Council of the European Union

Brussels, 20 November 2026
(OR. en)

16195/26
ADD 1

Interinstitutional File:
2026/0368 (NLE)

RESUA 43
FIN 1666
ECOFIN 1509
ELARG 242
COEST 892
DEVGEN 189
UA PLATFORM 30

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	20 November 2026
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2026) 642 annex
Subject:	ANNEX to the Proposal for a Council Implementing Decision establishing the satisfactory fulfilment of the conditions for the partial payment of the tenth instalment under the Ukraine Plan of the Ukraine Facility

Delegations will find attached document COM(2026) 642 annex.

Encl.: COM(2026) 642 annex

EUROPEAN
COMMISSION

Brussels, 20.11.2026
COM(2026) 642 final

ANNEX

ANNEX

to the

Proposal for a Council Implementing Decision

establishing the satisfactory fulfilment of the conditions for the partial payment of the tenth instalment under the Ukraine Plan of the Ukraine Facility

ANNEX

EXECUTIVE SUMMARY

On 5 November 2026, in accordance with Article 26 of Regulation (EU) 2024/792 of 29 February 2024 establishing the Ukraine Facility[1], Ukraine submitted a request for payment as part of the tenth instalment of the Ukraine Plan. To support the payment request, Ukraine provided justification for the satisfactory fulfilment of two steps in the seventh instalment, two steps in the eighth instalment, two steps in the ninth instalment, and seven steps in the tenth instalment, set out in the Annex to Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan[2], as subsequently amended ('the CID Annex'). Ukraine also provided evidence for three steps in the eleventh instalment.

Based on the information provided by Ukraine, seven steps of the tenth instalment are considered to have been satisfactorily fulfilled.

- Step 1.4, concerning the modernisation of the Unified State Web Portal of Electronic Services
- Step 4.18, concerning the entry into force of amendments aimed at establishing criminal liability for illegal actions with payment cards or other payment instruments in the interest of third parties
- Step 6.4, concerning the corporatisation of key state-owned enterprises
- Step 8.13, concerning the competition of a comprehensive analysis of the salaries, pensions and allowances of the staff of the Economic Security Bureau of Ukraine and other relevant bodies
- Step 10.16, concerning the adoption of legal acts on setting minimum energy efficiency performance levels for buildings
- Step 10.21, concerning the request for an integrated regulatory review service mission at SNRIU by the International Atomic Energy Agency
- Step 11.9, concerning the adoption of a resolution by the Cabinet of Ministers of Ukraine approving the Action Plan for the phased introduction of competition for freight and passenger transport in the railway market
- The Commission has assessed that the evidence provided for four of the steps required for the tenth instalment is not sufficient to conclude that they are satisfactorily fulfilled (Step 3.13 concerning the entry into force of the legislation improving the disciplinary system for prosecutors and increasing the capacity of the Qualification and Disciplinary Commission of Prosecutors, Step 4.5 concerning the adoption of the new Anti-Corruption Strategy for the period 2026-2030, Step 4.9

[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).

concerning the publication in the Official Gazette of the legislation to further reinforce the anti-money laundering system, including for the purpose of Ukraine's application to join the geographical scope of the Single European Payment Area (SEPA) schemes, and Step 4.16 concerning the entry into force of legislative amendments of information accompanying transfers of funds and certain crypto-assets).

In addition, the information provided by Ukraine shows that two steps from the seventh instalment, one step from the eighth instalment, and one step from the ninth instalment have been satisfactorily fulfilled.

- Step 1.2, concerning the entry into force of the legislative changes to improve the procedure for entering, passing, and terminating civil service;
- Step 3.7, concerning the entry into force of the legislation for simplified insolvency procedures for Micro, Small, and Medium Enterprises;
- Step 6.9, concerning the entry into force of the updated legislation on state aid and full unsuspension of the application of state aid control;
- Step 10.9, concerning the adoption of a Roadmap for gradual liberalisation of gas and electricity market.

Furthermore, the information provided by Ukraine shows that Step 1.5 from the eighth instalment and Step 6.3 from the ninth instalment, have been partially fulfilled:

- Step 1.5, concerning the Human Resources Management Information System (HRMIS);
- Step 6.3, concerning the appointment of the Supervisory boards of state-owned enterprises with a majority of independent members.
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Lastly, and in accordance with the methodology for handling the partial fulfilment of steps under the Ukraine Plan, the following steps scheduled for the eleventh instalment were declared by Ukraine as fulfilled and were also proposed as possible mitigating factors:

- Step 2.10, concerning the strengthening of internal control, internal audit in Ukraine and protection of the EU's financial interests under the Ukraine Facility;
- Step 6.10, concerning the adoption of the roadmap for lifting SOE moratoria and gradual lifting of SOE moratoria on debt enforcement;
- Step 14.5, concerning the enablement of EU-format Electronic Attestations in Diia;
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- As part of **Chapter 1 on public administration reform**, the legislative changes to improve the procedure for entering, serving in and terminating civil service have entered into force (Step 1.2). The Unified State Web Portal of Electronic Services has been modernised, including the functionality for publishing vacancies and submitting applications (Step 1.4).

- As part of **Chapter 2 on public financial management**, internal control and internal audit in Ukraine, as well as the protection of the EU's financial interests under the Ukraine Facility, have been strengthened (Step 2.10).
- As part of **Chapter 3 on the judicial system and human rights**, legislation introducing simplified insolvency procedures for micro, small and medium-sized enterprises (MSMEs) has entered into force (Step 3.7).
- As part of **Chapter 4 on the fight against corruption and money laundering**, legislative amendments on information accompanying transfers of funds and certain crypto-assets have entered into force (Step 4.18).
- As part of **Chapter 6 on the management of public assets**, supervisory boards of state-owned enterprises have been appointed with a majority of independent members (Step 6.3). The updated legislation on state aid has entered into force, and the application of state aid control has been fully unsuspended (Step 6.9). The roadmap for lifting moratoria on state-owned enterprises (SOEs), including the gradual lifting of SOE moratoria on debt enforcement, has been adopted (Step 6.10).
- As part of **Chapter 8 on the business environment**, a comprehensive analysis of the salaries, pensions and allowances of staff of the Economic Security Bureau of Ukraine and other relevant bodies has been completed (Step 8.13).
- As part of **Chapter 10 on the energy sector**, the roadmap for the gradual liberalisation of the electricity and gas markets, to be implemented after the expiry of martial law, has been adopted (Step 10.9). Legal acts establishing minimum energy efficiency performance levels for buildings have been adopted (Step 10.16). In addition, a request for an integrated regulatory review service mission at the State Nuclear Regulatory Inspectorate of Ukraine (SNRIU) has been submitted to the International Atomic Energy Agency (Step 10.21).
- As part of **Chapter 11 on transport**, the Cabinet of Ministers of Ukraine has adopted a resolution approving the Action Plan for the phased introduction of competition for freight and passenger transport in the railway market (Step 11.9).
- As part of **Chapter 14 on digital transformation**, the Diia mobile application has been technically enabled to support electronic attestations of attributes for Ukrainian citizens in the EU format (Step 14.5).
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Step 1.4

