopted a new Methodology for defining product markets and dominant positions.

On **implementation**, in the area of antitrust and mergers, AMCU continued adopting decisions in cases for anticompetitive concerted actions, abuse of dominant position and mergers. The amounts of fines imposed by the AMCU as a conclusion to these cases was UAH 773.7 million. AMCU further applied leniency mechanism in three cases, resulting in decisions on full exemption of liability, and did not carry any dawn raid. The AMCU's enforcement record could be further improved.

State aid

On the **legislative framework**, draft laws aiming at further aligning the State aid framework with the EU *acquis* were not adopted yet, including on lifting the suspension of the application of State aid control by the Antimonopoly Committee, and on the separation of accounts between PSO and non-PSO activities in key state-owned enterprises. Ukraine approved further implementing provisions on criteria for assessing the compatibility of State aid to undertakings, namely in the area of transport services and in the area of scientific research, technical development and innovation.

On **implementation,** in the area of State aid control remains suspended under the martial law, and there is no obligation to notify to AMCU new or modified State aid measures. However, the inventory of state aid measures has been further updated by AMCU.

Chapter 9 - Financial services

EU rules aim at ensuring fair competition among, and the stability of, financial institutions, namely banking, insurance, supplementary pensions, investment services and securities markets. They include rules on authorisation, operation and supervision of these institutions.

On **banking and financial conglomerates**, in December 2025, the National Bank of Ukraine (NBU) published the results of the 2025 resilience assessment of the banking sector. The NBU reported that the implementation of capitalisation and risk profile strengthening programmes for such banks are underway.

The NBU has further advanced alignment of prudential requirements with the Capital Requirements Regulation/Capital Requirements Directive framework, including on significant exposures, internal audit, risk management, and prudential disclosures. The NBU also reintroduced requirements for banks to form capital buffers starting from 1 January 2027, which further strengthens the resilience of the banking sector.

Legislation on covered bonds was also adopted, aiming to align Ukraine's legal framework with the Covered Bond Directive.

Progress was made in establishing a framework for non-performing loans (NPL) resolution through the adoption of legislation simplifying debt enforcement procedures.

On bank resolution and crisis management, preparatory work for future alignment with the Bank Recovery and Resolution Directive (BRRD) advanced through EU-funded technical assistance. The DGF applied the bridge bank resolution tool, increasing the operational capacity of resolution mechanisms. The resolution framework remains to be further developed, notably through alignment with BRRD and requirements on deposit guarantee schemes.

On insurance and occupational pensions, the NBU continued strengthening the supervisory and regulatory framework for non-bank financial institutions, including through actions aiming at further alignment with Solvency II principles and the introduction of risk-based supervisory approaches. The NBU also refined its regulatory framework for off-site

supervision, temporary administration, and detection of unlicensed activities. However, further efforts are needed to align with the EU *acquis* and to strengthen supervisory capacity.

On **financial market infrastructure**, the National Securities and Stock Market Commission (NSSMC) started preparatory work for a new Law on Financial Market Infrastructure, defining the legal and institutional framework for trading, clearing, settlement and depository systems. The NSSMC adopted a resolution to improve settlement arrangements through regulated proprietary securities accounts for clearing institutions.

On the **securities markets and investment services,** as of 1 January 2026, amendments to the Law on State Regulation of Capital Markets and Organised Commodity Markets entered into force, strengthening guarantees of NSSMC independence, clarifying appointment and dismissal procedures, enhancing investigative powers, and updating the framework for market abuse and insider information disclosure. Further improvements are needed to strengthen appointment procedures for NSSMC Commissioners, including through greater involvement of independent members in nomination committees. The NSSMC approved a regulatory alignment roadmap on 23 September 2025, covering priority areas including investment services, market abuse, derivatives, and collective investment schemes. The Law on Credit Rating Agencies entered into force on 1 January 2026. In July 2026, NSSMC became a full signatory of the International Organisation of Securities Commissions (IOSCO) Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.

Legislation on securitisation was also adopted, aiming to align Ukraine's legal framework with the Securitisation Regulation.

On **sustainable and digital finance**, in February 2026, the NBU issued recommendations to banks on corporate governance practices aimed at integrating sustainability, environmental, social, and governance considerations. In March 2026, the NBU published an ESG glossary for the financial sector. A draft law aiming to align with the Market in Crypto- Assets Regulation (MiCA) remains to be adopted. On digital operational resilience, a regulation on the implementation of measures to ensure information security and cybersecurity by financial service providers was adopted by the NBU, laying the foundation for alignment with the EU Regulation on digital operational resilience for the financial sector (DORA). Rules on critical information infrastructure within the financial sector were also adopted by the NBU. Gaps remain regarding cross-sectoral testing, third-party ICT risk oversight and harmonised incident reporting.

Chapter 28 - Consumer and health protection

EU rules protect consumers' economic interests and in relation to product safety, dangerous imitations and liability for defective product. The EU also ensures high common standards for tobacco control, blood, tissues, cells and organs, and medicines for human and veterinary use. The EU also has rules for upholding patients' rights in cross-border healthcare, and in preparing for and responding to cross-border health threats including communicable diseases.

Consumer protection

On **product safety**-related issues, the Law on market surveillance and control of non-food products was adopted on 8 April 2026. The adoption of legislation aligned with the general product safety regulation is needed. Ukraine continued working towards gaining access to the European rapid alert system for dangerous consumer products (Safety Gate). On non-safety-related issues, there was no progress.

Public health

On **horizontal aspects**, progress continued in the health financing reform, including the programme of medical guarantees, increasing funding towards universal coverage and prioritising vulnerable population groups. Health governance needs strengthening. In 2025,

the approval of a strategy for healthcare system development until 2030 and relative action plan marked a step forward, but their implementation requires sustained political commitment and adequate resourcing.

On **e-Health**, Ukraine is at an early stage in developing a Health Information System strategy, with fragmented systems persisting, and alignment with the European Health Data Space remains constrained. The Public Health Information platform has a legal basis.

On **tobacco control,** Ukraine launched the 'eTobacco' electronic reporting system and took measures to address illicit trade, but gaps remain in supply chain control, due diligence obligations, enforcement capacity, and international cooperation mechanisms.

On **communicable diseases**, Ukraine strengthened **cross-border health threats** and public health emergency preparedness. Access to HIV, hepatitis, and tuberculosis prevention, testing, and treatment for people who use drugs is uneven and often inadequate. Immunisation now includes a vaccine against human papillomavirus. Ukraine has implemented a strategy and action plan to combat antimicrobial resistance.

On **tissues, cells, and organs,** there was no progress on alignment with the EU *acquis.* On **patients' rights in cross-border healthcare,** Ukraine should adopt legislation aligned with the EU *acquis*.

On **veterinary medicinal products** Ukraine adopted the Law on veterinary medicine and animal welfare, which has not been sent to the Commission for assessment of its alignment yet. Its implementation remains at an early stage, and most secondary legislation is lacking. This includes key elements such as good manufacturing practices' requirements for veterinary medicinal products, for which the current transition period in the above-mentioned law ends by 1st July 2027. On **medicines for human use**, Ukraine's Law on medicinal products partially aligns with the main provisions of the EU *acquis* but most secondary legislation is lacking, and additional administrative and enforcement capacity need to be put in place before the law's entry into force in 2027. Ukraine introduced measures to improve access to medicines and supply chains and established general requirements for planning, organisation, conduct and documentation of the results of clinical trials. On 4thJune 2026, Ukraine approved a resolution establishing the Ukrainian Pharmaceutical Agency, which will begin its operations on 1st January 2027. The selection process of its head is ongoing. Ukraine should ensure that the Agency has the necessary human and financial resources and operates effectively and according to integrity standards.

Ukraine has made significant progress on alignment with the EU *acquis* on **health technology assessment**.

On **cosmetic products,** Ukraine has achieved a high level of alignment with the EU *acquis*. On **medical devices**, there was no progress on alignment with the EU *acquis.*

On **mental health,** the National Commission on Mental Health was established. The Commission encourages Ukraine to use as reference the Commission Communication on a comprehensive approach to mental health (COM(2023) 298) adopted on 7 June 2023.

Ukraine introduced a national health screening programme for individuals aged 40 years and older, aimed at the early detection of **non-communicable diseases**, with a focus on cardiovascular diseases. The Commission encourages Ukraine to use as reference the Commission Communication on an EU cardiovascular health plan: the Safe Hearts Plan (COM(2025) 1024) adopted on 16 December 2025. On **cancer**, Ukraine approved the 2026-2028 Action Plan for the National Cancer Control Strategy until 2030. Cancer screenings exist for cervical, breast, and colorectal cancers.

On **nutrition and healthy lifestyles,** the 2026-2028 Action Plan sets practical measures ranging from prevention and awareness to early identification and treatment of alcohol dependence.

On **health inequalities**, all population groups are entitled to the same service packages under the programme of medical guarantees. In rural, hard to reach, and heavily war affected areas, however, inequalities persist in both accessibility and quality of health services. The most disadvantaged populations (including Roma, LGBTIQ persons, prisoners, and adult drug users) sometimes experience discrimination or stigmatisation but the situation is gradually improving. At the same time, vertical equity policies, such as preferential treatment and quotas, are being progressively introduced for a broader spectrum of vulnerable groups.

On **disabilities**, Ukraine adopted a new system for assessing a person's functioning in daily life and barrier-free principles for the provision of medical and rehabilitation services in healthcare facilities. The Commission encourages Ukraine to use the new EU guidelines on improving access to healthcare for people with disabilities: see at EU launches new guidelines to improve healthcare access for persons with disabilities - AccessibleEU.

The Ministry of Health is expected to adopt a new **anti-corruption** programme. The government introduced the requirement for health facilities to establish supervisory boards by 2027. Despite limited progress in the mitigation of corruption risks in market surveillance, progress was recorded in corruption repression, with several investigations in market surveillance authorities. Strengthening the governance transparency of the programme of medical guarantees through decision-making, clear institutional roles, and publicly accessible criteria for resource allocation, would constitute a structural anti-corruption measure with significant impact.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

This cluster covers: digital transformation and media (Chapter 10); taxation (Chapter 16); economic and monetary policy (Chapter 17); social policy and employment (Chapter 19); industrial policy (Chapter 20); science and research (Chapter 25); education and culture (Chapter 26); and customs union (Chapter 29).

Chapter 10 - Digital transformation and media

The EU supports the smooth functioning of the internal market for electronic communications, electronic commerce and audiovisual media services. The rules protect consumers and support the universal availability of modern services.

On **digital services**, Ukraine continued to expand and upgrade the Diia ecosystem. Diia.AI, the national AI assistant, was launched in late 2025 and continued to evolve during the reporting period. The Diia.Education platform continued to support digital literacy, with more than 2.9 million registered users by 2026. In December 2025, the Ministry of Digital Transformation upgraded the Diia app and portal to improve compliance with accessibility standards and ensure barrier-free access to digital public services. E-Apostille, e-Notary and other online legal services continued to be implemented, enabling citizens in Ukraine and abroad to carry out legal procedures online. A draft law on digital accessibility was registered in Parliament.

As regards digital services *acquis*, Ukraine has taken initial steps to establish the institutional framework and build capacity for implementing EU digital legislation. Ukraine needs to take further steps to build the societal and institutional capacity and to establish the legal basis to effectively support the enforcement of the Digital Services Act and the Digital Markets Act as of EU accession, in line with the considerations and requirements outlined at the 2026 TAIEX workshops. Ukraine should also continue to align with the European Interoperability Framework to make public services more efficient and better serve businesses and citizens.

On **electronic communications**, Ukraine joined the EU's Roam Like at Home area on 1 January 2026, following alignment with the EU roaming *acquis*. Ukraine launched consultation in May 2026 on a draft law to strengthen the independence of the National

Commission for the State Regulation of Electronic Communications, Radio Frequency Spectrum and Postal Services (NCEC). Ukraine also made progress in aligning with the EU *acquis* in the area of electronic communications infrastructure. Building on partial alignment with the Broadband Cost Reduction Directive (BCRD), Ukraine should continue aligning with the Gigabit Infrastructure Act (GIA) beyond provisions on the single information point, judicial remedies, access point and exemptions for certain types of civil works. Ukraine has not yet been able to fully implement acts related to the regulatory framework for radio spectrum policy**,** in particular the release of the 700 MHz band from TV broadcasting for mobile communications as a result of security constraints. The allocation of the 700 MHz band to mobile operators planned for 2026, should support the future deployment of 5G networks, including security requirements in line with the 5G Cybersecurity Toolbox.,

Ukraine continued to invest in digital solutions for the delivery of public services and promotion of governance transparency, with positive implications for corruption prevention and public budget savings. Platforms like Diia, Prozorro and DREAM facilitate service delivery, public procurement and reconstruction management and should be further enhanced to ensure end-to-end coverage.

Ukraine made some further progress on **open data usage**, maintaining more than 35 000 datasets on its open data portal. In September 2025, the government adopted a decision updating the list of datasets subject to publication as open data and identified datasets of high value, contributing to alignment with the Open Data Directive. Alignment with the EU *acquis*, including the Open Data Directive and Data Governance Act, remains partial and requires further legislative amendments.

