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COVER NOTE

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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2025) 710 annex
Subject:	ANNEX to the Proposal for a COUNCIL IMPLEMENTING DECISION establishing the satisfactory fulfilment of the conditions for the partial payment of the fourth and sixth instalments under the Ukraine Plan of the Ukraine Facility

Delegations will find attached document COM(2025) 710 annex.

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ANNEX

ANNEX

to the

Proposal for a Council Implementing Decision

establishing the satisfactory fulfilment of the conditions for the partial payment of the fourth and sixth instalments under the Ukraine Plan of the Ukraine Facility

EXECUTIVE SUMMARY

On 31 October 2025, Ukraine submitted a request for a partial payment of the sixth instalment of the Ukraine Plan, in accordance with Article 26 of Regulation (EU) 2024/792 of 29 February 2024 establishing the Ukraine Facility[1]. On 11 November 2025, Ukraine submitted the updated request for the payment declaring the satisfactory fulfilment of one step outstanding from the fourth instalment. To support the payment request, Ukraine provided justification of the satisfactory fulfilment of one step in the fourth instalment and eight steps in the sixth instalment as set out in the Annex to Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan[2], as amended by Council Implementing Decision (EU) 2025/2157 ('the CID Annex')[3].

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

As part of **Chapter 2** on public financial management, the digital management tool for the reconstruction of Ukraine has been developed and implemented.

As part of **Chapter 3** on judicial system, the law establishing a new court to hear administrative cases entered into force.

As part of **Chapter 5** on financial markets, updated legislation on the sale of state-owned banks entered into force.

As part of **Chapter 8** on business environment, harmonised standards for three groups of industrial products were adopted.

As part of **Chapter 9** on decentralisation and regional policy, legislation on reforming of territorial organisation of the executive authorities in Ukraine entered into force.

As part of **Chapter 12** on agri-food sector, legislation on the public support of agriculture of Ukraine entered into force.

As part of **Chapter 13** on management of critical raw materials, the report on the verification of Critical Raw Materials' reserves of Ukraine was published.

As part of **Chapter 15** on green transition and environmental protection, the second Nationally Determined Contribution of Ukraine to the Paris Agreement and National Waste Management Plan until 2033 were adopted.

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

[2] Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan (OJ L, 2024/1447, 24.5.2024, ELI: http://data.europa.eu/eli/dec_impl/2024/1447/oj). Annex to the Council Implementing Decision https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CONSIL%3AST_9492_2024_ADD_1&qid=1716536456361.

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

Step 2.8

Name of the step: Development and implementation of the digital management tool for the reconstruction of Ukraine
Related reform/investment: Reform 4. Improved public investment management
Financed from: loan
Context The requirement for Step 2.8 described in the CID Annex is: '*Development and implementation of the digital management tool for the reconstruction of Ukraine, which provides public access to data on reconstruction projects at all stages, including planning, financing, procurement, construction and commissioning, to enable a public and transparent monitoring of project implementation and better coordination of reconstruction efforts between sectors.'* Step 2.8 is the second of two steps in the implementation of Reform 4 of Chapter 2 (public financial management). It was preceded by Step 2.7 (Q2 2024) on the adoption of the action plan for the implementation of the roadmap for reforming public investment management.
Evidence provided 1) summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex; *2)* link to the website of the digital tool for public investment management: DREAM; 3) copy of the Resolution of the Cabinet of Ministers No. 527 '*On some issues of public investment management*' dated 28 February 2025 and amended on 26 August 2025; 4) copy of the Law of Ukraine No. 4225-IX *'On amendments to the Budget Code of Ukraine concerning the update and improvement of certain provisions*' dated 5 March 2025; 5) copy of the Order of the Ministry for Development of Communities and Territories of Ukraine No. 1289 '*On the commissioning of the software of the Unified Digital Integrated Information and Analytical System for the Management of the Process of Reconstruction of Real Estate, Construction, and Infrastructures*' dated 20 August 2025; 6) copy of the certificates of works completion.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 2.8. The objective of Reform 4 is to improve public investment management. To this end, the Ukrainian authorities have developed and implemented a digital tool for managing reconstruction projects, in line with the roadmap for reforming public investment management.