Name of the step: Modernisation of the Unified State Web Portal of Electronic Services
Related reform/investment: Reform 3. Digitalisation of civil service and human resources management
Financed from: loan
Context The requirement for Step 1.4 described in the CID Annex is: *'The Unified State Web Portal of Electronic Services is modernised. Functionality for publishing vacancies and submitting applications has been fully implemented and is operating in full.'* Step 1.4 is one of the two steps under Reform 3 of Chapter 1 (public administration reform). It is the last step in Reform 3 apart from Step 1.5 which remains unfulfilled from the eighth payment.
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex; 2) Copy of the Resolution of the Cabinet of Ministers of Ukraine dated December 1, 2023, No. 1317 on 'Certain Issues Concerning the Digitalisation of Activities of State Bodies'; 3) Copy of the Resolution of the Cabinet of Ministers of Ukraine dated May 16, 2025, No. 578 'On the implementation of an experimental project regarding the use of the Unified State Web Portal of Electronic Services for employment'; 4) Copies of screenshots of the Diia state vacancies portal, showing operational functionality including the public interface for candidates and the back-office modules for vacancy creation and job applicant processing; 5) Link to the modernised web portal: https://digitaloffice.diia.gov.ua/vacancy.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover the constitutive elements of Step 1.4. The objective of Reform 3 is the digitalisation of the civil service and human resources management. The main goal is to digitalise and streamline the recruitment process for civil service positions, enhancing transparency, speed and accessibility for both job seekers and the human resource departments of government bodies. To implement this step, the authorities built on the existing architecture of the Unified State Web Portal of Electronic Services (Diia Portal). Within this platform, a dedicated administrative module (Diia.Office) was established for use by government bodies, providing the functionality required to create and manage vacancies. At the same time, the main Diia Portal was upgraded with additional features for use by applicants, enabling applicants to apply for civil service posts and advance through the selection process via the Diia Portal.

The upgraded portal provides comprehensive functional capabilities across the recruitment lifecycle.

- For Human Resources Departments: the system enables HR departments to create job profiles, publish vacancies, and process applications. It manages the entire selection workflow, from automating notifications and compiling assessments to ranking candidates and publishing final results.
- For applicants: applicants can securely authenticate via the Diia Portal to browse vacancies, submit applications and documents, receive electronic notifications, and track their progress from start to finish.

The functionality for job vacancies has been fully implemented and verified through a pilot project involving two key central bodies, specifically the Ministry of Digital Transformation and the National Agency of Ukraine on Civil Service (NAUCS). The required functionality is operating in full.

Ukraine plans to onboard all central executive bodies to 'Diia.Office' by 30 November 2026, aligning with the timeline for the restoration of competitive civil service recruitment procedures set out in recent legislation adopted by the Verkhovna Rada. All government bodies are expected to already have access and practical experience in managing job vacancies by the time the technical capability to conduct competitions is fully operational.

Commission assessment: satisfactorily fulfilled

Step 4.18

Name of the step: Entry into force of amendments aimed at establishing criminal liability for illegal actions with payment cards or other payment instruments in the interests of third parties

Related reform/investment: Reform 3. Anti-money laundering measures

Financed from: loan

Context

The requirement for Step 4.18 described in the CID Annex is:

'Entry into force of amendments aimed at establishing criminal liability for illegal actions with payment cards or other payment instruments in the interests of third parties, in line with the principles of Directive (EU) 2019/713.'

Step 4.18 is the third of seven steps in the implementation of Reform 3 of Chapter 4 (fight against corruption and money laundering). It is implemented in parallel with step 4.16 on the entry into force of legislative amendments on information accompanying transfers of funds and certain crypto-assets. It was preceded by step 4.8 on the preparation and implementation of the National Risk Assessment, positively assessed as part of the 9th payment request (Q2 2026). It is followed by Step 4.19 on the adoption of a strategy and action plan on financial investigations and the introduction of methodological guidelines for conducting financial investigations (due by Q4 2026), Step 4.10 on the necessary software and hardware for the registry of accounts and individual safe deposit boxes of individuals and is operational and access is ensured to relevant authorities (due by Q2 2027), and Step 4.17 on the establishment of the necessary software and hardware for the registry of beneficial owners for trusts or other similar legal arrangements is operational and access is ensured to relevant authorities (due by Q2 2027).

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. 5038-IX 'On Amendments to the Criminal Code of Ukraine and the Criminal Procedure Code of Ukraine on the Protection of Citizens and their Funds from Illegal Actions with Payment Instruments, Bank Accounts and Electronic Money', dated 28 October 2026;

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 4.18.

The objective of Reform 3 of Chapter 4 (fight against corruption and money laundering) is to further align Ukraine's legal framework with the Union *acquis* and FATF standards and to create an effective anti-money laundering system in Ukraine to better tackle economic crime and improve the overall business climate in Ukraine.

To this end, on 28 October 2026, the Verkhovna Rada adopted Law of Ukraine No. 5038-IX 'On Amendments to the Criminal Code of Ukraine and the Criminal Procedure Code of Ukraine on the Protection of Citizens and their Funds from Illegal Actions with Payment Instruments, Bank Accounts and Electronic Money'.

The law introduces criminal liability for illegal acts involving payment instructions, payment notifications, payment orders, payment instruments, and other means of access to bank accounts and electronic wallets, including their misappropriation, theft, acquisition through fraud or abuse of trust, or acquisition by other criminally unlawful means.

It also establishes criminal liability for the transfer, receipt, purchase, storage, or other acquisition of payment instruments or personalised security credentials, as well as for granting access to them or to a bank account, payment account, or electronic wallet, where such conduct is carried out for the purpose of committing fraud or another criminal offence.