On **digital trust**, Ukraine advanced in developing a digital identity wallet aligned with the EU Digital Identity Framework (eIDAS 2.0). The legal act on the functioning of the Integrated Electronic Identification System entered into force, reflecting the principles of the European Digital Identity Framework. The recognition of specific Ukrainian trust services as qualified under EU law is ongoing.

On **cybersecurity**, Ukraine continued to strengthen its legal framework and institutional capacity, supported by the cybersecurity strategy, updated legislation and the operational role of SSSCIP, CERT-UA and other relevant bodies. Further implementation of the EU *acquis* is needed to ensure full alignment with the NIS2 Directive.

Cooperation with ENISA and other EU cyber institutions advanced, strengthening Ukraine's cyber resilience in the context of Russia's ongoing war of aggression. In March 2026, Ukraine ratified the amendment to its Association Agreement to the EU Digital Europe Programme, enabling access to the EU Cybersecurity Reserve. Access to the EU Cybersecurity Reserve was granted by the Council on 15 June.

Regarding **5G security**, Ukraine adopted a Protocol of Intent between the responsible authorities, including an action plan to develop 5G security rules in line with the EU 5G Cybersecurity Toolbox, including the exclusion of high-risk suppliers, and committed to aligning with the 5G Cybersecurity Toolbox. During the reporting period, the draft legislative package that implements the EU 5G Cybersecurity Toolbox has not yet been adopted. The legislative framework should be in place before any commercial assignment of 5G spectrum rights. Meanwhile, 5G pilot projects were implemented in Kyiv, Lviv, Borodianka and Kharkiv. Ukraine should effectively address risks stemming from the use of high-risk suppliers in these pilots.

On **media**, Ukrainian legislation remains largely in line with the Audiovisual Media Services Directive but is only partially aligned with the European Media Freedom Act (EMFA). As for AVMSD, further alignment requires, among others, removing the requirement for state registration of the media regulator's legal acts, strengthening legal safeguards for the regulator's independence, and ensuring adequate financial and human resources. Moreover, while the current media restrictions imposed by martial law, including restricting the

transmission of programmes and audiovisual commercial content/communications, are still considered necessary to protect Ukraine's information space in the current security situation, they will need to be reassessed upon lifting of martial law to meet the requirements under the AVMSD.

As for EMFA, Ukraine should continue the legislative works needed to implement the Regulation and ensure compliance with its provisions.

A new legislation entered into force in January 2026 to strengthen certain guarantees for media and journalists and improve access to information. However, a number of draft laws to align with the EU media *acquis* remain pending, including the draft law aimed to implement the EMFA.

On **semiconductors**, Ukraine is not fully aligned with the Chips Act. No formal progress was recorded in the reporting period.

On **artificial Intelligence** (AI), Ukraine should develop the necessary legal, governance and enforcement structures in line with the EU AI Act. Ukraine has adopted the National AI Strategy 2030 and is preparing draft legislation on regulating AI.

In relation to the protection of minors online, a Safer Internet Centre is operating in Ukraine with co-funding received under the Digital Europe Programme.

Chapter 16 - Taxation

EU rules on taxation cover value added tax and excise duties and aspects of corporate taxation. They also cover cooperation between tax administrations, including the exchange of information to prevent tax evasion.

Ukraine continued further aligning the national legislation on **indirect taxation** with the EU *acquis*. The temporary VAT exemption for importing electric vehicles into Ukraine was removed in January 2026. In March 2026, the Ministry of Finance adopted an order clarifying the VAT treatment for software programmes aimed at ensuring compliance with Article 24 of the EU VAT Directive. Legislation removing the VAT exemption on low-valued imported parcels was adopted in September 2026. However, further steps are needed to align national VAT rules with the EU *acquis*. Alignment with EU excise duty rates on alcohol, tobacco and energy products is ongoing, notably with the gradual revision of rates on manufactured tobacco by 2028. Ukraine still needs to align its tax warehousing system for alcohol, tobacco and energy products with the EU *acquis*.

On **direct taxation,** there has been no reform of the personal income tax. Moreover, the corporate income tax is not yet fully in line with the EU *acquis*. The legislative work is ongoing to align the national tax corporate framework with the rules of the EU Anti-Tax Avoidance Directive.

On administrative cooperation and mutual assistance, secondary legislation implementing the OECD Common Reporting Standard 2.0, which modernises financial account reporting and brings it closer to the provisions of the EU Directive on Administrative Cooperation (DAC 8), was adopted in June 2026. The Law on certification of digital platform operators was adopted in June 2026, in line with the provisions of the DAC 7. The first exchange of tax information under the OECD country-by-country reporting standard corresponding to the DAC 4 requirements for the reporting year 2024 was carried out in June 2026. Ukraine has individual double taxation agreements in place with all EU Member States.

On **operational capacity and digitalisation,** the functionality of the State Tax Service's online information system was improved with connections to the VAT Information Exchange System (VIES) to verify the validity of VAT identification numbers for taxpayers registered in the EU. The State Tax Service has further modernised tax administration with the e-audit IT

solution – a digital, risk-based system replacing manual document checks with automated data analysis.

The State Tax Service adopted its Anti-Corruption Programme for 2026-2028. Internal **anti-corruption** controls resulted in 198 disciplinary sanctions, 17 criminal proceedings and 5 criminal charges. In the reporting period, four regional heads and senior officials of the State Tax Service were charged with bribery, kickbacks and abuse of office, while the acting head was dismissed amidst criminal investigations by anti-corruption authorities.

Chapter 17 - Economic and monetary policy

EU rules require the independence of central banks and prohibit them from directly financing the public sector. Member States coordinate their economic policies and are subject to fiscal, economic and financial surveillance.

In terms of **monetary policy**, the National Bank of Ukraine (NBU) has maintained its medium-term inflation-targeting framework, reintroduced in September 2024, while continuing a gradual liberalisation of foreign exchange restrictions – most recently in March 2026 – without triggering significant market volatility. Progress has been made in easing capital controls, including expanded dividend repatriation, relaxed settlement deadlines for key export sectors, and targeted exemptions for defence industry transfers. The NBU has avoided direct budget financing since 2023, although permitted under the martial law. However, further efforts are needed to fully comply with the monetary financing prohibition upon the lifting of martial law in Ukraine. In addition, full alignment with the EU *acquis* requires the adoption of measures to strengthen the independence of the NBU such as explicitly prioritising price stability as the primary objective, providing for safeguards against political interference and dismissal of the NBU Governor or board members and ensuring judicial review rights.

On **economic policy**, numerical fiscal rules have been continually suspended through the annual budget laws since the start of the Russia's war of aggression. Medium-term budget planning was reinstated in 2024, bringing it closer to the requirements of EU legislation on medium-term budget frameworks. The 2027–2029 Budget Declaration represented a further step in this direction. It included a policy baseline scenario setting out the trajectory of the main revenue and expenditure indicators under unchanged policies, as well as an active-policy scenario incorporating planned revenue and expenditure measures and explaining how the government intends to achieve its medium-term fiscal objectives. The Budget Declaration also quantified the gap between the fiscal balance under current policies and defined fiscal objectives agreed with the IMF, explained changes in macroeconomic assumptions and deviations between previous forecasts, and included explanations on how public investment projects were reflected in the medium-term fiscal projections. However, further steps are needed to ensure full alignment with EU standards. These include: (i) consolidating general government data in line with the European System of Accounts methodology; and (ii) preparing and publishing detailed medium-term projections *for both the baseline and active-policy scenarios covering the general government*. Ukraine has not yet established an independent fiscal institution, though initial preparatory steps have been taken. Martial law and security concerns continue to disrupt the collection of key macroeconomic and financial statistics, including those needed for the macroeconomic imbalance procedure, as well as budget reporting.

Chapter 19 - Social policy and employment

EU rules in the social field include minimum standards for labour law, equality, health and safety at work and non-discrimination. They also promote social inclusion and social protection, and social dialogue at EU level.

In the area of **labour law,** the Ukraine national labour legislative framework needs to be modernised and aligned with the EU *acquis*. A draft of the new labour code was submitted to

the Parliament in September 2026. Significant work is needed to further align the draft legislation with the relevant EU *acquis*.

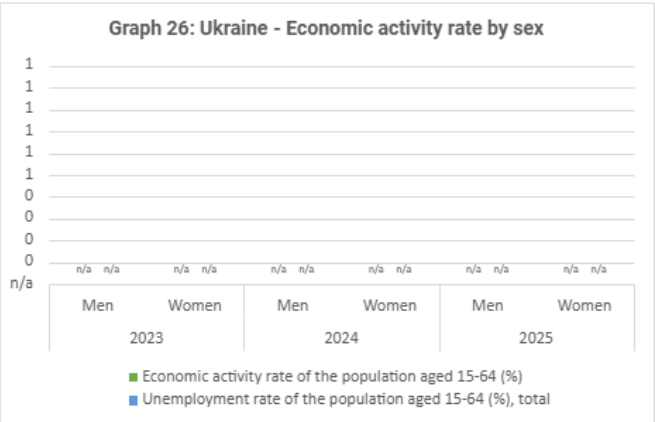
On occupational **health and safety at work (OSH)** the current national legal framework has yet to be aligned with the EU *acquis* and international standards. As a first step, Ukraine should adopt legislation to align with the OSH Framework Directive 89/391/EEC.

Labour inspection legislation is not yet aligned with international labour standards. The capacity of the State Labour Service is limited. Inspection visits for undeclared work increased from 112 in 2024 to 267 in 2025. Inspections on labour safety increased from 695 in 2024 to 1 215 in 2025.

On **social dialogue**, a new President of the National Tripartite Social and Economic Council (NTSEC) was appointed in May 2026 and a meeting of the Presidium of the NTSEC was held in March 2026. Trade unions reported a lack of meaningful consultations of social partners on draft labour and occupational health and safety legislation, stating this contradicts the MoU signed between the government and social partners in July 2025, which enshrined the signatories' shared commitment to advancing Ukraine's labour reforms and strengthening social dialogue, as part of Ukraine's accession process. An enabling environment for effective social dialogue needs to be ensured and capacities for both bipartite and tripartite social dialogue need to be strengthened.

On **employment policy**, the State Employment Service (SES) trained 93 000 people in 2025, a 26% increase from 2024. SES assisted 394 000 people to find employment in 2025, 19% more than 2024. In January 2026, a new Employment Strategy until 2030 was approved. In view of the implementation of the Youth Guarantee, the capacities of relevant actors, including the State Employment Service need reinforcing. Building on the State Employment Service's strong operational resilience, adaptability, and openness to change, further strengthening its strategic and performance management, evidence-based service design and analytical capacities would support the implementation of the Employment Strategy and the Youth Guarantee.

The national budget for **social inclusion and protection** in 2026 increased by 10%, but adequacy remains a barrier, especially for persons with disabilities and persons in vulnerable situations. Bylaws to operationalise the law on social services need to be adopted and integrated social services at community level should be developed. Basic principles of housing policy legislation were adopted in January 2026, marking a step forward for the adoption of the social housing fund legislation. A new Strategy on Internally Displaced Persons was adopted in June 2026 and the law on basic social assistance was adopted on 13 October 2026.



Implementation of the Strategy for ensuring the right of every child to grow up in a family environment moved steadily forward. While the number has been decreasing, further work is needed as the number of children in institutions remains high (23 524 in 2025) with a significant proportion being children with disabilities. Patronage and adoptions have increased. Most local authorities still lack the resources and capacity to sustain quality, community-based social services and alternative care options. The delivery of specialised training for professionals in childcare require strengthening, and the adequacy of skilled staff and professionalised social workforce needs enhancing. In this respect, Commission Notice - Guidance on independent living for persons with disabilities should be taken into account.

On 8 April 2026, Ukraine approved the Action Plan for the implementation of the European Child Guarantee until 2030.

In the field of **non-discrimination in employment and social policy**, alignment with EU legislation remains incomplete, including as regards the Employment Equality Directive and the Racial Equality Directive. A law amending legislation to ensure the right of persons with disabilities to employment came into effect in January 2026. Ukraine needs to adopt implementing bylaws and ensure that mechanism for reasonable accommodation becomes effective. Legislation on equal treatment in employment and occupation should further align with the EU *acquis*. Unemployment rates among Roma remain high and more targeted efforts are needed to improve employment opportunities. In February 2026, Ukraine adopted legislation strengthening mechanisms against gender discrimination and sexual harassment in the armed forces.

On **equality between women and men in employment and social policy**, legislation needs to further align with the EU *acquis*. Legislative amendments to support families with children and create conditions that facilitate the combination of parenthood and professional activity was adopted in November 2025. Ukraine adopted in May 2026 the 2026-2028 operational plan for the implementation of the National Strategy to Close the Gender Pay Gap for the period up to 2030. Women are still underrepresented in managerial positions in the civil service.

Over the reporting period, the agreement for Ukraine's participation in the Employment and Social Innovation (EaSI) Strand of the **European Social Fund + (ESF+)** entered into force.

Chapter 20 - Enterprise and industrial policy

EU industrial policy strengthens competitiveness, facilitates structural change and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs).

On **enterprise and industrial policy**, some progress was made with the implementation of the SME Strategy. As of 25 June 2026, 35 out of 86 implementation measures were self-declared completed, while 47 are in progress, and four are not yet due. The notable measures include a Government Resolution establishing a unified format for business plans submitted under state support programmes for SMEs. The design of a dedicated industrial strategy hasn't progressed to public consultation or adoption.