The Digital Restoration Ecosystem for Accountable Management (DREAM) was developed by the Open Contracting Partnership in cooperation with the Ministry for Development of Communities and Territories of Ukraine. DREAM serves as the unified digital platform for managing public investment projects at all levels of government. It provides public access to real-time information at every stage of a project's lifecycle, ensuring transparency and accountability. By consolidating all project data into a single system, DREAM enables continuous public and donor monitoring throughout the public investment cycle – from project preparation to implementation – and better coordination of reconstruction efforts between government tiers.

DREAM enables line ministries to submit their proposed annual public investment projects for funding, guided by the Medium-Term Plan for Priority Public Investment, which is updated annually and defines the priority sectors, policy goals, and indicative public investment ceiling set by the Ministry of Finance. DREAM supports the formation of sectoral project portfolios and the Single Project Pipeline – i.e. the portfolio of priority projects that have been approved by the Strategic Investment Council. DREAM also allows to mirror these central-level processes at the regional and local levels, where each region and municipality is required to form its own Single Project Pipeline of regional and local public investment projects.

DREAM is composed of a user portal (e-cabinet), a public portal, and an analytics portal. The user portal allows local, regional, and central authorities to submit their project proposals for funding. The public portal – available here – provides access to all approved priority public investment projects in the sectoral portfolios and the Single Project Pipelines at all levels of government. For each project, comprehensive information is publicly available, including: project description and strategic objective(s), detailed budget breakdown and funding source(s), planning and implementation timeline and status; procurement and contracting process; construction and commissioning details. All relevant project documentation – legal and technical – is also published. The analytics portal allows to generate reporting tables and visualisations using filters based on granular project data. It also features an interactive map that allows to explore all projects geographically, down to the local level.

DREAM is integrated with other key digital systems, including Prozorro (digital public procurement system) and Open Budget (treasury transaction data). Integration with the Ministry of Finance's LOGICA system (local budget data) is planned within the next six months.

Commission assessment: satisfactorily fulfilled

Step 3.2

Name of the step: Entry into force of the law establishing a new court to hear administrative cases
Related reform/investment: Reform 1. Enhancing the accountability, integrity and professionalism of the judiciary
Financed from: loan
Context The requirement for Step 3.2 described in the CID Annex is: '*The law on the establishment of the Specialised District Administrative Court and the Specialised Administrative Court of Appeal entered into force and a transparent selection of judges in line with the adopted legislation is launched*.' Step 3.2 is the second of six steps in the implementation of Reform 1 of Chapter 3 (judicial system). It is implemented in parallel with Step 3.1 on the filling of at least 20% of judicial vacancies. It was preceded by Step 3.5 on the entry into force of the legislation revising the declarations of integrity of judges and their verification process, which remains unfulfilled from Q2 2025. It is followed by Step 3.3 on the settlement/adjudication of 20 % of old disciplinary cases not considered as of end of 2023, Step 3.4 on the completion of the qualification evaluation (vetting) in respect of 50 % of judges who still had to undergo it as of 30 September 2016 due in Q4 2025 and Step 3.15 which requires the new court to hear administrative cases to be operational due in Q4 2026.
Evidence provided 1) summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex; 2) copy of Law of Ukraine No. 4264-IX '*On Amendments to the Law of Ukraine 'On the Judiciary and the Status of Judges' and Certain Other Legislative Acts of Ukraine Regarding the Legal Basis for the Establishment and Functioning of the Kyiv Specialized District Administrative Court and the Kyiv Specialized Administrative Court of Appeal'* dated 26 February 2025; 3) copy of the Law of Ukraine No. 4602-IX *'On the Establishment of the Specialized District Administrative Court, the Specialized Administrative Court of Appeal*' dated 16 September 2025; 4) copy of the Notice of the competition for 17 judges in the Specialized District Administrative Court; 5) copy of the Notice of the competition for 10 judges in the Specialised Administrative Court of Appeal.
Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 3.2.