In addition, the law expands the grounds for applying measures of a criminal-law nature to legal entities in relation to offences covered by Articles 200 and 201(1) of the Criminal Code of Ukraine. More specifically, it provides that the transfer of a payment instrument, individual accounting information, or access to them or to a bank account, payment account, or electronic wallet, for the purpose of committing fraud or another criminal offence by another person, shall be punishable by a fine. It further provides that the receipt, purchase, storage, or other acquisition of a payment instrument, another person's individual accounting information, or access to them or to a bank account, payment account, or electronic wallet, for the purpose of committing fraud or another criminal offence by another person, shall be punishable by a fine, restraint of liberty, or imprisonment.

The law clarifies investigative jurisdiction. In particular, it provides that the pre-trial investigation is to be conducted by the investigative body that initiated the pre-trial investigation or that has jurisdiction over the criminal offence in which the transferred or received payment instrument, personalised security credentials, or access to a bank account, payment account, or electronic wallet was used.

Finally, the law – together with the consolidated version of the Criminal Code of Ukraine, further aligns Ukrainian legislation with the principles of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and

counterfeiting of non-cash means of payment, and replacing Council Framework Decision 2001/413/JHA. More specifically, Ukrainian legislation criminalises the intention of, or causing the execution of, a transfer of money, monetary value or virtual currency, where this results in an unlawful loss of property to another person and an unlawful gain for the perpetrator or a third party. It also criminalises the production, procurement import, export, sale, transport, distribution or making available of devices, instruments, computer data or other means primarily designed or specifically adapted for committing offences related to the fraudulent use of corporeal and non-corporeal non-cash payment instruments, as well as fraud involving information systems.
Commission assessment: satisfactorily fulfilled

Step 6.4

Name of the step: Corporatisation of key state-owned enterprises
Related reform/investment: Reform 2. Improved governance and management of state-owned enterprises
Financed from: loan
Context The requirement for Step 6.4 described in the CID Annex is: *'At least 15 SOEs from the list of top key SOEs approved by a Cabinet of Ministers protocol decision are corporatised as either joint-stock companies or limited liability companies.'* Step 6.4 is the third of the seven steps of Reform 2 in Chapter 6 (management of public assets). It is followed by Step 6.10 on the adoption of the roadmap for lifting SOE moratoria and gradual lifting of SOE moratoria on debt enforcement (due by Q4 2026), Step 6.11, on the entry into force of the amendments to the legislation on state-owned enterprises (due by Q4 2026), Step 6.12 on performing independent external evaluations for top SOEs (due by Q4 2026), and Step 6.8 on the submission of the first annual report showing that the principles of corporate governance are duly followed (due by Q3 2027).
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 order Nr. 1595-r of 9 December 2021 of the Cabinet of Ministers of Ukraine 'On the approval of the transformation of state-owned enterprises into joint-stock companies and limited liability companies', confirming the inclusion of S.E. 'Malyshev Plant' in the list of SOEs, participants in the State Concern 'Ukrboronprom', which are subject to reorganisation into joint-stock companies, with 100% of their shares being owned by the state. 3) Copy of the Official Gazette No. 111 of 3 June 2025, containing CMU Resolution Nr. 615 of 27 May 2025, amending the charter of JSC 'Ukrainian Railways', approved by CMU Resolution Nr. 735 of 2 September 2015; 4) Copy of the Official Gazette No. 159 of 31 July 2026, containing CMU Resolution Nr.

615 of 27 May 2025, amending the charter of JSC ‘National Nuclear Energy Generating Company ‘Energoatom’’, approved by CMU Resolution Nr.1420 of 29 December 2023;

5) Copy of the Official Gazette No. 102 of 14 May 2026, containing CMU Resolution Nr. 593 of 23 February 2026, amending the charter of PJSC ‘Ukrhydroenergo’, approved by CMU Resolution Nr.235 of 24 February 2021;
6) Copy of the Official Gazette No. 138 of 2 July 2026, containing CMU Resolution Nr. 835 of 24 June 2026, amending the charter of JSC ‘National Joint Stock Company ‘Naftogaz of Ukraine’’, approved by CMU Resolution Nr.1044 of 14 December 2016;
7) Copy of the Charter of the Joint Stock Company ‘Ukrposhta’, approved by order No. 1779 of the Ministry of Restoration, Infrastructure and Transport of Ukraine dated 25.08.2026;
8) Copy of the Charter of the Limited Liability Company "Gas Transmission System Operator of Ukraine", approved by Order Nr. 465 of the Ministry of Energy of Ukraine dated 30.09.2026;
9) Copy of the Charter of the Private Joint-Stock Company ‘National Energy Company ‘Ukrenergo’’, approved by the order Nr. 67 of the Ministry of Energy of Ukraine dated 13.02.2026;
10) Copy of the Official Gazette No. 139 of 3 July 2026, containing CMU Resolution 844 of 1 July 2026, which amends the Charter of the Joint Stock Company ‘National Public Broadcasting Company of Ukraine’, approved by Resolution Nr. 1039 of 28 December 2016 of the Cabinet of Ministers of Ukraine.
11) Copy of the Charter of the Joint Stock Company ‘Energy Company of Ukraine’, approved by Order Nr. 2457 of 31 December 2025 of the State Property Fund of Ukraine.
12) Copy of the Charter of the Joint-Stock Company ‘State Joint-Stock Company ‘Roads of Ukraine’, approved by order Nr. H-137 of the State Agency for the Restoration and Development of Infrastructure of Ukraine of April 18, 2024;
13) Copy of the charter of the joint-stock company ‘Ukrainian Energy Machines’, approved by the decision of the extraordinary general meeting of shareholders of the joint-stock company ‘Ukrainian Energy Machines’ dated December 19, 2024 No 42.
14) Copy of the charter of the private joint stock company 'National Joint Stock Company 'Nadra Ukrainy", approved by order Nr. 321 of the State Service of Geology and Subsoil of Ukraine of July 20, 2026;
15) Copy of the charter of the private joint-stock company ‘Ukrainian Danube Shipping Company’, approved by order Nr. 1188 of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine dated 30.12.2023;
16) Copy of the Official Gazette No. 254 of 12 December 2025, containing CMU Resolution Nr. 1633 of 10 December 2025 ‘On the formation of the Joint-Stock Company ‘Guaranteed Buyer’;
17) Copy of an extract from the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations dated 26.10.2026, containing the registration of State Enterprise ‘Malyshev Plant’.
18) Copy of the Charter of the Joint-Stock Company ‘State Joint-Stock Company ‘Roads of Ukraine’, approved by order 194 of 17 March 2026 of the State Agency for the Restoration and Development of Infrastructure of Ukraine.
19) Order Nr. 194 of 17 March 2026 of the State Agency for Restoration and Infrastructure Development of Ukraine ‘On Amendments to the Charter of the Joint-Stock Company 'State Joint-Stock Company ‘Roads of Ukraine’’’
20) Order Nr 321 of 20 July 2026 of the State Service on Geology and Mineral Resources

of Ukraine on the Approval of the Statute of the Private Joint Stock Company National Joint Stock Company Nadra of Ukraine;