The Digital Innovation Development Strategy until 2030 started implementation phase focusing on the first three-year operational plan to integrate artificial intelligence and defence technologies into Ukraine's economy.

The Law on the Main Principles of State Oversight was adopted in April 2026. The Law establishes the legal and organisational framework for state inspections, and reduces the administrative burden on business entities, notably by introducing audits and insurance, and downsizing the number of inspections.

On enterprise and industrial policy instruments, the Diia.Business project, that is jointly implemented by the Ministry of Digital Transformation and the Entrepreneurship and Export Promotion Office, continued to strengthen the entrepreneurial infrastructure – from new digital instruments (six e-services, five educational programmes, six online courses) to greater access to markets (13 national stands, 680 export consultations and 150 export market studies in 2025).

On small and medium-sized enterprises, the Law on the national development institution, in place since January 2026, sets out operational models and a special mandate to improve access to finance for target groups, mainly MSMEs. In 2025, the 5-7-9% programme delivered over 30 000 loans to businesses. The largest volumes of credit funds were provided for businesses in high war-risk areas, for development of the processing industries and investment projects.

With regards to **the Late Payment** Directive, an analysis of the enforcement practices in the EU countries has been done with a view to develop the implementation concept for Ukraine.

On **sectoral policies**, the government has identified **critical raw materials** (CRMs) such as lithium, titanium, graphite and rare earths as a priority sector for economic development and integration into EU supply chains. In May 2026, the government endorsed the updated 2026-2027 Roadmap under the EU-Ukraine strategic partnership for CRMs, and in June 2026 Ukraine has approved a 20-year strategy to develop the CRM and value-added industries, alongside the adoption of the operational action plan through 2028.

Chapter 25 - Science and research

The EU provides significant support for research and innovation ecosystem. All Member States can participate in the EU's research and innovation programmes and benefit from them, especially where there is scientific excellence and solid investment in research and innovation.

In the area of **research and innovation**, Ukraine remains an Emerging Innovator, performing at 29% of the EU average in the European Innovation Scoreboard 2025, with the gap with the EU continuing to widen.

Expenditure on research and development remains low, at 0.39% of GDP in 2025.

Amendment to the Law on scientific and scientific-technical activity were adopted in March 2026 regarding research infrastructure and support for young scientists aiming to improve state support.

In February 2026, Ukraine conducted the first reading of the Law on Support and Development of Innovation Activities aimed at improving the regulatory framework, promoting cooperation between academia, research organisations and businesses, and facilitate the commercialisation of research results. An Action Plan 2026-2028 to implement the Strategy for the Development of Innovation Activity until 2030 was also developed. However, the innovation ecosystem needs strengthening, particularly in the areas of technology transfer, access to risk finance, support for deep-tech start-ups, and stronger links between science and industry.

On **EU framework programmes**, Ukrainian institutions and organsiation participate under 343 Horizon Europe projects, with 110 projects signed since September 2025, with EUR 33.45 millions net EU contribution awarded for Ukraine in the same period.. The increasing use of competitive funding schemes managed directly by the Ministry of Education and Science for institutions under its supervision raises questions about transparency, objectivity and potential conflicts of interest. At the same time, the role of the National Research Foundation of Ukraine (NRFU) as an independent funding body remains constrained by insufficient funding and inconsistencies in the legal framework applying to NRFU. To sustain the capacity to implement Horizon Europe, Ukraine needs to strengthen transparency and governance of its competitive research funding.

In December 2025, Ukraine adopted the European Research Area (ERA) roadmap for 2025-2027 and in March 2026, the Framework Agreement between Ukraine and the EU on scientific and technological cooperation was renewed.

On **Smart Specialisation**, nine regions have created and trained regional teams, and conducted the Entrepreneurial Discovery Process in selected regions in 2026. Smart Specialisation Strategies in these regions are expected to be completed and move into the implementation phase.

Ukraine should continue creating and developing the rest of regional teams in order to effectively extend the Smart Specialisation process, acknowledging Ukraine's specific situation, challenges, recovery needs and integration into EU economic and innovation ecosystems

Chapter 26 - Education and culture

The EU supports cooperation in education and culture through funding programmes and the coordination of Member State policy through the 'open method of coordination'. The EU and the Member States must also prevent discrimination and ensure quality education for children of migrant workers, including those from disadvantaged backgrounds.

On **education and training**, Ukraine continued to advance on reforms focusing on system resilience, recovery and alignment with EU best practices. Safe and equitable access to quality education remains challenging. Education management information systems were further developed, but gaps remain in the availability, quality and use of disaggregated education data.

On **preschool education**, implementation of the Law on Preschool Education continued. A new competence-based State Standard was adopted in December 2025.

On **school education**, Ukraine continued to implement the New Ukrainian School reform. An updated State Standard for Primary Education was adopted in December 2025. Inclusive education arrangements were updated as well to strengthen individualised support. The reform of specialised upper secondary education advanced with 150 academic lyceums selected to pilot the new model from September 2026, ahead of nationwide implementation in 2027. Ukraine participated d in the Programme for International Student Assessment (PISA) 2025 and prepared for the Teaching and Learning International Survey (TALIS+) 2026.

On **vocational education and training** (VET), governance reforms progressed with the approval of a model regulation and procedure for establishing supervisory boards in VET institutions, strengthening management and links with labour market needs. The qualifications system was strengthened, including further steps to reference the National Qualifications Framework to the European Qualifications Framework. Work-based learning continued to expand, including dual education. Ukraine remained engaged in the European Alliance for Apprenticeships (EafA) following its national commitment since 2025, demonstrating its commitment to improving youth and adult employment. More local stakeholders should be encouraged to join the Alliance through pledges, enabling them to exchange good practices and strengthen quality apprenticeships.

On **higher education**, the government updated the Strategy for the Development of Higher Education 2022-2032 and adopted its Operational Plan for 2025-2028 in December 2025. In August 2026, Parliament adopted legislation reforming the model of state financial support for higher education.

Ukraine continued implementing Bologna Process tools, and the National action plan on external quality assurance (2024-2026). A Law on Academic Integrity was adopted in December 2025. It An audit of academic councils for the award of academic degrees was undertaken and 76 academic integrity violations sanctioned.

Ukraine continued to benefit from the international dimension of the **Erasmus+** Programme. Preparations started for establishing a dedicated Erasmus+ national agency, with a view to participation in the next programme period.

On **youth**, the State Targeted Social Programme 'Youth of Ukraine: Generation of Resilience' (2026-2030) was adopted in January 2026.The National Youth Council commenced its work with a new composition in March 2026.

On **sports**, amendments to the Law on Physical Culture and Sport strengthened the legal framework for adaptive sport and sport for war veterans. The State Targeted Social Programme for the Development of Physical Culture and Sport until 2030 was adopted in December 2025. Ukraine continued taking part in the European Week of Sport.

On **culture**, Ukraine continued implementing the Strategy for the Development of Culture and its operational plan for 2025-2027. Further efforts are required to operationalise the plan's objectives, align them with the priorities of the local authorities. Ukraine continued full participation in the Creative Europe Programme.

Ukraine made progress in mitigating **corruption** risks, including by streamlining rules on leasing property of public education institutions, introducing mandatory conflict of interest checks in educational literature assessments, conducting institutional audits and increasing use of digital tools, such as DREAM, for funding and infrastructure investments.

Chapter 29 - Customs union

All EU Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity, and access to and interoperability with the EU electronic customs environment.

As regards **customs legislation**, a new draft Customs Code, intended to align national legislation with the EU *acquis*, was approved in first reading by the Verkhovna Rada on 19 August 2026. Novelties, in line with the EU *acquis*, relate to customs representation, authorisations, placing goods under a customs procedure, presentation of goods, temporary storage as well as customs control, including on post-clearance control. In addition, the new Code includes provisions on duty relief, implements part of the EU secondary legislation on customs and regulates the organisation of the State Customs Service (SCS).

There was progress in the implementation of the mid-term Plan of measures to achieve the objectives of customs reform within the framework of the National Revenue Strategy for 2024-2030. The use of the common transit procedure was further expanded. Ukraine continues to be an active Contracting Party of the Common Transit Convention and made good progress in updating the IT system to the latest New Computerised Transit System phase (NCTS phase 6 – opt-in).

The number of authorised economic operators (AEO) increased to 130 by August 2026 from 100 in the same period of 2025, with 7 AEO granted also AEO Security and Safety status. Further progress is required on the authorisation on Safety and Security for the mutual recognition of AEOs between the EU and Ukraine.

On **customs digitalisation**, the updated Strategic Plan for the Digital Development of the State Customs Service until 2030 was approved by the Ministry of Finance in July 2026. The technical specifications for the new Customs Clearance System were adopted to align with EU standards, including enhanced functionalities such as export and import systems. However, these technical specifications have yet to be implemented.

On **administrative capacity building**, good progress was registered in the reporting period. The new Head of SCS was appointed by the Cabinet of Ministers on 10 April 2026 based on a transparent and accountable competition with the engagement of international experts. Following the appointment of the new Head of the SCS, the re-attestation of the SCS personnel was launched in line with the provisions of the Customs Code. The procedure on re-attestation of staff is pending.

The SCS continued to develop competency-based human resource management.

Combating large-scale smuggling in Ukraine should be strengthened by operationalising and deepening cooperation between the Economic Security Bureau and the SCS.

Efforts to address corruption within the customs administration should be enhanced. The number of disciplinary actions against customs officers and of referrals to law enforcement decreased by nearly half, despite an increase by one third in the reporting of possible corruption offences. Most measures foreseen under the State Anti-Corruption Programme

2023-2025 were either fully or partially fulfilled, except those aimed at strengthening the SCS' Public Council and cooperation with businesses and civil society.

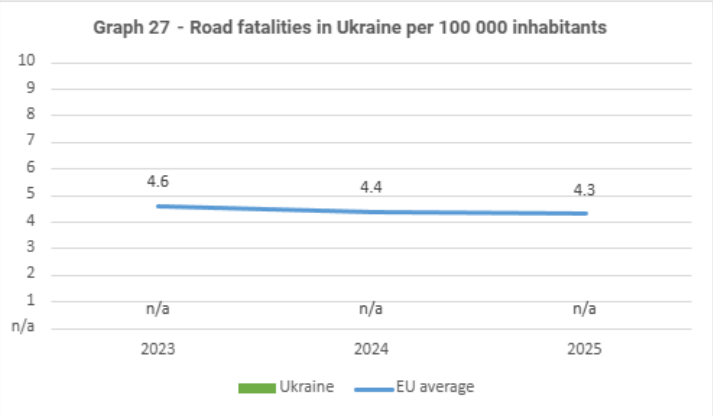
CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

This cluster covers: transport policy (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27).

Chapter 14 - Transport policy

The EU has common rules on technical and safety standards, security, social standards, State aid and market liberalisation in road transport, railways, inland waterways, multimodal transport, aviation and maritime transport.

In the **transport sector**, Ukraine continues to focus on the implementation of the national transport strategy until 2030 and the strategy for developing border infrastructure. Further progress is needed to decarbonise road, air and maritime transport by promoting greater use of alternative fuels and infrastructure and developing and implementing sustainable urban mobility plans (SUMPs). Ukraine is encouraged to strengthen its participation, as an observer, in the work of the Transport Community Treaty.



On **road transport**, while some steps towards alignment have taken place, the regulatory reforms need to continue aligning with the EU's social and market *acquis*. The Law on access to occupation of road transport operator and the secondary legislation to establish a national electronic register of road transport operators are being finalised. Alignment is gradually taking place on working time and rest period rules, including the mandatory equipment of G2V2 smart tachographs for newly registered vehicles. To ensure continued alignment with the EU *acquis*, regulatory reforms on road charging and tolling infrastructure, road safety, roadworthiness testing, weight and dimensions, transport of dangerous goods and intelligent transport system (ITS) should be advanced. Regarding roadworthiness testing, further work is needed to ensure the implementation of mandatory periodical roadworthiness inspection of all M and N category vehicles.

On **rail transport**, Ukraine adopted the Law on railway transport safety and interoperability, laying the foundation for further harmonisation with EU standards. To ensure effective implementation, the necessary legislative and institutional framework for a fully competitive rail market should be established. This requires adoption of the rail market law aligning with the EU *acquis* and introducing its key elements: functional separation of infrastructure management from provision of transport services, non-discriminatory and transparent access to the infrastructure, an independent infrastructure manager and an independent railway regulatory body. In addition, the creation of a framework for public service obligation (PSO) contracts, capitalising on the PSO pilot scheme for public procurement of long-distance domestic passenger rail transportation services, with approximately EUR 370 million allocated from the state budget for 2026. Additionally, independent national safety authority and accident investigation body should be established.

In **maritime transport,** harmonisation with the EU *acquis*, including safety and security standards, port state control and vessel traffic monitoring is needed. Although the Ukrainian flag has been removed from the blacklist of the Paris Memorandum of Understanding on

Port State Controlist, the structural weaknesses of the flag state administration remain, limiting the attractiveness of its flag registry. Work on establishing a vessel traffic monitoring and information system (VTIMS) is ongoing. Remaining barriers to ensure open and non-discriminatory maritime transport market should be removed, in line with its Deep and Comprehensive Free Trade Area (DCFTA) commitments.