The objective of Reform 1 is to enhance the accountability, integrity and professionalism of the judiciary and to build public trust in the judiciary by resuming the transparent and meritocratic selection of judges, boosting the qualification evaluation of sitting judges, strengthening the disciplinary responsibility system, reinforcing existing judicial integrity tools, and establishing a new court to hear administrative cases involving state agencies. To this end the Ukrainian Parliament adopted Law No. 4264-IX, which entered into force on 26 March 2025 and Law No. 4602-IX, which entered into force on 2 October 2025. The laws establish the Specialized District Administrative Court and the Specialized Administrative Court of Appeal.

Law No. 4264-IX establishes the legal basis for the Kyiv Specialized District Administrative Court (Specialized District Court) and the Kyiv Specialized Administrative Court of Appeal (Specialized Court of Appeal) as two separate specialized high courts. The law defines the jurisdiction of the new courts stating that the Specialized District Court considers administrative appeals against decisions, actions or inaction of the Cabinet of Ministers of Ukraine, the ministry or other central body of executive power, the National Bank of Ukraine, or another body, whose powers extend nationwide. It has also jurisdiction to e.g. consider appeals against the decisions of the selection commissions responsible for high-level appointments in several state agencies. Specialized Court of Appeal is an appellate instance to Specialized District Court only and will not be reviewing the cases of other district administrative courts.

The law No. 4264-IX introduces eligibility requirements for judges of the new courts and provides for a transparent procedure for the selection of judges. It provides for the involvement of a special body, the Expert Council, in the vetting of the judgeship candidates. The Expert Council is composed of six members, three of which are proposed by the Council of Judges of Ukraine and the other three by international and foreign organizations providing Ukraine with international technical assistance in the field of judicial reform and/or preventing and combating corruption. The Expert Council assesses candidates' integrity and professional competence, in particular, through the right to conduct interviews with the candidates.

In line with the Ukrainian legislation, a separate special law No. 4602-IX submitted to the Ukrainian Parliament by the President formally establishes the two courts. It establishes their location as the city of Kyiv and territorial jurisdiction as the entire territory of Ukraine.

Following the entry into force of Law No. 4602-IX, on 29 October 2025 High Qualification Commission of Judges launched the selection procedure for 17 judges in the first instance, and 10 judges in the appeal instance.

Commission assessment: satisfactorily fulfilled

Step 5.2

Name of the step: Entry into force of the legislation on the principles for the sale of state-owned banks

Related reform/investment: Reform 2. Reducing state ownership in the banking sector

Financed from: loan

Context

The requirement for step 5.2 described in the CID annex is:

'Entry into force of the updated legislation on the sale of state-owned banks, namely, the Law of Ukraine "On Divesting State-Owned Shareholdings in the Charter Capital of Banks that Have Undergone Recapitalisation by the State" No. 4524-VI dated 2012. The revised legislation should facilitate the sale of varying ownership stakes in State-owned banks (SOBs), while also providing the flexibility for complete acquisition. The fundamental principles guiding the sale of SOBs will be developed through collaborative discussions and in consensus with the international donors.'

Step 5.2 is the first of two steps in the implementation of Reform 2 in Chapter 5 (financial markets). It is followed by Step 5.3 on the adoption of the strategy for gradual reduction of state ownership in the banking sector due in Q2 2026.

Evidence provided

1) summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;

2) copy of the Law of Ukraine No. 3983-IX *'On the Peculiarities of the Sale of Shareholdings Owned by the State in the Authorised Capital of Banks'* dated 19 September 2024;

3) copy the Order of the Cabinet of Ministers of Ukraine No. 1061-r '*On Preparation for the Sale of State-Owned Share Packages in the Authorised Capital of Banks'* dated 1 October 2025.

Analysis

The justification and evidence provided by the Ukrainian authorities cover all constitutive elements of step 5.2.