21) Order Nr. 465 of 30 September 2026 of the Ministry of Energy of Ukraine on increasing the authorized capital of the limited liability company ‘Operator Gas Transmission System of Ukraine'
22) Order Nr 67 of 13 February 2026 on the Approval of the Statute of Private Joint Stock Company ‘National Energy Company ‘Ukrenergo’’
23) Order Nr 1779 of 25 August 2026 of the Ministry of Restoration, Infrastructure and Transport of Ukraine on On Amendments to the Charter of the Joint Stock Company 'Ukrposhta'
24) Copy of the charter of the private joint-stock company ‘Ukrainian Danube Shipping Company’, approved by order Nr. 2037 of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine dated 24.09.2026;
25) Order Nr. 2037 of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine dated 24.09.2026 on Amendments to the Charter of the Private Joint Stock Company ‘Ukrainian Danube Shipping’
26) Order Nr 2457 of 31 December 2025 of the State Property Fund of Ukraine on the approval of the new version of the charter of the Joint-Stock Company 'Energy Company of Ukraine'

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 6.4.

The objective of Reform 3 is to facilitate the transition from the state unitary enterprise legal form into more commercially oriented forms, to foster a more efficient and transparent governance framework for state-owned enterprises (SOEs) via enhancing corporate governance standards and implementation in top SOEs.

The reform aims to corporatise key enterprises in the state sector of the economy (at least 15 state-owned companies included in the list of key state-owned enterprises approved by a protocol decision of the Cabinet of Ministers) by transforming state-owned enterprises into joint-stock companies or limited liability companies, with a view to improving the state ownership management system, enhancing enterprise performance and introducing modern corporate governance practices.

Subparagraph 4 of paragraph 6 of Section 2 of the minutes of the meeting of the Cabinet of Ministers of Ukraine No. 122 of 29 November 2024 established a list of 15 key enterprises in the state sector of the economy that were required to become a joint-stock company or a limited liability company by the end of Q3 2026.

On 30 September 2026, the Government adopted Protocol Decision No. 32, approving an updated list of key enterprises to be corporatised. In accordance with this Protocol Decision, State Enterprise ‘Forests of Ukraine’ was removed from the list of state-owned companies to be corporatised as joint-stock companies or limited liability companies. At the same time, State Enterprise ‘Malyshev Plant’ was included in the list of state-owned companies to be corporatised as joint-stock companies or limited liability companies.

As a result of the reform, all 15 enterprises on the designated list have been corporatised,

representing 100% of the target. This achievement lays the groundwork for further improvements to the corporate governance system, greater transparency in enterprise operations, stronger accountability of management bodies, and a clear separation between the state's ownership function and the management of companies' business activities.
Commission assessment: satisfactorily fulfilled

Step 8.13

Name of the step: Completion of a comprehensive analysis of the salaries, pensions and allowances of the staff of the Economic Security Bureau of Ukraine and other relevant bodies
Related reform/investment: Reform 2. Reform of the Economic Security Bureau of Ukraine
Financed from: loan
Context The requirement for Step 8.13 described in the CID Annex is: *'Completion by the Government of Ukraine of a comprehensive analysis of the adequacy of salaries, pensions and allowances of the Economic Security Bureau of Ukraine, other comparable agencies and relevant governmental bodies, in order to assess the level-playing field among those agencies, institutions and bodies.'* Step 8.13 is the second of the three steps in the implementation of Reform 2 of Chapter 8 (business environment). It is followed by Step 8.11 (due by Q4 2026), which entails the entry into force of legal acts further strengthening the Economic Security Bureau of Ukraine.
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex; 2) Copy of extract from the minutes of meeting no. 35 of the Cabinet of Ministers of Ukraine, dated 13 October 2026. 3) Copy of analytical note "Comprehensive assessment of salaries, pensions and payments of employees of the Bureau of Economic Security of Ukraine and other relevant bodies", prepared by the Ministry of Economy
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 8.13. The objective of Reform 2 of Chapter 8 (business environment) is to relaunch and reinvigorate the Economic Security Bureau through the provision of a clearer mandate and an open, transparent and competitive process for selection of management and staff. The Ministry of Economy prepared an analytical note on "Comprehensive assessment of salaries, pensions and payments of employees of the Bureau of Economic Security of

Ukraine and other relevant bodies" which was shared with the Cabinet of Ministers. According to the extract from the minutes of meeting no. 35, the Cabinet of Ministers took note of the information provided by the Minister of Economy and Environment. The note was published on the Ministry of Economy website, in line with the decision taken by the Cabinet of Ministers of Ukraine at the meeting.
Commission assessment: satisfactorily fulfilled

Step 10.16

Name of the step: Adoption of legal acts on setting minimum energy efficiency performance levels for buildings
Related reform/investment: Reform 7. Improved energy efficiency in public buildings and improvement of public procurement procedures
Financed from: loan
Context The requirement for Step 10.16 described in the CID Annex is: *'Adoption by the Cabinet of Ministers of Ukraine of legal acts on setting minimum energy efficiency performance levels for buildings and also for products covered by the EU eco-design legislation and the Ministry for Communities, Territories and Infrastructure Development adopted acts on setting classes of energy efficiency performance levels for products covered by the Union energy labelling legislation.'* Step 10.16 is the last step of the two steps in the implementation of Reform 7 of Chapter 10 (energy 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 Order of the Ministry for Communities and Territories Development No. 168 of 6 February 2025 setting out the minimum energy efficiency performance levels for Nearly Zero Energy Buildings (NZEBs); 3) Copy of the order of the Ministry of Development of Communities and Territories of Ukraine No. 692 of 31 March 2026 amending the methodology for determining the baseline level of energy efficiency; 4) Copy of the resolution of the Cabinet of Ministers of Ukraine No. 160 of 5 February 2026 on servers and data storage products; 5) Copy of the resolution of the Cabinet of Ministers of Ukraine No. 512 of 2 May 2025 on refrigerating appliances with a direct sales function; 6) Copy of the resolution of the Cabinet of Ministers of Ukraine No. 949 of 20 August 2024 on electronic displays; 7) Copy of the resolution of the Cabinet of Ministers of Ukraine No.3 of 3 January 2024 on household dishwashers; 8) Copy of the resolution of the Cabinet of Ministers of Ukraine No. 844 of 23 July 2024 on electric motors and variable speed drive; 9) Copy of the resolution of the Cabinet of Ministers of Ukraine No. 1263 of 1 December