The development and implementation of **inland waterway transport** regulations are ongoing, aiming to increase navigation safety and market functionality. Amendments to the river service regulations were adopted and the process for Union recognition of Ukrainian inland waterway crew certificates, and connection to the European Crew Database, is ongoing.

On **aviation**, the airspace remains closed but there is partial alignment with Union aviation safety and security rules. The first Joint Committee meeting under the EU-Ukraine Common Aviation Area Agreement was held. The establishment of an independent slot coordinator and a supervisory authority for airport charges remains outstanding. Regulatory efforts to further align the legislation with EU requirements related to air traffic management and air market operation are needed. Work on sustainable aviation fuels and the formal establishment of a task force for EASA certification of Ukrainian aeronautical products has not begun.

On **combined transport**, Ukraine has not yet aligned with the Union Combined Transport Directive. Further legislative alignment in passenger rights is needed across all transport modes as Ukraine's legislation is partially aligned with the EU *acquis*. Ukraine should in particular specify conditions regarding passengers' assistance in cases of cancelled or delayed flights, advance payments and accessibility of persons with disabilities and persons with reduced mobility.

On **corruption**, systematic efforts are required to accelerate the alignment of transport state-owned enterprises with OECD corporate governance standards, ensuring operational independence of supervisory boards and enhancing financial transparency, e.g. publication of road project data under the State Anti-Corruption Programme.

Chapter 15 - Energy

EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy, nuclear safety, radiation protection and nuclear safeguards.

In terms of **security of supply**, alignment with the risk preparedness Regulation in the electricity sector and gas security of supply Regulation is still pending. Commercial electricity export capacity from the EU to Ukraine was increased to up to 2.45 GW during the winter of 2025-2026. Together with 250 MW of emergency capacity, this helped balancing Ukraine's energy system over the winter. Ukraine's gas transmission system operator GTSOU increased firm capacity at all interconnection points, enabling increased gas imports. Alignment with Regulation 2024/1366 establishing a network code on sector-specific rules for cybersecurity aspects of cross-border electricity flows is still pending.

In the oil sector, Ukraine has established the legal and regulatory framework for its minimum emergency reserves system. The framework is broadly aligned with the requirements of Directive 2009/119/EC, with the main regulatory arrangements now in place. However, implementation of the framework has so far been affected by martial law.

As regards the **internal energy market**, in April 2026 Ukraine took a major step towards full market coupling with the EU by adopting primary legislation partially aligning with the Electricity Integration Package (EIP). Limited progress on the adoption of EIP-related secondary legislation is ongoing: the National Energy and Utilities Regulatory Commission (NEURC) has adopted a comprehensive plan and adopted three resolutions progressing on the implementation of the EIP. In August 2026, NEURC designated the nominated electricity

market operator (NEMO), in line with Ukraine Plan requirements. Day-ahead, intraday and balancing markets continue to operate under price caps. Since January 2026, NEURC reviewed single maximum price caps for certain electricity market segments several times. However, Ukraine needs to continue the gradual phase-out of wholesale electricity price caps in all market segments not to limit competitiveness and transparency in the market. In October 2025 and in April 2026, the government prolonged for half a year each, until 31 October 2026, the preferential end-user electricity tariff for households, which is not cost-reflective and has remained unchanged since June 2024. The Public Service Obligation mechanism remains incompliant with the EIP. NEURC continues the implementation of REMIT with improved monitoring and new investigations. In July 2026, NEURC resumed publication of key market-related information that improves transparency.

The debts in the balancing market remain high and require implementation of measures to prevent further accumulation. Tariffs are not cost-reflective and insufficient for investments and maintenance needed for energy and climate reforms. In the coming period, Ukraine needs to remove customs duties and quantitative restrictions on imports and exports of Network Energy with other parties, in line with Article 41 of the Energy Community Treaty. There is little progress to report on the gas market, where the public service obligation for gas-based electricity producers was lifted. Reforms including ensuring compliant unbundling of gas distribution system operators, the gradual phase out of public service obligations and lifting the export ban on natural gas remain an important priority for Ukraine. Work on the gradual liberalisation of energy markets and establishing a financing mechanism for vulnerable customers' needs to accelerate.

In the area of **renewable energy**, Parliament adopted legislation in February 2026, addressing shortcomings in Ukraine's renewable energy support auction schemes after weak participation in early pilot rounds. Work on separating the renewable energy surcharge from the transmission tariff progressed, albeit slowly

Adoption of the legislation introducing simplified permitting procedures for renewable energy investments is a positive step towards alignment with RED II and RED III Directives. Alignment with EU sustainability and greenhouse gas emission criteria for biofuels, bioliquids and biomass remains incomplete.

On **energy efficiency,** some steps were taken to further align with the EU's Energy Efficiency (EED) and Energy Performance of Buildings (EPBD) Directives, although capacity constraints remain. Regarding the EE Directive, in October 2025 Ukraine introduced a national target for annual consumption reduction targets as well as energy consumption reduction targets for central government buildings. In July 2026, Ukraine adopted a law providing incentives for district heating and high-efficiency cogeneration and renewable heat sources co-generation, addressing a pre-identified gap in this area. However, several elements of the framework require strengthening, such as the implementation of mandatory energy efficiency criteria in public procurement, establishing a legal framework for applying the 'energy efficiency first' principle and embedding it in recovery efforts, strengthening monitoring systems and enforcing high energy efficiency standards. Regarding the EPBD Directive, requirements for nearly-zero energy buildings and a 2026 national plan to improve energy performance of central government buildings were adopted. Additional work is required to implement the 2024 EPBD. As regards the EU Ecodesign Directive, in February 2026, Ukraine adopted a regulation on establishing ecodesign requirements for servers and data storage products, aligned with EU Regulation 2019/424 and applicable from August 2026.

On **governance**, in November 2025 Operation Midas exposed an alleged large-scale embezzlement and money laundering scheme within Energoatom's public procurement, implicating top officials, including the then-energy minister. The government responded by overhauling governance in key energy SOEs, revising their charters, restructuring supervisory boards with majority-independent members appointed via competitive selection

and eliminating qualified majority voting requirements. A model charter was also introduced, while the State Enterprise Guaranteed Buyer was converted into a joint-stock company with updated governance rules. Further corruption risks surfaced in January 2026, when an insider-trading probe was launched on an Energoatom electricity auction. To address systemic vulnerabilities, Ukraine must intensify anti-corruption efforts in the energy sector, embedding targeted measures in the 2026-2030 state anti-corruption strategy. Political influence over the management of energy SOEs should continue to be tackled through effective separation of their management from policymaking. Some progress in this area was achieved with the approval of new charters for both TSOs and key SOEs. However, the independence of the energy regulator NEURC needs to be ensured and related legislative amendments are yet to be adopted. The last two rotations in the position of NEURC Chairman executed within a 16-day period in August 2026, though formally compliant, raise questions about circumvention of legal restrictions on consecutive Chairmanship terms.

Based on an inclusive consultation process, in June 2026 Ukraine adopted an update of its National Energy and Climate Plan (NECP). It extends the sectoral coverage, adds new measures, such as on sustainability criteria for biofuels and renewables uptake in the heating and cooling sector, and sets a more ambitious energy efficiency target. Adoption of a resolution on the monitoring of the implementation of the NECP is pending.

On **nuclear energy**, nuclear safety, radioactive waste, fuel management and radiation protection, only minor progress was made on alignment with the Euratom *acquis* and on regulatory capacities. Progress is ongoing to ensure Ukraine's participation in the ECURIE system. The Supervisory Board of Energoatom was completed, and the selection of a new management board is ongoing. On nuclear safeguards, the existing systems of accountancy and control of nuclear materials in Ukraine still need to be adapted to accommodate for the safeguards provisions of the Euratom Treaty.

Chapter 21 - Trans-European networks

The EU promotes Trans-European networks (TENs) in the areas of transport, telecommunications and energy to strengthen the internal market and contribute to growth and employment.

On the **trans-European transport network (TEN-T)**, Ukraine has not yet fully aligned with the new TEN-T Guidelines and the Streamlining Directive. Despite infrastructure progress, the legal and institutional frameworks remain in the alignment phase.

To enhance connectivity and regional resilience, Ukraine secured EUR 73.5 million under the 2024 Connecting Europe Facility (CEF) Transport call for the 80 km Mostyska–Sknyliv (Lviv) project, making the first large-scale extension of EU standard gauge rail (1 435 mm) into western Ukraine. Electrification of the Chop–Uzhhorod rail section is in the final stages. A few CEF rail projects connecting Ukraine with EU Member States (Poland, Slovakia, Hungary, Romania) have already been implemented. The country started unlocking the potential of public-private partnerships (PPPs) for TEN-T infrastructure through the launch of the Chornomorsk port concession.

Ukraine should synchronise transport infrastructure planning and implementation with neighbouring countries, in line with the new TEN-T Regulation, prioritise upgrades of transport infrastructure at border crossing points and access routes and accelerate realisation of the key road and rail projects. Ensuring the accessibility of transport infrastructure, particularly for persons with disabilities or reduced mobility, should be addressed. Ukraine should also secure national funding to complement the co-financing offered through the CEF and ensure the timely implementation of its CEF funded projects. In this context, Ukraine is encouraged to participate proactively in the corridor forums in relation to the implementation of the EU Transport Corridors (ETC).

In TEN-T alignment, the pending legislative definition of network sections hinders technical standards like the European Rail Traffic Management System (ERTMS), alternative fuels infrastructure and intelligent transport systems (ITS). The adoption of the act defining an exhaustive list of road, railway, port and airport sections forming part of the network should be prioritised and duly reflected in the single project pipeline (SPP) and the 2030 national transport strategy operational action plan. Continued efforts are needed to develop sustainable urban mobility plans (SUMPs) for cities with a population over 50 000, in line with the requirements for Union urban nodes.

Ukraine needs to strengthen project management capacity, operationalise the one-stop-shop permitting procedure and fully integrate TEN-T criteria into public investment management (PIM) evaluations. Strengthening road asset management and re-establishing the Road Fund are urgent to address maintenance gaps and ensure network sustainability.

As regards the **trans-European energy network (TEN-E),** Ukraine needs to align with the revised TEN-E Regulation by adopting the Law of Ukraine on infrastructure projects of public interest in the energy sector (Draft Law No. 13450), tabled in July 2025 and still pending adoption. Projects of mutual interest (PMIs) with Slovakia and Romania are advancing to provide electricity interconnections and enhance import/export potential. Discussions with Moldova on a new Project of Energy Community Interest (PECI) are ongoing to develop a 330 kV transmission line linking Bălți in Moldova with the Dnestrovsk hydropower plant in Ukraine. On natural gas network, physical upgrades of infrastructure in Bulgaria as well as removal of regulatory and administrative barriers increased the transmission capacity of the Trans-Balkan pipeline in the south-to-north direction of 4.2 bcm per year. Ukraine is at an early phase of development of hydrogen projects, including the Central European Hydrogen Corridor with Slovakia, Czechia, and Germany.

Chapter 27 - Environment and climate change

The EU promotes strong climate action, sustainable development and protection of the environment. EU rules contain provisions addressing horizontal environmental issues, climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection.

Continued efforts are needed to fully align with the EU environmental and climate *acquis* and gradually put in place a sound mid-term budgetary framework related to its implementation, including costed financing plans for priority environmental and climate investments. The administrative capacity remains weakened with scattered competencies. This has been further impacted by the merger of the Ministry of Environment into the Ministry of Economy. Workload linked to the EU *acquis* alignment, together with funding constraints and deprioritisation of environmental issues lead to delayed adoption of legislation and affect implementation. While digitalisation in the environmental and climate sector is progressing, further efforts are required to improve enforcement, prevent corruption, and ensure accountability, particularly by enhancing, monitoring and data collection, governance structures and environmental compliance assurance.

Environment

Ukraine's **horizontal environmental legislation** remains only partially aligned with the EU *acquis*. Continued efforts are needed to ensure full application of environmental impact assessment (EIA) and strategic environmental assessment (SEA) across all relevant plans and projects. Efforts to simplify administrative processes should avoid general exemptions and exclusions of entire project categories and safeguard the EU *acquis* requirements such as public consultation, assessment of the overall effects of a project, and avoidance of project splitting.

In June 2026, Ukraine joined the European Environment Agency (EEA) and its European Environmental Information and Observation Network (Eionet) as a cooperating country. In September 2025, the government launched a pilot project introducing a new preventive

approach in environmental control and in April 2026 adopted a revised version of a horizontal law on state surveillance. A primary legislation on environmental control, aligned with the Environmental Control Reform Strategy, still needs to be adopted. Corruption risks remain high, notably in land use, extraction of minerals, forestry, waste management permits and tenders for concessions, while enforcement remains weak. Some progress was made in the deployment of digital tools to enhance the transparency of timber felling and exports. Over 4 900 cases of illegal logging were recorded yet only a small part of the proceeds was recovered in court.

Air quality legislation remains partially aligned with the EU *acquis*. Full compliance requires further steps, including national emission ceilings, monitoring of volatile organic compounds emissions, better sulphur content monitoring, and improvements in air quality data collection. Six new indicative ambient air quality monitoring stations were installed in 2026.