The objective of Reform 2 is to lay down the principles for the sale of state-owned banks and the strategy for gradually reducing state ownership in the banking sector. To this end, the Ukrainian parliament adopted the Law of Ukraine No. 3983-IX *'On the Peculiarities of the Sale of Shareholdings Owned by the State in the Authorised Capital of Banks'* of 19 September 2024. The Law entered into force on 19 October 2024.

The law facilitates the sale of varying ownership stakes in state-owned banks (SOBs) by establishing a unified legal and procedural framework for the divestment of state-held shares. It defines the key terms, objectives, and mechanisms governing such transactions. The framework regulates the preparation, approval, and execution of sales through competitive processes, supported by the engagement of sale advisors and the oversight of a designated sale commission. It provides procedures for determining eligibility, conducting tenders, and concluding sale agreements, while also setting rules for post-sale acquisitions and valuation of controlling interests. Collectively, these provisions enable the state to reduce its participation in the banking sector in a structured and market-oriented manner.

The law provides also for the flexibility for complete acquisition, allowing the Government of Ukraine to tailor each transaction to market conditions. It empowers the Cabinet of Ministers of Ukraine to adjust the size of share packages, select the most appropriate sale procedure, and modify the terms prior to bidding. The framework permits repeated tenders and price adjustments to ensure completion, while the involvement of professional sale advisors introduces adaptability in structuring and valuation processes. Furthermore, contractual terms, including applicable foreign law and arbitration clauses, may be customized to meet investor expectations, thereby ensuring both regulatory consistency and commercial flexibility in the privatization process.

The fundamental principles governing the sale of SOBs are established through collaborative discussions and consensus with international donors. Specifically, representatives from international financial institutions, EU institutions and EU Member States, as well as other international and foreign organizations providing technical assistance to Ukraine, may participate in the work of the sales commission with their consent. They have the right to express their positions, request and receive information from the sales commission, and provide recommendations regarding the preparation and conduct of the competition.

The sales commission has the authority to decide on the approval of a contestant's risk profile in compliance with the National Bank of Ukraine's requirements on business reputation and ownership structure; the conduct and procedures of competition; the admission, refusal, or termination of applicants' participation on grounds prescribed by law; the approval of draft purchase and sale contracts for the bank's shares, related documents, and/or principal terms of such agreements, including the starting trading price as recommended by the sale advisor; the modification of the number of shares subject to sale; the appointment of new bidding rounds or termination of the tender in cases defined by law upon the advisor's recommendation; the approval of the tender winner and the final purchase and sale contract for the bank's block of shares, together with all related documents and the final sale price determined by the bidding results; the recognition of whether bidding has occurred under the conditions set forth by law; and other matters as provided in the sales commission's regulations, the orders of the Cabinet of Ministers of Ukraine, or as otherwise required for the implementation of the law.

Additionally, representatives of international financial institutions, EU institutions and Member States, and other international and foreign organizations providing technical assistance to Ukraine may participate in the selection of a sales advisor, with the right to express opinions, request and receive information, and offer recommendations.

Commission assessment: satisfactorily fulfilled

Step 8.8

Name of the step: Adoption of harmonised standards for three groups of industrial products

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

Financed from: loan

Context

The requirement for Step 8.8 described in the CID Annex is:

'Harmonised standards for 3 groups of industrial products (machinery, electromagnetic compatibility of equipment, low-voltage electrical equipment) are adopted as national ones by translation method'

Step 8.8 is the second step in the implementation of Reform 5 in Chapter 8 (business environment). It follows Step 8.7 on the resumption of market surveillance measures and the control of non-food products, including product safety. Step 8.7 was due in Q4 2024 and was positively assessed as part of the third instalment.

Evidence provided

1) summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;

2) copy of the explanatory table listing the 71 standards that were tendered, translated and adopted;

3) copy of the orders of the State Enterprise 'UkrNDNC' (Ukraine's national standardisation body) Nos 310–334 dated 26 December 2024.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 8.8.