2023 on refrigeration devices;
10) Copy of the resolution of the Cabinet of Ministers of Ukraine No. 1018 of 22 September 2023 on light sources and separate start-regulating devices;
11) Copy of the resolution of the Cabinet of Ministers of Ukraine No. 834 of 8 August 2023 on household washing machines and household washing and drying machines;
12) Copy of the order of the Ministry of Restoration, Infrastructure and Transport of Ukraine of 7 September 2026 No. 1873 on refrigerating appliances with a direct sales function;
13) Copy of the order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 172 of 23 February 2024 on light sources;
14) Copy of the order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 991 of 30 October 2023 on household washing machines and household washing and drying machines;
15) Copy of the order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 1106 of 6 December 2023 on electronic displays;
16) Copy of the order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 795 of 9 September 2023 on household dishwashers;
17) Copy of the order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 796 of 9 September 2023 on refrigeration devices.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 10.16.

The objective of Reform 7 of Chapter 10 (energy sector) is to improve energy sustainability and support the reduction of energy consumption by rolling out energy efficiency measures.

To fulfill the step, the Ukrainian authorities took several actions to achieve the objective of the measure. More specifically:

- Order of the Ministry for Communities and Territories Development No. 168 of 6 February 2025 set out the minimum energy efficiency performance levels for Nearly Zero Energy Buildings (NZEBs). In particular, according to Art. 3 of Order No. 168/2025, newly built NZEBs will need to achieve at least an energy class “A” while during reconstruction NZEBs shall reach at least an energy class “B”. The methodology for determining the energy efficiency baseline level, approved by the order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 1140 of 14 December 2023, was also amended by order of the Ministry of Development of Communities and Territories of Ukraine No. 692 of 31 March 2026. While the step description requires the adoption of acts regarding minimum energy efficiency performanc levels for buildings by the Cabinet of Ministers, the objective of the reform has been met through orders of the Ministry for Communities and Territories Development. The difference in legal form does not undermine the achievement of the intended objective of the step, and therefore this minimal deviation from the requirements of the step in terms of legal form does not prevent a positive assessment.
- On eco-design, several product-specific technical regulations were adopted to set minimum energy efficiency performance levels for products covered by the EU eco-design legislation. More specifically, the following resolutions were adopted:
  - Resolution of the Cabinet of Ministers of Ukraine No. 160 of 5 February 2026 on servers and data storage products;

- Resolution of the Cabinet of Ministers of Ukraine No. 512 of 2 May 2025 on refrigerating appliances with a direct sales function;
- Resolution of the Cabinet of Ministers of Ukraine No. 949 of 20 August 2024 on electronic displays;
- Resolution of the Cabinet of Ministers of Ukraine No.3 of 3 January 2024 on household dishwashers;
- Resolution of the Cabinet of Ministers of Ukraine No. 844 of 23 July 2024 on electric motors and variable speed drive;
- Resolution of the Cabinet of Ministers of Ukraine No. 1263 of 1 December 2023 on refrigeration devices;
- Resolution of the Cabinet of Ministers of Ukraine No. 1018 of 22 September 2023 on light sources and separate start-regulating devices;
- Resolution of the Cabinet of Ministers of Ukraine No. 834 of 8 August 2023 on household washing machines and household washing and drying machines.

- On energy labelling, several product-specific technical regulations were also adopted to set classes of energy performance for products covered by the Union energy labelling legislation. These include:
  - The order of the Ministry of Restoration, Infrastructure and Transport of Ukraine of 7 September 2026 No. 1873 on refrigerating appliances with a direct sales function;
  - The order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 172 of 23 February 2024 on light sources;
  - The order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 991 of 30 October 2023 on household washing machines and household washing and drying machines;
  - The order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 1106 of 6 December 2023 on electronic displays;
  - The order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 795 of 9 September 2023 on household dishwashers;
  - The order of the Ministry of Development of Communities, Territories and Infrastructure of Ukraine No. 796 of 9 September 2023 on refrigeration devices.

Commission assessment: satisfactorily fulfilled

Step 10.21

Name of the step: Request for an integrated regulatory review service mission at SNRIU by the International Atomic Energy Agency

Related reform/investment: Reform 8. Reform of State Nuclear Regulatory Inspectorate

Financed from: loan

Context

The requirement for Step 10.21 described in the CID Annex is:

'State Nuclear Regulatory Inspectorate has submitted a request for an integrated regulatory review service mission by the International Atomic Energy Agency to start in the first half of 2027.'

Step 10.21 is the only step in the implementation of Reform 8 under Chapter 10 (energy).

Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex; 2) Copy of the request made on 23 July 2026 to the International Atomic Energy Agency (IAEA) by the Permanent Mission of Ukraine to the International Organizations in Vienna, on behalf of State Nuclear Regulatory Inspectorate of Ukraine (SNRIU), to conduct an Integrated Regulatory Review Service (IRRS) mission; 3) Copy of the email sent on 29 September 2026 by SNRIU to ask the IAEA to start the IRRS mission in the first half of 2027; 4) Copy of the 2018 IRRS service guidelines.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 10.21. The objective of Reform 8 is to launch the process of an independent international peer review of the effectiveness, independence, governance and regulatory functions of the national nuclear and radiation safety regulatory framework against IAEA safety standards. To fulfil the step, on 23 July 2026, the Permanent Mission of Ukraine to the International Organisations in Vienna, on behalf of SNRIU, sent a request to the IAEA to perform an IRRS mission in accordance with the 2018 IRRS service guidelines. On 29 September 2026, SNRIU submitted a follow-up email asking the IAEA to consider starting the IRRS mission already in the first half of 2027, in line with the CID. As part of Council Implementing Decision establishing the satisfactory fulfilment of the conditions for the partial payment of the ninth instalment under the Ukraine Plan of the Ukraine Facility and amending Implementing Decision (EU) 2024/1447, this step was taken into account as a mitigating factor, in accordance with the methodology for assessing the partial fulfilment of steps under the Ukraine Plan, solely for the purposes of the application of that Decision. The assessment of this step has not changed since the adoption of that Decision.
Commission assessment: satisfactorily fulfilled