On **waste management,** legislation remains partially aligned with the EU *acquis*. In September 2026, Ukraine adopted a Circular Economy Strategy and its Action Plan By August 2026, 17 regional waste management plans out of 24 have been approved. In February 2026, a procedure for achieving target indicators for the preparation of construction and demolition waste for reuse, recycling and other material recovery was adopted. Overall, implementation and enforcement remain limited and will require an adequate framework and infrastructure on national and regional level to align with the Waste Framework Directive and other sectoral legislation on waste management.

On **water quality,** legislation remains partially aligned. Implementation of the Water Framework Directive and the Urban Wastewater Treatment Directive continued. Despite security risks, surface water monitoring continued, and in January 2026 the annual state water monitoring programme was adopted. In December 2025, the operational plan for implementing the water strategy for 2025-2027 as well as the state targeted environmental programme for the technical modernisation of municipal sewage and wastewater treatment companies until 2034 were adopted. In June 2026, resolutions amending the procedure for state water monitoring and the special water use permitting system were also adopted. The government continued to promote the river basin management plans at national and local level, but implementation remains challenging. Weak administrative capacity, limited funding, and incomplete alignment with the EU *acquis*, notably on nitrates, drinking water and wastewater, hampered progress. Ukraine should speed up alignment with the Nitrates Directive, inter alia, to meet its commitment to implement certain EU production standards by the end of 2028, as committed under the Deep and Comprehensive Free Trade Area (DCFTA). Measures to ensure cost recovery while safeguarding access to water and sanitation rights are still needed.

On **nature protection,** alignment with the EU *acquis* remains at an early stage**,** with the Biodiversity Strategy until 2035 and an Action Plan for 2026-2028 adopted in June 2026 as a policy cornerstone in this area. In November 2025, Ukraine also took steps towards alignment with the EU legislation on deforestation through the adoption of a pilot project resolution on timber exports. In January 2026, the procedure for establishing criteria for classifying invasive alien species was adopted. Ukraine submitted its country reports under the Nagoya and Cartagena Protocols on time. Further alignment is needed on the *acquis* related to the protection of species and habitats, deforestation, zoos, and genetic resources. Concerns also persist over construction projects, affecting protected areas and areas not yet designated for protection, reflecting limited alignment with the EU nature protection *acquis*.

On **industrial pollution and risk management,** alignment of legislation remains partial. Between September 2025 and March 2026, a set of implementing acts for the operationalisation of the Law on industrial pollution was adopted. In March 2026, a targeted programme to support enterprises implementing best available techniques (BATs) was approved. Ukraine continued working on the integrated environmental permitting system. Alignment with the EU Industrial Emissions Directive still requires additional secondary

legislation and proper implementation to meet the 2028 alignment target in the revised DCFTA.

Chemical safety legislation is partially aligned. During the reporting period, Ukraine reinforced its cooperation with the European Chemicals Agency. As part of a wider approach to hazardous waste management, Ukraine needs to implement asbestos management rules, set up certified laboratories, and create a registry of landfills licensed to handle asbestos. In the area of biocides, Ukraine needs to align its legislation with the EU *acquis* and strengthen its capacity for inspection and enforcement.

Ukraine is at early stage of alignment with the EU *acquis* on **noise**.

On **civil protection**, Ukraine is an active participant in the Union Civil Protection Mechanism (UCPM) and contributes to the European Civil Protection Pool (ECPP). It has offered 11 capacities, with two already certified under the UCPM. In 2026, Ukraine made its first UCPM deployment by providing a large wildfire-fighting module to France. It has also registered its first aerial assets in the Common Emergency, Communication and Information System (CECIS) and began their ECPP certification.

In October 2025, Ukraine adopted zoning of territories according to emergency risks linked to high-risk facilities and dangerous geological, hydrological, and meteorological phenomena and processes. In 2025, Ukraine gained access to the Trans European Services for Telematics between Administrations (TESTA) network, a key step towards the CECIS access for the State Emergency Service (SESU), which is still pending.

Ukraine needs to expand UCPM-trained staff, notably English-speaking Incident Commanders and Host Nation Support officers, and increase participation in UCPM exercises and the Knowledge Network. Further work is needed to strengthen the legislative and operational framework for prevention, preparedness, Host Nation Support, interinstitutional coordination, and cross-border cooperation under the UCPM. Ukraine must submit a Disaster Risk Management Summary Report by 31 December 2026, and every three years thereafter.

Climate change

Ukraine made some progress on **climate change** during the reporting period**.** In October 2025, Ukraine submitted its first biennial transparency report to the United Nations Framework Convention on Climate Change (UNFCCC) and adopted its Nationally Determined Contribution (NDC) under the Paris Agreement for the period up to 2035, including a target to reduce emissions by more than 65% compared to 1990 levels. This leaves room for a substantial increase in emissions compared to 2024. In April 2026 Ukraine submitted to the UNFCCC Secretariat the National Inventory Document (NID) on greenhouse gas emissions and removals together with the relevant Common Reporting Tables (CRTs), in accordance with the requirements of the Enhanced Transparency Framework (ETF) of the Paris Agreement. Moreover, in June 2026, Ukraine adopted a new Long-Term Low Emission Development Strategy factoring in the objective of reaching climate-neutrality by 2050 and a resolution on the implementation of Article 6 of the Paris Agreement, providing for the establishment of the National Carbon Registry.

In January 2026, Ukraine adopted the resolution establishing a Scientific and Expert Council on Climate Change and Ozone Layer Preservation. On carbon pricing, work is ongoing to extend the scope of Ukraine's system for monitoring, reporting, verification of greenhouse gas emissions at installation level and accreditation of verifiers (MRVA) to additional ETS sectors, including aviation and shipping, and on developing legislation for a national Emission Trading System (ETS), now under consideration of the Rada. Further efforts to align with road transport and buildings (ETS2 sectors) are needed, as well as to ensure that data is collected at the appropriate level. In March 2026, Parliament rejected the draft law ratifying the Kigali Amendment to the Montreal Protocol and alignment with EU standards on fluorinated gases and ozone-depleting substances remains incomplete. At the same time,

some progress was made on consumer information of vehicle emissions, as amendments adopted in September 2025 require sellers of new passenger cars to provide standardised information on fuel consumption and CO_2 emissions by June 2026.

An updated NECP, covering additional sectors, including agriculture, forestry and land use, was approved by the government in June 2026. The procedure for monitoring and evaluating the implementation of state climate policy, including the NECP, has not yet been adopted.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

This cluster covers: agriculture and rural development (Chapter 11); food safety, veterinary and phytosanitary policy (Chapter 12); fisheries and aquaculture (Chapter 13); regional policy and coordination of structural instruments (Chapter 22); and financial and budgetary provisions (Chapter 33).

Chapter 11 - Agriculture and rural development

The EU's common agricultural policy supports farmers and contributes to ensuring Europe's food security. It helps tackle climate change and the sustainable management of natural resources; preserves rural areas and landscapes; and supports the rural economy by promoting jobs in farming, agri-food industries and related sectors. This requires robust management and control systems. There are also common EU rules for marketing standards, quality policy and organic farming.

On **horizontal issues,** the framework law on agricultural support was adopted, which provides the legal basis for the paying agency, the integrated administration and control system (IACS) and the farm sustainability data network (FSDN). The Farmers Support Fund (a designated paying agency) needs to increase its capacity and become operational to prepare for the administration of the common agricultural policy (CAP) as of the date of accession. Further work is needed to develop an operational agricultural knowledge and innovation system. The advisory services need to be strengthened.

Ukraine reported that in 2025 public support to agricultural producers was provided through SAR, the main support and data management structure, except for the additional payment to family farms towards state social insurance, managed by the State Tax Service of Ukraine. SAR was merged into the responsible Ministry in February 2026. Ukraine should continue developing the IACS, including the land parcel identification system (LPIS), and ensure interoperability of its components. On FSDN, pilots in Poltava and Zhytomyr continued. Activities were also expanded to Lviv, and a liaison unit has been established.

On **agricultural markets – common market organisation** (CMO), legislative alignment notably on wine and spirits, hops and marketing standards continued. Vineyard and winery registers remain to be developed. The legal framework for producer organisations is still under preparation.

On **rural development**, support scheme priorities are set out in the 2030 strategy and its operational plan. The current support system remains a mix of area-based and livestock-related measures, schemes for affected areas, demining support, subsidised finance and grants, and machine procurement compensation. Decoupling and conditionality should be introduced to strengthen compliance with the CAP. The LEADER approach should be further developed, translating existing innovation groups into concrete delivery arrangements for rural development.

On **quality policy**, the legal framework for geographical indications is broadly in place and implementation is progressing, with certification bodies being developed and accreditation work underway. Capacity for certification and official controls needs to be strengthened.

On **organic farming**, legislative alignment, monitoring and control need further development. A law to align with the EU *acquis* on organic production and labelling was adopted in June 2026.

On the **fight against corruption**, the Ukrainian authorities are obliged to prevent, detect and report irregularities. Public support to the sector requires strengthened financial management, monitoring and control including through digital tools, including the State Agrarian Register (SAR). The land bank has improved leasing procedures of state agricultural land. Enforcement authorities halted large-scale grain misappropriation schemes. Ukraine should avoid re-introducing corruption-prone free-of-charge privatisation schemes of agricultural land.

Chapter 12 - Food safety, veterinary and phytosanitary policy

The EU food safety acquis, including hygiene rules for foodstuff production, ensures a high level of food and feed safety, and a high level of protection of consumer interests. Animal health and welfare are safeguarded, together with plant health, the quality of seeds, plant reproductive material, animal nutrition and the use of plant protection products.

On **general food safety**, the State Service on Food Safety and Consumer Protection (SSUFSCP) continued its functional reform process. Ukraine continued implementing its food safety framework. Effective implementation continues to be constrained by limited institutional capacity, including laboratories, qualified personnel and functioning state registers. Ukraine continued the digitalisation of food safety-related processes, including tools supporting traceability, certification and official controls. Current limitations to official controls under martial law continued hampering the effective implementation of food safety, veterinary and phytosanitary legislation. Ukraine should resume risk-based controls systematically, based on the transparency system, and enable the full implementation of official controls, in line with its commitment under the revised DCFTA. Ukraine should also step up efforts to reduce corruption risks in the sector, which remain high.

On **veterinary policy**, animal health legislation is not yet aligned with the EU *acquis* and key enforcement arrangements, registers and IT systems are not yet fully operational. The amended Law on veterinary medicine and animal welfare entered into force in March 2026. The system for animal disease control remains to be fully aligned with the *acquis* and vaccination to be stepped up, in particular against rabies.

On animal welfare, further progress was made through the entry into force of legislation on the welfare of animals on farm and at the time of slaughter, the preparation of legislation on the welfare of animals during transport, the ongoing implementation of Ukraine's animal welfare roadmap for 2025-2027 and the inclusion of relevant measures in the livestock development programme until 2033. In particular, Order 224, adopted in 2021, has entered into force in January 2026, thus legally banning the use of barred cages for laying hens in Ukraine, among other alignments with EU legislation. Effective implementation however remains at an early stage. Official controls are not fully operational, and key implementation tools are not yet in place, including training systems, certificates of competence, registries, checklists and standard operating procedures.

Use of the EU trade control and expert system (TRACES) improved countrywide, with over 38 000 certificates issued since September 2025 until 31 August 2026, for 32 commodities.

On the **placing on the market of food, feed and animal by-products**, implementing legislation was adopted, including amendments to hygienic requirements for the production and circulation of food products of animal origin and requirements for traceability of animal by-products. Progress was made in strengthening risk management; however, official controls remain only partially aligned with the EU *acquis*. An EU compliant system of collection, storage and processing of animal by-products is not yet in place in the country.

On **food safety rules and specific rules for feed,** new implementing legislation provided for progress in sampling and laboratory analysis of food, traceability of animal by-products and the operation of facilities. As regards specific rules for feed, the amended Law on veterinary medicine and animal welfare includes rules for medicated feed.

On **phytosanitary policy**, Ukraine advanced towards alignment with EU legislation through the adoption of a new law on plant health, entering into force in January 2028. Initial implementation steps were made with the review of inspection procedures, creation of a professional operator registration system, update of training requirements, and the fully operational electronic phytosanitary certificates (e-Phyto) exchange system. Official use of the e-Phyto system began in February 2025 and over 240 000 e-Phyto certificates have since been transmitted, with more than 180 000 to the EU via TRACES. On 1 November 2025, Ukraine fully transitioned to e-Phyto for exports to the EU, discontinuing paper certificates. On the marketing of seed and other plant reproductive material, the country should first focus on fully aligning with the EU *acquis* on the rules on plant (PRM) and forest reproductive material (FRM). In addition, Ukraine must establish the necessary institutional frameworks, governance structures, and technical capacities to set up, implement and enforce fully functioning certification systems for PRM and FRM.

In the area of **genetically modified organisms (GMOs)**, Ukraine has advanced in developing acts and preparatory measures to implement and enforce the primary GMO law, which entered into force in September 2026. Further work is needed to ensure sufficient readiness for its implementation and enforcement.

Chapter 13 - Fisheries and aquaculture

The Common Fisheries Policy (CFP) lays down rules on fisheries management, protects marine biological resources and limits the environmental impact of fisheries. It also covers control and inspection, market policy, aquaculture and support measures.