The objective of Reform 5 is to resume market surveillance measures and facilitate the adoption of EU norms and standards in Ukraine, particularly in the areas of industrial products. To this end, Ukraine has adopted harmonised standards for three priority product groups — machinery, electromagnetic-compatibility (EMC) equipment and low-voltage electrical equipment — as national State Standards of Ukraine (DSTU) standards by the translation method. Through a series of open tenders in 2024, the national standardisation body contracted, translated and formally approved 71 DSTU EN / DSTU EN IEC / DSTU EN ISO standards. Each of the standards was enacted by Ministry of Economy Orders Nos 310–334 of 26 December 2024 and linked to the relevant EU directives 2006/42/EC (Machinery), 2014/30/EU (EMC) and 2014/35/EU (Low-Voltage Directive).

- Machinery: 43 translations, notably DSTU EN ISO 13849-1:2024 (general principles of machine-safety control systems) and DSTU EN 474-1:2022 (earth-moving machinery – general safety).
- EMC-related equipment: 4 translations, e.g. DSTU EN 60947-8:2015 (devices with embedded thermal protection for rotating machines) and DSTU EN 62196-1:2015 (connectors for conductive charging of electric vehicles).
- Low-voltage electrical equipment: 24 translations, including DSTU EN IEC 62477-1:2024 (power electronic converters) and DSTU EN IEC 62052-11:2024 (electricity meters), together with 16 household-appliance standards in the EN 60335-2-xx series.

Commission assessment: satisfactorily fulfilled

Step 9.1

Name of the step: Entry into force of the legislation on reforming of territorial organisation of the executive authorities in Ukraine with delayed application

Related reform/investment: Reform 1. Advancing decentralisation

Financed from: loan/non-repayable support

Context

The requirement for Step 9.1 described in the CID Annex is:

'*Entry into force of the Law of Ukraine "On Amendments to the Law of Ukraine 'On Local State Administrations' and Some Other Legislative Acts of Ukraine as Regards the Reforming of Territorial Organisation of the Executive Authorities in Ukraine" with its application within 12 months from the date of termination or abolition of martial law in Ukraine. Subordinate legal acts for the implementation of the law shall be adopted after it enters into force. The law focuses on these main areas:*

- transforming local state administrations into prefecture-type authorities in order to create a balanced system of ensuring a legal nature of activities undertaken by local self-government bodies;

- ensuring coordination of the territorial bodies of the central executive authorities when implementing the state policy at the regional and local levels.'

Step 9.1 is the first of three steps in the implementation of Reform 1 of Chapter 9 (decentralisation and regional policy).

Evidence provided

1) summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;

2) copy of the Law of Ukraine No. 4677-IX on *'Amendments to Certain Legislative Acts of Ukraine to Ensure Legality and Transparency in the Activities of Local Self-Government Bodies'* dated 5 November 2025.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 9.1.

The objective of Reform 1 is to put in place a framework for transforming local state administrations into prefecture-type authorities and to ensure a better distribution of powers between local governments and executive authorities. To this end, the law on '*Amendments to Certain Legislative Acts of Ukraine to Ensure Legality and Transparency in the Activities of Local Self-Government Bodies'* was adopted by the Verkhovna Rada on 5 November and entered into force on 12 November 2025, with application delayed by 12 months from the date of termination or cancellation of martial law in Ukraine.

The law initiates the transformation of local state administrations into prefecture-type of authorities by establishing a system of supervision of the legality of local self-government acts. The law defines the scope, the responsibilities and the procedures for ensuring the legality of acts of local self-government bodies. The law introduces measures aimed at preventing the violation of the legality of activities of local self-government bodies; including a mechanism for ensuring that local self-government bodies are informed about changes in the legislation related to local self-government and, in case of disputes, may have recourse for court.