Step 11.9

Name of the step: Adoption of a resolution by the Cabinet of Ministers of Ukraine approving the Action Plan for the phased introduction of competition for freight and passenger transport in the railway market
Related reform/investment: Reform 3. Liberalisation in the railways transport sector
Financed from: loan
Context The requirement for Step 11.9 described in the CID Annex is: *'Adoption of a resolution by the Cabinet of Ministers of Ukraine approving the Action Plan for the phased introduction of competition for freight and passenger transport in the railway market, in line with the principles of EU rail transport* acquis *including, in particular, Directive 2012/34/EU. The Action Plan sets out a timetable for the phased introduction of competition for freight and passenger transport, i) providing for the non-*

discriminatory, transparent and equitable access to the 1 435 mm gauge network as soon as the relevant regulatory and supervisory framework is operational and in line with the EU rail acquis*; and ii) defining mandatory stages for the phased opening of the 1 520 mm gauge network. In addition, the Action Plan provides for the implementation of Directive (EU) 2016/798, Directive (EU) 2016/797 and Regulation (EC) 1370/2007 and is aligned with the revised National Programme for the Adaptation of Ukrainian Legislation to European Union Law (EU* acquis*) (NPAA).'*

Step 11.9 is the second step of the four steps in the implementation of Reform 3 under Chapter 11 (transport). It will be followed by Step 11.8 (due by Q4 2026) on the entry into force of legislation on the organisation of socially important passenger transportation by rail and institutional oversight with delayed application, and Step 11.4 (due on Q3 2027) on the adoption of the by-laws for the implementation of the legislation on railway transport.

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 Order No. 975-p of the Cabinet of Ministers of Ukraine of 23 September 2026 'On some issues of Reformation of the Railway Transport of Ukraine', Link to the official publication: https://www.kmu.gov.ua/npas/deiaki-pytannia-reformuvannia-zaliznychnoho-transportu-ukrainy-k975;
3. Copy of the 'Roadmap for the Reform of Railway Transport of Ukraine' as an attachment to Order No. 975-p of 23 September;
4. Copy of the 'Action Plan for the implementation of the Roadmap for the Reform of Railway Transport of Ukraine' as an attachment to Order No. 975-p of 23 September;
5. Copy of 'Additional Preconditions and Links between Measures of the Action Plan for the implementation of the Roadmap for the reform of railway transport of Ukraine' as an attachment to Order No. 975-p of 23 September 2026;
6. Copy of 'Proposals for amendments to the National Program for Adaptation of Ukrainian Legislation to EU Law'.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of Step 11.9.

The objective of Reform 3 under Chapter 11 (transport) is the creation of a competitive rail market in line with Union standards.

On 23 September 2026, the Cabinet of Ministers of Ukraine adopted by Order No. 975-p a *'Roadmap for the Reform of Railway Transport of Ukraine'* (hereafter: 'the roadmap'). The document is accompanied by an *'Action Plan for the implementation of the Roadmap for the Reform of Railway Transport of Ukraine'* (hereafter: 'the action plan'), and *'Additional Preconditions and Links between Measures of the Action Plan for the implementation of the Roadmap for the reform of railway transport of Ukraine'* (hereafter: 'the annex to the action plan').

The roadmap summarises the strategic challenges of the railway sector in Ukraine and formulates three strategic goals for the railway reform.

The roadmap, the action plan and its annex are organised around three goals:

- Goal 1 aims at introducing the European railway safety and interoperability system in line with Directives 2016/798, 2016/797, and Regulation 2016/796.
- Goal 2 aims at introducing the European model for the organisation of socially important rail passenger services in line with Regulation (EC) 1370/2007.
- Goal 3 aims at the phased transition to the European model for the railway transport market as specified by Directive 2012/34/EU. The Goal includes the phased introduction of competition for freight and passenger transport in the railway market.

The action plan and its annex define mandatory stages and specify measures required for the opening of the 1,520mm gauge network, complemented by a timetable for their implementation.

Further, the action plan sets a timetable for the phased introduction of competition for freight and passenger transport, including the non-discriminatory, transparent and equitable access to the 1,435 mm gauge network. The opening of the 1,435 mm gauge network is planned for just after the relevant regulatory framework has come into effect and the supervisory bodies have become operational.

The measures and the timelines of the action plan and its annex are aligned with the planned revision of the National Programme for the Adaptation of Ukrainian Legislation to European Union Law (EU acquis) (NPAA) which is planned to be adopted by the end of 2026. While there is a minimal deviation from the step description in that the NPAA will only be revised after the adoption of the action plan, the fact that it will be revised to be in line with the action plan which was adopted first confirms the substantive achievement of the policy objective pursued by this step.

Commission assessment: satisfactorily fulfilled

Assessment of the satisfactory fulfilment of three steps in the 11th instalment proposed as mitigating factors in line with the methodology for handling the partial fulfilment of steps in the Ukraine Plan, and solely for the purpose of its application

Step 2.10

Name of the step: Strengthening internal control, internal audit in Ukraine and protection of the EU's financial interests under the Ukraine Facility

Related reform/investment: Reform 5. Improved audit and financial control systems

Context

The requirement for Step 2.10 described in the CID Annex is:

'Building on legislation adopted under Step 2.9, strengthening Ukraine's internal control and internal audit systems and the mechanisms for protecting the financial interests of Ukraine and the European Union under the Ukraine Facility, through the adoption of a national Action Plan to 'strengthen internal control and internal audit systems in Ukraine for accountable and effective governance', by the Cabinet of Ministers of Ukraine. The Action Plan is to cover the following aspects:

- *improving the State Audit Service of Ukraine's effective access to the information and data necessary to carry out state financial control measures under the Ukraine Facility, including relevant registers, databases and information systems;*
- *amending the Audit Strategy for the Implementation of the Ukraine Plan to clarify the respective roles and cooperation arrangements between the Ministry of Finance, the State Audit Service and the internal audit units of state bodies with spending units;*
- *improving the methodological framework for risk-based system audits for Ukraine Facility spending and ensuring their effective uptake by Q2 2027, including the assessment of risks of fraud, corruption, conflicts of interest and double funding;*
- *strengthening risk management and the role of internal control and internal audit in the preparation of management declarations, in particular by providing practical guidance and support to state bodies responsible for the implementation of the Ukraine Plan.'*

Step 2.10 is the second of the two steps in the implementation of Reform 5 under Chapter 2 (public financial management). It was preceded by Step 2.9 on the adoption of the amendments to the relevant legislation on state financial control

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 CMU dated October 15, 2026, No. 1082-p, 'On Approval of the Action Plan for Strengthening Internal Control and Internal Audit Systems in Ukraine for Accountable and Effective Management under the Ukraine Facility Instrument and for the Purpose of Protecting the Financial Interests of Ukraine and the European Union'.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 2.10.