Ukraine adopted the framework act for the functioning of the e-Fish system in September 2025 and an operational plan for implementation of the fisheries sector strategy in March 2026.

On fisheries management, Ukraine continued to digitalise administrative procedures through e-Fish, which improved transparency and reduced the administrative burden. The system still requires further development to support EU-aligned traceability, data collection, control and inspection. Priority modules, including related to traceability documents, catch certificates, fisheries data collection and state control, are still to be developed, and financing for the remaining modules has not yet been secured. Further progress on **resource and fleet management,** including data collection, licensing, control and balancing fishing capacity with available resources, depends on the adoption of the draft law aligning the fisheries sector with the EU *acquis*.

There was no significant development in the area of **inspection and control**. The Law on traceability of aquatic biological resources and derived products has been adopted, but its effective implementation depends on implementing legislation and the corresponding roll-out of IT solutions in e-Fish. The lack of a fully effective inspection and control system continues to hamper the fight against illegal, unreported and unregulated fishing. While equipment for scientific monitoring and fisheries management was provided, administrative, inspection and control capacity still needs to be strengthened, in view of full compliance with CFP requirements.

On **market policy**, further efforts are needed to align with the *acquis* on marketing standards, labelling, price reporting and market monitoring. On data collection and scientific advice, the legal framework remains incomplete pending adoption of a draft law, which would introduce fisheries data collection plans and a national correspondent.

On **aquaculture**, further efforts are needed to align the legal framework on alien and locally absent species and to finalise and implement the strategic planning framework for aquaculture. The operational plan adopted in March 2026 sets out measures relevant to aquaculture development, including data collection and support for modern production methods, but additional legislative alignment is still required.

On **international agreements**, Ukraine continued to participate in the work of the General Fisheries Commission for the Mediterranean (GFCM) and became a full member in November 2025. However, reporting gaps remained, notably due to the suspension of Black Sea fisheries activities and limitations in socio-economic and landings data. Further alignment is needed on external fisheries, including an authorisation regime for vessels operating outside Ukrainian waters, and on the implementation of GFCM recommendations.

No progress was made on **structural actions**, **State aid** and **maritime spatial planning** during the reporting period.

Chapter 22 - Regional policy and coordination of structural instruments

Regional policy is the EU's main tool for reducing regional disparities and investing in sustainable and inclusive socio-economic growth. It is operating through 'shared management' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative capacity on programme and project level, the establishment of systems of sound financial management and control and also the fulfilment of other EU acquis elements such as environmental or public procurement legislation.

The reorganisation of the Ministry for Development of Communities and Territories into the Ministry for Communities, Territories and Internally Displaced Persons and Ministry for Recovery, Infrastructure and Transport has impacted reform progress and continuity of previously proposed commitments. Chapter 22 relevant reform actions should be undertaken urgently after the new Ministry is operational.

On the **legislative framework**, Ukraine adopted a resolution in November 2025 on regional development strategies and criteria for identifying functional types of territories, which still needs to be aligned with the NUTS classification. The 2025 Concept of the National Strategic Planning System aims to strengthen links between long-term, sectoral and regional planning. The Law on the principles of state regional policy still needs to be fully implemented by clarifying the content and structure of local strategic planning documents, facilitating their digitalisation, and linking them to adequate financial resources; strengthen the capacities of regional and local administrations on project development. The 2025 implementation report of the State Regional Development Strategy (SRDS) 2021-2027 and its action plan have been published, however the evaluation of gaps and challenges should be improved. The SRDS Action Plan 2025-2027 was updated to reflect new definition of macro-regions and functional territories, and preparations for drafting the SRDS 2028-2034 have started. The adopted 2026 and 2027 State Fund for Regional Development (SFRD) Regulations indicate limited progress in operationalizing regional development financing and strengthening links between strategic planning and public investment management. Further improvements are needed for a robust SFRD framework, financial allocation methodology and implementing arrangements. A digitalised SFRD system is yet to be fully established. Further efforts are needed for the SFRD alignment with EU cohesion policy principles, ensure transparent project selection, stable multiannual orientation and stronger links between funding decisions and strategic priorities.

In terms of the **institutional framework**, preparation for the cohesion policy programming architecture should begin, including the provisional designation of managing authorities, intermediate bodies where appropriate, and audit authorities. The capacity of the new Ministry for Communities, Territories and Internally Displaced Persons should be strengthened to coordinate regional policy across sectors and levels of government. The

involvement of regional and local authorities, civil society and other relevant stakeholders in the preparation and monitoring of regional policy remains limited. Consultation mechanisms remain uneven and often insufficiently institutionalised. The reactivated Interagency Coordination Commission on regional development should become fully operational and ensure regular stakeholder involvement, and coordination between the central and subnational governance level stakeholders. Further efforts are needed to clarify the mandate and optimise the structure of the State Agency for Restoration and Infrastructure Development within the public investment management system, supported by predictable medium-term funding model to enable effective project prioritisation and long-term planning.

On **administrative capacity**, efforts are needed to invest in staff retention through appropriate remuneration, career development, and continuous training opportunities related to the management, monitoring, evaluation, communication, and control of EU funds including for public procurement. The restructuring of the Ministry into two administrative bodies has created additional challenges for the limited administrative resources and the need for additional coordination between both bodies. No targeted actions to train and retain staff have been identified neither at national nor sub-national levels.

On **programming**, limited progress was made in establishing a regional policy management system during the reporting period, with the main advances achieved in territorial cooperation programmes with Member States. A strategic planning document for cohesion policy is still needed to identify development needs, define priorities, objectives and expected results, and set out national and, where appropriate, regional programmes. Gaps remain between national, regional and local planning documents, and weak alignment between reconstruction needs, territorial development objectives and sectoral priorities. Programming remains insufficiently integrated and not yet fully based on a coherent medium-term investment logic. The development of each programme should be supported by a project portfolio making use of the full range of cohesion policy instruments, including investment projects, financial instruments and territorial development tools. Ukraine continues to participate in Interreg cooperation programmes, and the EU Strategy for the Danube Region.

On **monitoring and evaluation**, a monitoring and evaluation framework aligned with EU requirements should be established for future cohesion policy programmes, in line with the partnership principle. This framework should support the systematic assessment of progress towards programme objectives and expected results and ensure the effective involvement of relevant national, regional and local stakeholders throughout the programme cycle.

On **financial management, control and audit**, Ukraine has made some progress through amendments to state financial control legislation and improvements in internal control. However, the effectiveness of the Public Internal Financial Control system remains limited by fragmented implementation, uneven administrative capacity and weak coordination, including at local level. Further efforts are required to strengthen risk-based management, improve internal audit quality and ensure the effective functioning of audit bodies. Separate accounting and reporting arrangements for EU funds should be established to provide reliable audit trails and financial transparency.

On the **fight against corruption**, practical impact of anti-corruption programmes adopted at sub-national level remains limited, while the effectiveness of control systems continues to be uneven, particularly at the local level due to capacity and resources. Nevertheless, several integrity tools were piloted, including procurement integrity procedures, integrity plans and internal audits at municipalities. The functionality of the public investment management system DREAM as a transparency and anti-corruption tool should be further enhanced.

Chapter 33 - Financial and budgetary provisions

This chapter covers the rules governing the funding of the EU budget ('own resources'). These resources mainly consist of: (i) contributions based on the gross national income of

each Member State; (ii) customs duties; (iii) the non-recycled plastic resource and (iv) a resource based on value added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources.

On **traditional own resources**, Ukraine has already implemented most of the fundamental principles affecting the own resources system. The roadmap was developed by the Ministry of Finance. The Ministry has also prepared Guidelines for the Implementation of the European Union Own Resources Framework to support the establishment of the administrative and procedural framework necessary for managing the EU own resources system in Ukraine.

The system of calculating the **VAT-based own resource** needs to be developed.

Issues related to **national accounts and gross national income (GNI) data** are addressed in Chapter 18 - statistics. Issues relating to own resources are addressed under Chapter 16 – taxation, Chapter 29 – Customs union, and Chapter 32 – financial control, while the own resource based on non-recycled plastic waste is linked to Chapter 27 – environment and climate change.

CLUSTER 6: EXTERNAL RELATIONS

This cluster covers: external relations (Chapter 30); and foreign, security and defence policy (Chapter 31).

Chapter 30 - External relations

The EU has a common commercial policy towards third countries, based on multilateral and bilateral agreements and autonomous measures. There are also EU rules on humanitarian aid and development policy.

On the **common commercial policy**, Ukraine continued to coordinate its positions and align closely with the EU, including within the WTO and its Dispute Settlement Body. Ukraine continued to comply with its WTO transparency obligations, latest domestic measure notification being in June 2026.

In the area of **dual-use goods**, Ukraine is yet to achieve full alignment with the latest EU *acquis*, including the annual updates as regards the list of dual-use items. Ukraine is a member of the Australia group, the Nuclear Suppliers Group and the Wassenaar Arrangement and has adopted and maintained a consolidated list of dual-use goods and technologies based on the EU *acquis*. Ukraine is in the process of aligning with the EU *acquis* on the screening of foreign direct investments (FDI).

On **bilateral agreements with third countries**, Ukraine has notified to the WTO of preferential bilateral trade agreements with 18 partners, eight of which do not have a preferential trade agreement with the EU. Ukraine is negotiating further preferential trade agreements with several partners and is also active in modernising existing agreements. In the reporting period, Ukraine ratified a preferential trade agreement with the United Arab Emirates and a free trade agreement with Türkiye, which awaited ratification since its signing in 2023. Meanwhile, the ratification of the modified free trade agreement with Montenegro and the modernised free trade agreement with EFTA is pending. Ukraine should continue to coordinate closely with the EU on international trade negotiations, in particular to ensure that, when it joins the EU, its commitments are compatible with those of the EU. It should also ensure the inclusion of an EU accession-linked expiration clause in the provisions of bilateral free trade and investment agreements.

There are no developments to report on **bilateral investment treaties**.

Ukraine has a legal framework in place to provide **humanitarian aid** to other countries. Ukraine has engaged in the provision of development aid by contributing to global food

security efforts, although it has yet to develop its **development policy** in line with the relevant EU framework.

Chapter 31 - Foreign, security and defence policy

Member States must be able to conduct political dialogue under EU foreign, security and defence policy, align with EU statements, take part in EU actions, and apply agreed restrictive measures.

Ukraine continued intense **political dialogue** on foreign and security policy with the EU. During this dialogue, Ukraine consistently demonstrated alignment with the EU's strategic positions and interests. Ukraine hosted an EU-Ukraine Foreign Ministers meeting in March 2026. The Ukrainian President, Foreign and Defence Ministers and other high-level officials were regularly invited to address the European Council and the Council meetings. The EU and Ukraine continued holding formal meetings under the EU-Ukraine Association Agreement. The EU-Ukraine joint security commitments continue to be implemented and serve as the guiding document for the EU and Member States' support to Ukraine, complementary to Member States bilateral commitments towards Ukraine.

The institutional framework enabling Ukraine's participation in common foreign and security policy (CFSP) and common security and defence policy (CSDP) is in place.

As regards the EU **common foreign and security policy (CFSP),** Ukraine's alignment with statements by the High Representative on behalf of the EU and decisions of the Council of the EU on restrictive measures was at 99% as of 1 September 2026 and remains the same as in 2025. Ukraine is gradually aligning with the EU *acquis* on **restrictive measures**. It has mechanisms in place to ensure effective implementation of EU sanctions. The Criminal Code still needs to be amended, as sanctions evasion is still not a criminal offence in Ukraine. Ukraine should continue strengthening the implementation and enforcement of EU sanctions in line with the EU *acquis*.

Ukraine is a member of a large number of **international organisations** *with which it maintains a* well-established cooperation, including the UN, the Council of Europe, the Organisation for Security and Cooperation in Europe and Organisation for Black Sea Economic Cooperation. Ukraine continued to regularly align with EU positions at the United Nations, including supporting EU initiatives in the UN Human Rights Council. In the context of Ukraine's diplomatic engagement with global partners in support of just and lasting peace, Ukraine initiated at the UN General Assembly, with EU support, the February 2026 Resolution 'Support for lasting peace in Ukraine', marking the fourth anniversary of Russia's full-scale invasion of Ukraine. The EU and Ukraine together with Canada initiated the UN General Assembly Resolution 'Return of the Ukrainian Children' which was successfully adopted in December 2025. Ukraine is also a member of the UN Economic and Social Council (ECOSOC) for the 2026-2028 term and of the Commission on Narcotic Drugs until 2029. Ukraine was elected to the UNESCO Executive Board for 2025-2029 in November 2025 and is an active member of UNESCO in the area of protection of cultural heritage.

Ukraine is party to the Rome Statue of the **International Criminal Court** (ICC). Ukraine continues to deepen its cooperation with the Office of the Prosecutor of the ICC to strengthen investigation of international crimes committed in the context of Russia's aggression against Ukraine. Ukraine has to further align its legislative framework with the provisions of the Rome Statute and its related instruments. In May 2026, Ukraine, together with other 35 countries and the EU, adopted the Enlarged Partial Agreement on the Management Committee of the **Special Tribunal for the Crime of Aggression against Ukraine**. In May, Ukraine also ratified the **Convention establishing an International Claims Commission for Ukraine**.