The law establishes a mechanism for enhancing coordination. The law identifies the heads of local state administrations as responsible for coordination and for ensuring the legality in the activities of territorial bodies of ministries and other central executive bodies.
Commission assessment: satisfactorily fulfilled

Step 12.4

Name of the step: Entry into force of the legislation on the public support of agriculture of Ukraine
Related reform/investment: Reform 3. Improving the institutional and administrative set up for managing investment programmes
Financed from: loan
Context The requirement for Step 12.4 described in the CID Annex is: *'Entry into force of the Law on Amendments to the Law of Ukraine "On State Support of Agriculture of Ukraine". The Law focuses on these main areas:* *- design future public support measures in line with the principles of the EU acquis in this area. The selection of future public support measures will include an analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT);* *- design measures to support agricultural production for small scale farms to undertake private investments (physical assets of agricultural holdings producers, for processing and marketing);* *- design of future financial instruments (including credit guarantee facilities) for all farm categories in collaboration with International Financial Institutions;* *- digitalisation through electronic document management systems;* *- state support exclusively channelled to beneficiaries enlisted in the State Agrarian Register.'* Step 12.4 is the only step of Reform 3 of Chapter 12 (agri-food sector).
Evidence provided 1) summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex; 2) copy of the Law of Ukraine No. 4619-IX *'On Amendments to Certain Laws of Ukraine on the Organizational Principles of Support in the Agricultural Sector'* dated 8 October 2025.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 12.4. The objective of the Reform 3 is to improve the set up for managing public financial support schemes to the agri-food sector. The Parliament adopted the Law of Ukraine No. 4619-IX '*On Amendments to Certain Laws of Ukraine on the Organizational Principles of Support in the Agricultural Sector'* on 8 October 2025. The law entered into force on 4 November 2025.

The law designs future public support measures in line with the principles of the EU acquis in the area of agriculture and rural development. It sets the provisions in line with the principles of the current Common Agricultural Policy (CAP). It specifies the overall aim, objectives of the agriculture and rural development policy and measures for implementing this policy. Based on the overall aim and objectives, the multiannual Strategy for the Development of Agriculture and Rural Territories will be developed, and the choice of national support measures and types of support will be selected on the basis of a comprehensive analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT).

The law sets out the structures on the financing, management and monitoring of state support for agriculture and rural development. It provides for the establishment of the responsible authorities defining their tasks – such as a Paying Agency, Certification bodies, and the Central Executive Body, which ensures the formation and implementation of the national policy of agriculture and rural development.

The law introduces provisions, amongst others, on the separation of policymaking and payment functions, on the institutional independence of the Paying Agency and on the detailed tasks of the Paying Agency for administering national support for agriculture and rural development, particularly on transparency and accountability, verification and authorisation of payments, performing administrative checks and on-site inspections to control eligibility for support.

Small agricultural producers are the priority recipients of state support. The criteria for classifying agricultural producers as small producers will be determined for each type of support. The law also defines measures for the implementation of national support for agriculture and rural development, including investments in physical assets of agricultural producers to improve efficiency, competitiveness and sustainable agricultural production. Similarly, associations of agricultural producers can be supported in the marketing of agricultural products.

The law authorises the design of future financial instruments (including credit guarantee facilities) for all farm categories in collaboration with international financial institutions for the implementation of agriculture and rural development policy.

The law aims to promote digitalisation through electronic document management systems. The law provides the legal basis for the development of the Integrated Administration and Control System (IACS), which will function together with other already existing systems as electronic document management systems for the administration of national support for agriculture and rural development.

The law requires state support to be exclusively channelled to the beneficiaries enlisted in the State Agrarian Register. Entities which are not registered in the State Agrarian Register are excluded from receiving state support.

Commission assessment: satisfactorily fulfilled

Step 13.2

Name of the step: Publishing of a report on the verification of Critical Raw Materials' reserves of Ukraine

Related reform/investment: Reform 1. Strengthening strategic planning and ensuring optimum framework for strategic investors

Financed from: loan

Context

The requirement for step 13.2 described in the CID Annex is:

'Publication of a report on the verification of Critical Raw Materials reserves of Ukraine using international classification system and results are made available to investors.'

Step 13.2 is the second step in the implementation of Reform 1 of Chapter 13 (management of critical raw materials). It was preceded by Step 13.1 on the entry into force of the legislation on revising the National Programme for the Development of the Mineral Resource Base of Ukraine to 2030 which was positively assessed in Q4 2024 as part of the third instalment.