The objective of Reform 5 is to strengthen the audit and financial control system, in particular to achieve a high level of protection of the financial interests of the European Union regarding the funds used under Pillar I of the Ukraine Facility, in line with Article 35 of Regulation (EU) 2024/792.

To this end, the Cabinet of Ministers of Ukraine adopted Order No. 1082-r on 15 October 2026, approving the Action Plan to strengthen internal control and internal audit systems in Ukraine for accountable and effective governance under the Ukraine Facility and to protect the financial interests of Ukraine and the European Union. The Action Plan sets out tasks and measures, each with responsible bodies, a deadline and an expected result. Its measures address central executive authorities, regional state administrations and other main spending units of the state budget, which gives the Plan a national scope. The Action Plan builds on the legislation adopted under Step 2.9, notably CMU Resolution No. 1483 and CMU Order No. 1390, and covers the four aspects set out in the CID Annex.

First, the Action Plan covers permanent electronic access of the State Audit Service, by December 2027, to the information it needs for risk analysis, planning and state financial control under the Ukraine Facility, including at local level. This covers four state registers

(demographic, real property rights, encumbrances on movable property and vehicles), state export control information and relevant information and communication systems.

Second, the Action Plan covers amendments to the Audit Strategy for the Implementation of the Ukraine Plan by November 2026, to define the powers and cooperation arrangements of the Ministry of Finance, the State Audit Service and the internal audit units of budget spending units.

Third, the Action Plan also provides for improving the methodology for risk-based system audits under the Ukraine Facility, including the assessment of risks of fraud, corruption, conflicts of interest and double funding, and for training the staff concerned in its application, both by March 2027. Combined with quarterly state financial control under the Ukraine Facility and annual reporting on the implementation of the methodology, this ensures its effective uptake by the second quarter of 2027.

Fourth, the Action Plan requires the National Coordinator and the bodies responsible for the implementation of the Ukraine Plan to adopt, by March and May 2027 respectively, internal control procedures for preparing their management declarations, including the identification and assessment of related risks, and provides for assurance and/or advisory engagements by internal audit units on these declarations. The Ministry of Finance aims to provide practical support to these bodies, based on its methodological recommendations on internal control, including training on risk management and internal control in the preparation of management declarations.

Together, these measures and tasks in the Action Plan strengthen Ukraine's internal control and internal audit systems and the mechanisms for protecting the financial interests of Ukraine and the European Union under the Ukraine Facility.

Commission assessment: satisfactorily fulfilled

Step 6.10

Name of the step: Adoption of the roadmap for lifting SOE moratoria and gradual lifting of SOE moratoria on debt enforcement

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

Context

The requirement for Step 6.10 described in the CID Annex is:

'Adoption of the roadmap for lifting SOE moratoria and gradual lifting of SOE moratoria on debt enforcement.'

Step 6.10 is the fourth of the seven steps in the implementation of Reform 2 under Chapter 6 (management of public assets). It is followed by Step 6.11, on the entry into force of the amendments to the legislation on state-owned enterprises (due by Q4 2026), Step 6.12 on performing independent external evaluations for top SOEs (due by Q4 2026), and Step 6.8 on the submission of the first annual report showing that the principles of corporate governance are duly followed (due by Q3 2027).

The need for such a roadmap stems from the problem created by the non-enforcement of court decisions in Ukraine, in which the debtors are state bodies, enterprises, institutions or

organisations. This was recognised by the European Court of Human Rights as a systemic problem in Ukraine in ensuring the right to a fair trial (Article 6 of the Convention for the Protection of Human Rights and Fundamental Freedoms) and the right to peaceful possession of property (Article 1 of the First Protocol to this Convention). The main challenge is therefore to gradually remove or revise these moratoriums without undermining fiscal stability, compromising strategic state assets or disrupting the provision of essential public services.

Evidence provided

3) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
4) Copy of the roadmap on phased abolition, revision of moratoriums for enforcement of decisions and bankruptcy;
5) Copy of the order of the Council of Ministers of Ukraine Nr 1021-p of 7 October 2026 on the approval of the Roadmap for phased cancellation, review of moratoriums on enforcement of decisions and bankruptcy
6) Copy of the Official Gazette No. 226 of 27 October, containing the published CMU Order Nr. 1021-p.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 6.10.

The objective of Reform 2 is to facilitate the transition from the state unitary enterprise legal form into more commercially oriented forms, to foster a more efficient and transparent governance framework for state-owned enterprises (SOEs) via enhancing corporate governance standards and implementation in top SOEs.

The roadmap lays out a coherent and comprehensive timeline for the revision and gradual lifting of SOE moratoria on debt enforcement. This roadmap aims to solve the problem created by the non-enforcement of court decisions, the debtors of which are a state body or a state enterprise, institution or organisation. It proposes a phased and structured approach to achieving this, rather than immediate and indiscriminate abolition of existing restrictions, which may prove harmful to the Ukrainian economy and the provision of public services and could undermine fiscal stability.

Stage one, lasting until Q4 2029, sets out preparatory measures and outlines the phased lifting of moratoriums. This is done by classifying SOEs by strategic importance and viability, assessing inventory, assets and liabilities, auditing and restructuring financially distressed SOEs and preparing sector-specific reforms and targeted safeguards. It concludes with legislation establishing deadlines and an 18-24-month transition period for lifting or revising moratoriums.

In stage two, the process should move to a general enforcement regime (post-martial law). Here the transition towards ordinary enforcement and bankruptcy procedures is completed, including further classification of SOEs, formalisation of targeted state aid, decisions on enterprises in de-occupied and occupied territories, and removal of moratoriums in sectors where they were considered necessary during martial law.