In February 2026, Ukraine adopted a new National Action Plan (NAP) for the Implementation of **UN Security Council Resolution 1325 on Women, Peace and Security** for the period up to 2030, along with an implementation roadmap. In June 2026, Ukraine adopted

secondary legislation for the implementation of the Law on the Legal and Social Protection of Persons Affected by Sexual Violence related to Russia's Armed Aggression against Ukraine, but the compensation mechanism is still not implemented in practice and the funding for the compensation of survivors is lacking. Women are underrepresented in decision-making related to the peace process, despite calls by the Government Commissioner for Gender Policy and the civil society.

As regards **non-proliferation and disarmament** Ukraine has regularly aligned with the EU in most international fora dealing with non-proliferation over the reporting period. Ukraine complies with its international obligations under international export control regimes. Ukraine is encouraged to ratify the Arms Trade Treaty to align its legal framework of arms control with the Common Position 2008/944/CFSP and to finalise and adopt its national strategy for countering and preventing illegal trafficking of small arms and light weapons.

On **security measures** (classified information), Ukraine continued to implement its agreement on security of information with the EU on procedures for the exchange of classified information. Ukraine should further align its legislation with EU *acquis* on the protection of classified information and adjust its physical and cryptographic measures in the area to be in a position to electronically exchange information classified at higher levels.

On the **common security and defence policy** (**CSDP),** cooperation on security and defence matters between Ukraine and the EU and its Member States was significantly increased. Ukraine closely cooperated with EU CSDP missions and benefited from training provided by EUMAM, as well as advisory support of EUAM.

Ukraine has developed substantial institutional capacities and experience in countering relentless hybrid, including cyber and foreign information manipulation and interference (FIMI), attacks by Russia and other malign actors. Ukraine continued to cooperate with the EU in the area of countering **hybrid threats** (including cyber threats and FIMI) based on the joint security commitments of June 2024. Ukraine held the regular EU-Ukraine Cyber Dialogue, and advanced cooperation in countering hybrid threats through a workshop on the exchange of lessons learned. In the context of international security, Ukraine has actively engaged in the negotiations of the final report of the UN Open-ended Working Group on security of and in the use of information and communications technologies 2021-2025, including through alignment with EU statements and submission of national positions. Ukraine should continue to gradually align with EU policies and legislation in the area of countering hybrid, including cyber and FIMI, threats and further strengthen its strategic, legal and institutional framework, as well as societal resilience to such threats. The fight against FIMI and disinformation is especially crucial in less developed regions, as well as among vulnerable groups of the population.

ANNEX I - RELATIONS BETWEEN THE EU AND UKRAINE

Ukraine applied for EU membership on 28 February 2022 and was granted European perspective and candidate country status in June 2022. On 25 June 2024, following December 2023 European Council decision, the first inter-governmental conference opening the accession negotiations took place. The analytical examination of Ukraine's level of alignment with EU legislation (screening) was completed in September 2025. On 15 June 2026 the second inter-governmental conference opened negotiations on cluster 1, on 14 July 2026 the third inter-governmental conference opened negotiations on cluster 6, and on 13 October the fourth inter-governmental conference opened negotiations on cluster 2 (internal market) and cluster 3 (competitiveness and inclusive growth). The work is ongoing to open all clusters as soon as possible.

The Association Agreement (AA), including a Deep and Comprehensive Free Trade Area (DCFTA), is the basis for the cooperation between the EU and Ukraine.

The Association Committee in Trade Configuration (ACTC), which oversees the implementation of the DCFTA, met on 2 December 2025.

On 14 October 2025, the European Commission and Ukraine formally adopted the decision to review the DCFTA, which entered into force on 29 October 2025. The agreement provides for a predictable, fair and balanced agreement entailing additional and reciprocal liberalisation, a robust safeguard clause, and Ukraine's commitment to align to certain EU production standards.

Following the joint decision 2/2025 of the ACTC, reciprocal EU–Ukraine internal market treatment in the roaming sector entered into effect on 1 January 2026. The process is ongoing towards starting negotiations of an Agreement on Conformity Assessment and Acceptance of industrial products (ACAA).

There are still unsolved trade irritants, including a wood ban, export duties on certain oilseeds, a ban on metal scrap as well as a recent trend to apply barriers in the pharmaceutical sector. Certain discriminatory rules persist with regard to EU participation in public-private partnerships and concessions. The suspension of State aid control does not appear to be aligned with the objectives of the DCFTA. These irritants have negative impact on EU companies, which wish to invest in Ukraine.

Regarding **bilateral financial assistance**, since the Russian invasion, the EU, its Member States and the European financial institutions have stepped up their support in a Team Europe approach, mobilising EUR 231.6 billion for Ukraine's overall economic, social and financial resilience in the form of emergency macro-financial assistance, budget support, emergency assistance, crisis response, humanitarian aid and military assistance as well as support for people fleeing the war.

The Ukraine Facility has been operational since 1 March 2024 and was established with up to EUR 50 billion in stable, predictable and flexible support for the period 2024-2027 by combining budgetary support (Pillar I), investment incentives (Pillar II) and EU accession-related technical assistance (Pillar III). In 2026, the Ukraine Facility was reinforced by EUR 8.35 billion in additional budget support from the Ukraine Support Loan channelled through the Pillar I. Pillar I was further increased by two contributions from Sweden of overall EUR 253 million and is now amounting to EUR 46.9 billion in total. The Ukraine Plan financed under Pillar I is the main instrument for ensuring Ukraine's recovery, reconstruction and modernisation, while implementing reforms designed to underpin the country's accession process. As of October 2026, EUR 32.5 billion has been disbursed in the form of budgetary support for the implementation of the Plan. In addition, under Pillar II, EUR 8.5 billion (88% of the total capacity of EUR 9.6 billion) has been allocated in guarantees and blending (EUR 6.8 billion and EUR 1.7 billion, respectively), aiming to leverage over EUR 25.7 billion in

investments. Furthermore, under Pillar III, the EU has so far mobilised over EUR 848 million in project-based assistance[6]. With 15 Member States implementing and/or co-financing a total of 19 EU-funded projects worth EUR 370.9 million, Team Europe continues to play a crucial role in delivering EU assistance to Ukraine.

Since the beginning of Russia's full-scale invasion, the EU and its Member States have mobilised more than EUR 4.8 billion in humanitarian assistance for Ukraine. The Commission alone has made available over EUR 1.4 billion.

Following the commitment by EU leaders in October 2025 to support Ukraine's most urgent budgetary and defence needs, on 18 December 2025, the European Council agreed to provide a loan to Ukraine of EUR 90 billion for 2026 and 2027, based on EU borrowing on the capital markets backed by the EU's budget headroom. The loan provides an indicative EUR 30 billion budget support and EUR 60 billion to strengthen Ukraine's defence capabilities and the procurement of defence products complementing the EU's military assistance to Ukraine.

EU Member States have also mobilised EUR 77.9 billion in military support for Ukraine, including EUR 6.4 billion under the European Peace Facility.

In parallel, the European Defence Industry Programme (EDIP), adopted in 2025, includes the Ukraine Support Instrument (USI) of EUR 300 million, which strengthens cooperation between the European and Ukrainian defence industries, while the Security Action for Europe (SAFE), established in 2025 with up to EUR 150 billion in loans to Member States, supports joint defence procurement, including with the participation of Ukrainian entities.

Ukraine is associated to 17 Union programmes: Horizon Europe, Euratom Research and Training Programme, Digital Europe, Fiscalis, Customs, Creative Europe, EU4Health, LIFE, Single Market Programme, Union Civil Protection Mechanism, Connecting Europe Facility, Union Anti-Fraud, Justice, Citizens, Equality, Rights and Values, some components of the Space Programme (Copernicus component, Space Weather Events and Near-Earth Objects sub-components of the Space Situational Awareness component), Employment and Social Innovation (EaSI) strand of the European Social Fund+ (ESF+), and European Defence Fund. Ukraine's financial obligations for its participation in Union programmes have been suspended owing to Russia's war of aggression.

[6] Please note that this amount includes contributions of external assigned revenue received from Member States and third countries as well as a share of the extraordinary revenues generated by the immobilised Russian sovereign assets.

ANNEX II – STATISTICAL ANNEX

STATISTICAL DATA (as of 14/09/2026)

Ukraine

Basic data	Note	2013	2021	2022	2023	2024	2025
Population (thousand)		45 373 i	41 419 iw	40 998 i	:	:	:
Total area of the country (km²)	1)	603 549 w	603 549 w	603 549 w	603 549 w	603 549 w	603 549 w

National accounts	Note	2013	2021	2022	2023	2024	2025
Gross domestic product (GDP) (million national currency)	2)	1 465 198	5 450 849	5 239 114	6 627 961	7 662 376	8 931 194 pw
Gross domestic product (GDP) (million euro)	2)	138 021	168 960	154 006	167 632	176 270	189 769 pw
GDP per capita (euro)	2) 3)	3 154 w	4 077 w	:	:	:	:
GDP per capita (in purchasing power standards (PPS)		:	:	:	:	:	:
GDP per capita (in PPS), relative to the EU average (EU-27 = 100)		:	:	:	:	:	:
Real GDP growth rate: change on previous year of GDP volume (%)	3)	0.0	3.4	- 28.8	5.5	3.2	:
Employment growth (national accounts data), relative to the previous year (%)	2) 4)	0 iw	- 2 iw	:	:	:	:
Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%)	2) 3)	0 w	6 w	:	:	:	:
Unit labour cost growth, relative to the previous year (%)		:	:	:	:	:	:
Nominal unit labour cost index based on persons (3 year % change)		:	:	:	:	:	:
Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100)		:	:	:	:	:	:
Gross value added by main sectors							
Agriculture, forestry and fisheries (%)	2)	10.0	12.7	9.7	8.6	8.4	:
Industry (%)	2)	23.0	23.7	18.9	19.9	20.0	:
Construction (%)	2)	2.9	3.2	1.5	1.8	2.0	:
Services (%)	2)	64.1 i	60.5 i	69.9 i	69.7 i	69.6 i	:
Final consumption expenditure, as a share of GDP (%)	2)	90.7	86.9	104.4	102.8	101.1	:
Gross fixed capital formation, as a share of GDP (%)	2)	16.9	13.2	11.9	19.9	18.5	:
Exports of goods and services, relative to GDP (%)	2)	43.0	40.7	35.4	28.3	29.7	:
Imports of goods and services, relative to GDP (%)	2)	52.2	42.0	52.0	49.2	50.0	:
Gross fixed capital formation by the general government sector, as a percentage of GDP (%)	2) 3)	:	3 w	:	:	:	:

Business	Note	2013	2021	2022	2023	2024	2025
Industrial production volume index (2015 = 100)	2)	:	100.0	63.4	67.6	70.7	69.7
Number of active enterprises (number)	2)	1 524 961 w	1 719 536 w	1 532 287 w	1 675 194 w	1 695 178 w	:

Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%)	2) 5)	9.4 w	9.4 w	7.9 w	:	:	:
Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%)	2) 5)	6.9 w	16.1 w	14.8 w	:	:	:
People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%)	2)	57.1 iw	64.3 iw	63.9 iw	67.0 iw	:	:
Value added by SMEs (in the non-financial business economy) (EUR million)	2)	:	59 859 iw	57 871 iw	60 679 iw	:	:
Total value added (in the non-financial business economy) (EUR million)	2)	86 782 w	113 149 w	93 313 w	99 288 w	81 643 w	:

Inflation rate and house prices	Note	2013	2021	2022	2023	2024	2025
Consumer price index (CPI), change relative to the previous year (%)	2) 6)	- 0.3 w	9.4 w	20.2 w	12.9 w	6.5 w	12.7 w

Balance of payments	Note	2013	2021	2022	2023	2024	2025
Balance of payments: current account total (million euro)	2) 3)	- 12 441.3 w	- 4 706.9 w	5 935.7 w	- 9 971.6 w	- 15 532.9 w	- 30 255.3 w
Balance of payments current account: trade balance (million euro)	2)	- 16 666.7 w	- 7 026.2 w	- 14 751.1 w	- 28 053.1 w	- 30 534.9 w	- 45 241.5 w
Balance of payments current account: net services (million euro)	2) 3)	4 891.2 w	3 368.9 w	- 12 064.4 w	- 8 090.3 w	- 6 941.5 w	- 7 003.5 w
Balance of payments current account: net balance for primary income (million euro)	2)	- 2 284.4 w	- 4 961.0 w	8 481.6 w	4 676.6 w	482.9 w	- 1 589.7 w
Balance of payments current account: net balance for secondary income (million euro)	2)	1 618.6 w	3 911.4 w	24 269.7 w	21 495.2 w	21 460.6 w	23 579.4 w
Net balance for primary and secondary income: of which government transfers (million euro)	2)	- 666.6 w	- 1 271.2 w	15 756.1 w	11 835.4 w	11 431.9 w	14 304.0 w
*3 year backward moving average of the current account balance relative to GDP (%)	2)	- 7.5 iw	- 0.4 iw	2.2 iw	- 0.7 iw	- 2.7 iw	:
*Five year change in share of world exports of goods and services (%)	2)	:	31.3 w	- 22.3 w	- 29.5 w	:	:
Net balance (inward - outward) of foreign direct investment (FDI) (million euro)	2) 3)	3 072.3 w	6 391.6 w	60.6 w	4 037.3 w	3 393.4 w	2 215.4 w
Foreign direct investment (FDI) abroad (million euro)	2) 3)	316.3 w	- 171.0 w	336.4 w	28.4 w	- 147.6 w	96.5 w
of which FDI of the reporting economy in the EU-27 countries (million euro)	2) 3)	306.8 w	- 165.3 w	- 102.2 w	13.8 w	- 62.0 w	117.2 w
Foreign direct investment (FDI) in the reporting economy (million euro)	2) 3)	3 388.6 w	6 220.6 w	397.0 w	4 065.7 w	3 245.8 w	2 311.9 w
of which FDI of the EU-27 countries in the reporting economy (million euro)	2) 3)	536.4 w	4 609.4 w	- 146.2 w	3 242.3 w	2 478.8 w	1 604.0 w
*Net international investment position, relative to GDP (%)	2) 3)	- 35.1 w	- 18.4 w	- 12.9 w	- 22.0 w	- 21.9 w	- 33.5 w
Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%)	2)	0.8 iw	1.0 iw	1.0 iw	1.0 iw	:	:

Public finance	Note	2013	2021	2022	2023	2024	2025
General government deficit / surplus, relative to GDP (%)	2) 7)	- 4.1 w	- 3.3 w	- 15.6 w	- 19.5 w	- 17.7 w	- 17.6 pw
General government gross debt relative to GDP (%)	2) 8)	38.4 w	49.0 w	77.8 w	83.3 w	91.1 w	101.2 w
Total government revenues, as a percentage of GDP (%)	2) 7)	41.7 w	37.0 w	49.8 w	54.0 w	54.0 w	56.5 pw
Total government expenditure, as a percentage of GDP (%)	2) 7)	45.8 w	40.3 w	65.4 w	73.5 w	71.6 w	74.1 pw

Financial indicators	Note	2013	2021	2022	2023	2024	2025
Gross external debt of the whole economy, relative to GDP (%)	2) 9)	71.7 iw	67.8 iw	79.7 iw	86.8 iw	:	:

Gross external debt of the whole economy, relative to total exports (%)	2) 3) 9)	167.1 w	164.6 w	225.6 w	303.8 w	330.5 w	419.5 w
Money supply: M1 (banknotes, coins, overnight deposits, million euro)		34 761.6 w	41 433.7 w	40 342.0 w	44 143.0 w	48 473.6 w	50 634.4 w
Total credit by monetary financial institutions to residents (consolidated) (million euro)		:	:	:	:	:	:
*Annual change in financial sector liabilities (%)		:	:	:	:	:	:
*Private debt, consolidated, relative to GDP (%)		:	:	:	:	:	:
Interest rates: day-to-day money rate, per annum (%)		3.79 w	6.78 w	11.11 w	12.29 w	5.24 w	6.18 w
Euro exchange rates: average of period (1 euro = … national currency)		10.616	32.261	34.019	39.539	43.469	47.093
Trade-weighted effective exchange rate index, 42 countries (2015 = 100)		142.6 w	91.5 w	88.5 w	78.5 w	73.4 w	69.6 w
*3 year change (T/T-3) in the trade-weighted effective exchange rate index, 42 countries (2015 = 100)		0.1 iw	0.1 iw	- 0.1 iw	- 0.2 iw	- 0.2 iw	- 0.2 iw
Value of reserve assets (including gold) (million euro)	2) 9)	14 779.2 w	27 294.4 w	26 751.2 w	36 459.0 w	41 913.1 w	48 717.9 w

External trade in goods	Note	2013	2021	2022	2023	2024	2025
Value of imports: all goods, all partners (million euro)	2)	57 100 iw	61 824 w	52 595 w	63 764 w	70 771 w	:
Value of exports: all goods, all partners (million euro)	2)	46 914 iw	57 718 w	41 752 w	34 758 iw	38 556 iw	:
Trade balance: all goods, all partners (million euro)	2)	- 10 187 iw	- 4 106 iw	- 10 843 iw	- 29 005 iw	- 32 214 iw	:
Terms of trade (export price index / import price index * 100) (number)		99.7 iw	118.9 iw	78.8 iw	79.9 iw	95.4 iw	:
Share of exports to EU-27 countries in value of total exports (%)	2)	25.7 iw	39.3 iw	63.6 iw	71.1 iw	64.4 iw	:
Share of imports from EU-27 countries in value of total imports (%)	2)	33.8 iw	39.7 iw	49.1 iw	51.2 iw	50.5 iw	:

Demography	Note	2013	2021	2022	2023	2024	2025
Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants)		- 3.5	:	:	:	:	:
Infant mortality rate deaths of children under one year of age (per thousand live births)		8.0	7.2	:	:	:	:
Life expectancy at birth: male (years)		:	:	:	:	:	:
Life expectancy at birth: female (years)		:	:	:	:	:	:

Labour market	Note	2013	2021	2022	2023	2024	2025
Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%)	2) 3)	72.5 w	71.9 w	:	:	:	:
Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%)	2) 3)	67.4 w	64.8 w	:	:	:	:
Male employment rate for persons aged 20–64 (%)	2) 3)	73.3 w	70.8 w	:	:	:	:
Female employment rate for persons aged 20–64 (%)	2) 3)	62.0 w	59.3 w	:	:	:	:
Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%)	2) 3)	40.8 w	41.1 w	:	:	:	:
Employment by main sectors							
Agriculture, forestry and fisheries (%)	2) 3)	20.0 w	14.1 w	:	:	:	:

Industry (%)	2) 3)	18.7 w	18.2 w	:	:	:	:
Construction (%)	2) 3)	6.1 w	7.0 w	:	:	:	:
Services (%)	2) 3)	55.2 w	60.7 w	:	:	:	:
People employed in the public sector as a share of total employment, persons aged 20–64 (%)		:	:	:	:	:	:
People employed in the private sector as a share of total employment, persons aged 20–64 (%)		:	:	:	:	:	:
Unemployment rate: proportion of the labour force that is unemployed (%)	2) 3)	7.2 w	9.8 w	:	:	:	:
Male unemployment rate (%)	2) 3)	8.0 w	9.5 w	:	:	:	:
Female unemployment rate (%)	2) 3)	6.2 w	10.1 w	:	:	:	:
Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%)	2) 3)	17.4 w	19.1 w	:	:	:	:
Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%)	2) 3)	1.5 w	2.4 w	:	:	:	:
Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%)	2) 3)	7.6 w	15.3 w	:	:	:	:
Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%)	2) 3)	5.6 w	8.5 w	:	:	:	:

Social cohesion	Note	2013	2021	2022	2023	2024	2025
Average nominal monthly wages and salaries (national currency)	2) 3) 10)	3 265 w	14 014 w	14 847 w	17 442 w	21 473 w	25 946 w
Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100)	3) 10)	:	117 w	:	:	:	:
Gini coefficient	2) 3) 5)	24 w	24 w	:	:	:	:
Poverty gap	2) 3)	20.9 w	21.7 w	:	:	:	:

Standard of living	Note	2013	2021	2022	2023	2024	2025
Number of passenger cars relative to population size (number per thousand population)		:	:	:	:	:	:

Infrastructure	Note	2013	2021	2022	2023	2024	2025
Density of railway network (lines in operation per thousand km²)	1)	35.8 iw	32.7 iw	32.8 iw	32.7 iw	:	:
Length of motorways (kilometres)	2)	:	15	15	15	:	:

Education, Innovation and Research	Note	2013	2021	2022	2023	2024	2025
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8)	2) 3)	53.0 w	58.0 w	:	:	:	:
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males	2) 3)	46.5 w	51.4 w	:	:	:	:
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females	2) 3)	59.7 w	64.8 w	:	:	:	:

Participation in early childhood education (children aged 3 and over)	2)	84.4 w	85.8 w	88.5 w	87.1 w	87.1 w	:
Participation in early childhood education (children aged 3 and over), males	2)	84.4 w	86.0 w	88.7 w	87.3 w	87.3 w	:
Participation in early childhood education (children aged 3 and over), females	2)	84.5 w	85.6 w	88.4 w	86.9 w	86.0 w	:
Low achieving 15-year-olds in reading (%)	2)	:	:	41.0 w	:	:	:
Low achieving 15-year-olds in mathematics (%)	2)	:	:	42.4 w	:	:	:
Low achieving 15-year-olds in science (%)	2)	:	:	34.0 w	:	:	:
Early leavers from education and training: proportion of persons aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Early leavers from education and training: proportion of men aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Early leavers from education and training: proportion of women aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks)	2)	:	0.5 w	:	:	:	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men	2)	:	0.5 w	:	:	:	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women	2)	:	0.4 w	:	:	:	:
Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34)		:	:	:	:	:	:
Share of individuals having at least basic digital skills (% of population aged 16-74)		:	:	:	:	:	:
Share of individuals having at least basic digital skills (% of population aged 16-74), males		:	:	:	:	:	:
Share of individuals having at least basic digital skills (% of population aged 16-74), females		:	:	:	:	:	:
Public expenditure on education relative to GDP (%)	2)	6.4 iw	5.1 iw	:	:	:	:
Gross domestic expenditure on R&D relative to GDP (%)	2)	0.73 iw	0.38 iw	0.33 iw	0.32 iw	:	:
Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%)	2) 11)	0.32 w	0.16 w	0.21 w	0.12 w	0.10 w	:
Percentage of households who have internet access at home (%)	2) 3) 12)	41.6 w	82.7 w	:	:	:	:

Environment	Note	2013	2021	2022	2023	2024	2025
Index of greenhouse gas emissions, CO_2 equivalent (1990 = 100)		45.6 ew	35.8 ew	24.4 ew	19.7 ew	:	:
Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices)	2)	203.0 dw	:	:	:	:	:
Electricity generated from renewable sources relative to gross electricity consumption (%)		8.9 ew	10.6 w	:	:	:	:
Road share of inland freight transport (based on tonne-km) (%)	2) 3)	33.6 w	39.3 w	47.6 w	49.9 w	55.3 w	59.0 w

Energy	Note	2013	2021	2022	2023	2024	2025
Primary production of all energy products (thousand TOE)		83 964	:	:	:	:	:
Primary production of crude oil (thousand TOE)		3 167	:	:	:	:	:
Primary production of solid fuels (thousand TOE)		38 213	:	:	:	:	:
Primary production of gas (thousand TOE)		16 032	:	:	:	:	:
Net imports of all energy products (thousand TOE)		31 400 i	:	:	:	:	:
Gross inland energy consumption (thousand TOE)		116 383	:	:	:	:	:
Gross electricity generation (GWh)		194 377	:	:	:	:	:

Agriculture	Note	2013	2021	2022	2023	2024	2025
Agricultural output volume index (at producer prices) (2015 = 100)	2)	102.7 w	119.4 w	89.2 w	99.1 w	92.9 w	86.0 w
Utilised agricultural area (thousand hectares)	1)	41 282.8 w	41 144.2 w	41 144.2 w	41 144.2 w	41 144.2 w	41 144.2 w
Livestock numbers: live bovine animals (thousand heads, end of period)		:	:	:	:	:	1 804.1
Livestock numbers: live swine (thousand heads, end of period)		:	:	:	:	:	4 642.4
Livestock numbers: live sheep and live goats (thousand heads, end of period)		:	:	:	:	:	761.1 i
Raw milk available on farms (thousand tonnes)	2)	11 488.2 w	8 713.9 w	7 762.7 w	7 441.1 w	7 248.6 w	6 856.8 w
Harvested crop production: cereals (including rice) (thousand tonnes)	2)	62 679.8 iw	85 329.9 iw	53 529.6 iw	59 311.7 iw	55 648.3 iw	:
Harvested crop production: sugar beet (thousand tonnes)	2)	10 789.0 w	10 853.9 w	9 941.5 w	13 175.8 w	12 798.2 w	11 689.3 w
Harvested crop production: vegetables (thousand tonnes)	2)	10 026.7 w	10 038.3 w	7 579.4 w	8 356.0 w	8 093.9 w	8 230.9 w

Source: Eurostat and/or the statistical authorities in Ukraine

: = not available
d = definition differs
e = estimated
p = provisional
i = Eurostat estimate
w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology
* = Macroeconomic Imbalance Procedure (MIP) indicator

Footnotes:
1) Data of the State Service of Ukraine for Geodesy, Cartography and Cadastre and according to the new Classification of Land Types.
2) Since 2014, data for Ukraine generally exclude the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol and the territories which are not under control of the Ukrainian government.
3) Data on Ukraine from the year 2022 onward is limited due to exemption under the martial law from mandatory data submission to the State Statistics Service of Ukraine, effective as of 3 March 2022, following Russia's war of aggression against Ukraine.
4) Persons aged 15 years and over.

5) Excluding data on individual entrepreneurs.
6) Consumer price inflation
7) Cash data (Government finance statistics manual 2014, IMF).
8) State and state guaranteed debt.
9) Assets and debt converted from US dollars to euro using cross rates at the end of the reporting year.
10) Data refer to enterprises and their independent divisions with 10 or more employees.
11) The share of R&D expenditure from the government budget in GDP.
12) Share of persons who used the internet at home.