Evidence provided

1) summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;

2) copy of "*Report on the verification of Critical Raw Materials reserves of Ukraine using international classification system",* published on the website of the Ukrainian Geological Survey: Strategic/Critical Mineral Reserves Verification Report

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 13.2.

The objective of Reform 1 is to attract investments in the extraction and processing of critical raw materials.

The report on the verification of Critical Raw Materials' reserves of Ukraine is published on the official website of the Geological Survey with the hyperlink: Strategic/Critical Mineral Reserves Verification Report.

The report uses international classification system UNFC – United Nations Framework Classification for Resources, that was endorsed by the United Nations Economic and Social Council in 2004 and remains an important tool to analyse the availability and sustainability of critical resources.

The 2019 version of the UNFC is a classification system for resource development projects based on the following principles:

- environmental and socio-economic viability;

- technical feasibility;

- commercial potential of raw materials projects.

The results are made available to investors by being published on the website.

Commission assessment: satisfactorily fulfilled

Step 15.4

Name of the step: Adoption of the second Nationally Determined Contribution of Ukraine to the Paris Agreement

Related reform/investment: Reform 2. Climate policy

Financed from: loan

Context

The requirement for step 15.4 described in the CID Annex is:

'*Adoption of the Order of the Cabinet of Ministers of Ukraine "On Approval of the Second Nationally Determined Contribution (NDC) of Ukraine to the Paris Agreement". The NDC focuses on these main areas:*
- higher emission reduction target than in the current NDC of Ukraine;
- establishing a base year for calculating emissions from sources and sinks of greenhouse gases;
- duration of implementation and/or time periods of the proposed measures;
- scope and coverage of economic sectors and greenhouse gases;
- process planning, assumptions and methodological approaches used, including for estimation and accounting of anthropogenic emissions by sources and removals by sinks of greenhouse gases;
- justification of the equity and ambition of the NDC in the light of national circumstances;
- contribution to the achievement of the objective of the UN Framework Convention on Climate Change and to limit greenhouse gas emissions/enhance sinks, in accordance with the objective set out in Article 2 of the UN Framework Convention on Climate Change.
The Second NDC of Ukraine to the Paris Agreement will be more ambitious than the current Updated NDC.'

Step 15.4 is the second step in the implementation of Reform 2, of Chapter 15 (green transition and environmental protection). Step 15.2 on the entry into force of the legislation on the State Climate Policy was positively assessed in Q1 2025 as part of the fourth instalment. Step 15.4 will be followed by step 15.3 on the adoption of the resolution on the Scientific and Expert Council on Climate Change and Preservation of the Ozone Layer in Q4 2025.

Evidence provided

1) summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;

2) copy of the Order of the Cabinet of Ministers of Ukraine No. 1172-r of 29 October 2025 'On approval of Ukraine's second nationally determined contribution to the Paris Agreement';

3) copy of the annex to the Order of the Cabinet of Minister of Ukraine No. 1172-r of 29 October 2025 on 'Ukraine's second nationally determined contribution to the Paris Agreement'.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 15.4.

The objective of Reform 2, climate policy, is to create an architecture for climate governance as well as an appropriate mechanism for the development and implementation of state policy in the field of climate change in Ukraine.

The Order of the Cabinet of Ministers of Ukraine 'On Approval of the Second Nationally Determined Contribution (NDC) of Ukraine to the Paris Agreement' was adopted on 29 October 2025. It sets an emission reduction target (including absorption) 'more than 65%' from the 1990 level in 2035. The previous updated NDC aimed for a 65% reduction by 2030. The base year for calculation is 1990, with the reference indicator being the emissions for that year assessed by the national report on the inventory of anthropogenic emissions from GHG emission sources and removals.

The second NDC of Ukraine explains that, due to Russia's war of aggression, 'the planning of more ambitious emission reduction targets is objectively limited due to the extremely high level of uncertainty about the scale of recovery, the dynamics of economic growth, the future structure of the energy balance and the rate of decarbonisation'.

The duration of implementation for the second NDC is from 1 January 2031 to 31 December 2035, and the goal is established as a target for the year 2035. Sectors covered by the second NDC include energy, industrial processes and product use; agriculture, land use, land-use change and forestry; and waste. It covers all greenhouse gases not regulated by the Montreal Protocol.

The process planning is coordinated by the relevant line ministry, with national governance based on the Law of Ukraine No. 3991-IX 'On the Basic Principles of State Climate Policy'. The estimation and accounting use the approach of comparing total emissions in the target year to the total emissions in the base year and relies on the 2006 IPCC Guidelines and employs mathematical models to develop three forecast scenarios up to 2050.

The assessment above is valid only in the context of the Ukraine Plan's implementation. The level of climate ambition of Ukraine in the context of EU accession is being addressed separately.

Commission assessment: satisfactorily fulfilled

Step 15.9

Name of the step: Adoption of the National Waste Management Plan until 2033

Related reform/investment: Reform 5. Increased circular economy

Financed from: loan

Context

The requirement for step 15.9 described in the CID Annex is:

'Adoption of the Order of the Cabinet of Ministers of Ukraine "On Approval of the National Waste Management Plan until 2033". The National Waste Management Plan focuses on these main areas:
- household waste management;

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

Step 15.9 is the first step in the implementation of Reform 5 of Chapter 15 (Green Transition and Environmental Protection). Step 15.9 is followed by Step 15.8 on the adoption of a strategy for implementing the principles of the circular economy and an action plan for its implementation in Q1 2026.

Evidence provided

1) summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;

2) copy of the Order of the Cabinet of Ministers No. 1353-r on the *"Approval of the National Waste Management Plan until 2033"* dated 27 December 2024.*;*

3) copy of the annex to the Cabinet of Ministers No. 1353-r on the "National Waste Management Plan until 2033" dated 27 December 2024.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of step 15.9.

The objective of Reform 5 is to implement the principles of circular economy and waste management. To this end, Cabinet of Ministers adopted the National Waste Management Plan until 2033 (National Plan) on 27 December 2024.

In the National Plan, household waste is comprehensively defined to include mixed and separately collected waste from households, which also accounts for hazardous components contained within. The current waste management system in Ukraine largely relies on low-level technologies, leading to the direct disposal of waste primarily in landfills and dumps. Despite existing efforts, the coverage of the population by separate waste collection programs remains low, at only about 30%.

The primary sources of hazardous waste are identified as industrial, agricultural, and transport enterprises, alongside healthcare facilities and households. While the annual volume of hazardous waste significantly decreased in a post-war period from 2010 to 2022, the efficiency of management is still inadequate.

In terms of infrastructure needs, the National Plan serves as a framework document, meaning the specific infrastructure objects, technologies, and economic calculations are to be detailed in regional and local waste management plans. The successful execution of the plan is expected to establish the necessary conditions to attract both financing and investments into the sector. The regional and local plans, which derive from the National Plan, are explicitly required to

include economic calculations and an assessment of their implementation capacity. The National Plan mandates the implementation of essential economic instruments, including the polluter pays principle and extended producer responsibility. The document also emphasizes the need to achieve a high level of recycling to return secondary raw materials into economic circulation.

A key anticipated outcome of the National Plan's implementation is a general improvement in the system for monitoring and control over all waste management activities. The National Plan functions as the primary framework document that defines the major strategic directions for state policy in the waste management sector until 2033. Consequently, it forms the foundation for strategic planning and the development of specific measures at the regional, local, enterprise, and institutional levels. Forecasts for future waste generation volumes are strategically based on projections related to population size and the expected development of the country's production potential and infrastructure. In accordance with the Law, local self-government bodies are responsible for ensuring household waste management and guaranteeing that services are provided to every waste generator within their territory. To improve efficiency, territorial communities are encouraged to cooperate, including through joint financing for the construction, reconstruction, and maintenance of household waste processing facilities. All regional and local plans developed under the National Plan must account for specific local conditions and required economic calculations.

Commission assessment: satisfactorily fulfilled