The final stage sees implementation coming to an end and moving to oversight, ensuring the effective enforcement of court decisions regardless of whether the debtor is a public or private

entity. Restructuring and bankruptcy procedures ought to be applied indiscriminately to SOEs, as to other business entities.
Commission assessment: satisfactorily fulfilled

Step 14.5

Name of the step: Enablement of EU-format Electronic Attestations in Diia
Related reform/investment: Reform 2. Digitalisation of public services
Context The requirement for Step 14.5 described in the CID Annex is: *'The technical specifications of the mobile application of Diia Portal enables usage of electronic attestation of attributes for the nationals of Ukraine in the data format specified for EU Digital Identity Wallet.'* Step 14.5 is the third of the three steps in the implementation of Reform 2 under Chapter 14 (digital transformation). It was preceded by Step 14.3 (due by Q1 2025) on the adoption of the Action Plan for digitalisation of public services until 2026 and Step 14.4 (due by Q2 2026) on the entry into force of the legal act on the functioning of the Integrated Electronic Identification System, in line with the principles of Regulation (EU) 2024/1183.
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex; 2) Copy of the Resolution of the CMU dated October 24, 2025, No. 1400 'On Some Issues of the Implementation of an Experimental Project on the Formation and Use of Electronic Identification Data and Electronic Certificates of Attributes using a Wallet with Digital Identification as a Functional Feature of the Diia Mobile Application'
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 14.5. The objective of Reform 2 is to simplify the interaction between the state and citizens via digitalisation. CMU Resolution No. 1400 provides the legal basis for the step. It sets up a project in which citizens of Ukraine can use the Diia mobile application as a digital identity wallet. The wallet holds electronic attestations of attributes issued by the qualified trust service provider 'Diia', namely the digital driving licence, the digital certificate of place of residence and the digital taxpayer registration card, which users can share with service providers. The technical specifications of the application allow these attestations to be issued in the data format specified for the EU Digital Identity Wallet. Citizens of Ukraine add their identity data to the wallet using their Ukrainian identity card or

passport. As a result, the Diia mobile application enables citizens of Ukraine to use their digital documents in a format compatible with the EU Digital Identity Wallet, which simplifies their interaction with the state and service providers and prepares the ground for their use across the EU.
Commission assessment: satisfactorily fulfilled

Assessment of the fulfilment of 2 steps in the seventh instalment, 2 steps in the eighth instalment and 2 steps in the ninth instalment

Step 1.2

Name of the step: Entry into force of the legislative changes to improve the procedure for entering, passing, and terminating civil service
Related reform/investment: Reform 2. Merit-based recruitment and selection procedure for the civil service
Financed from: non-repayable support/loan
Context The requirement for step 1.2 described in the CID Annex is: *'Entry into force of legislation (including the adoption of the necessary secondary legal and normative acts) to improve the procedure for entering, passing, and terminating civil service. The legislation complies with the relevant OECD/SIGMA principles of public administration related to merit-based recruitment.* *The provisions relating to the resumption of merit-based selection for all civil servants' positions in the territory controlled by Ukraine, where no hostilities are taking place, enter into force with its application as of 1 June 2026 (in accordance with the requirements of step 1.3)'* Step 1.2 is the first of two steps in the implementation of Reform 2 in Chapter 1 (public administration reform) and was unfulfilled as part of the seventh payment request. It is followed by Step 1.3 (due by Q4 2026) on the gradual restoration of merit-based recruitment in the civil service.
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. 5031-IX 'On Amendments to Certain Laws of Ukraine Regarding the Restoration of Competitive Selection for Civil Service Positions and Positions in Local Self-Government Bodies and the Improvement of the Procedure for Entering, Serving, and Terminating Civil Service', dated 26 October 2026; 3. Copy of Resolution No. 1423 of the Cabinet of Ministers of Ukraine 'On

Amendments to the Procedure for Holding a Competition for Civil Service Positions' dated 11 November 2026;

4. Copy of Resolution No. 1422 of the Cabinet of Ministers of Ukraine 'On Amendments to the Typical Requirements for Persons Claiming Category "A" Civil Service Positions' dated 11 November 2026.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover the constitutive elements of Step 1.2.

The objective of Reform 2 is the restoration of merit-based recruitment in the civil service of Ukraine, which has been suspended since the introduction of martial law following the invasion by the Russian Federation. To this end, the Verkhovna Rada adopted Law No 13478-1 on 26 October 2026, which was signed by the President of Ukraine on 9 November 2026.

Specific transitional provisions entered into force on the day following the Law's official publication, mandating the Cabinet of Ministers of Ukraine to prepare the necessary secondary legislation. Following this, the provisions of the Law to establish the legal and administrative basis for resuming merit-based recruitment competitions, together with the relevant secondary legislation, entered into force on 11 December 2026.

The law establishes the legal framework for resuming mandatory, open and competitive recruitment across the Ukrainian civil service, halting direct appointments (except in territories designated as under active combat or occupation).

For existing officials directly appointed during wartime, the Law establishes clear transitional time limits: Category A (senior civil service) officials cannot have their wartime direct appointment mandates extended and must face open competition within 18 months or at the end of a five-year mandate, while Category B and C appointees are subject to a structured transition mechanism based on performance appraisals or mandatory competitions within 18 to 24 months.

In addition, the law revises the professional development framework for civil servants to link it to individual learning plans rather than training quotas. A comprehensive performance appraisal system is also introduced that manages both career advancement and accountability. Under this revised framework, civil servants who receive an "excellent" annual rating may be promoted to the next higher position without a competition, provided they meet the competency requirements. Conversely, a "negative" evaluation triggers a mandatory repeat assessment no earlier than three months later. Receiving two consecutive negative evaluations provides objective legal grounds for dismissal, with the affected civil servant having the right to appeal the assessment.

Comprehensive strengthened integrity provisions have been introduced for the civil service. The legal definition of integrity has been refined and expanded to explicitly include protecting the public interest, managing conflicts of interest, and complying with financial control requirements under anti-corruption legislation. Compliance with these criteria is now a formal prerequisite for entering the civil service, and failure to meet them serves as direct grounds for the refusal of an appointment.

For Category A and designated high-risk positions in B and C categories, the framework will mandate the submission of integrity questionnaires and will introduce a distinct

"integrity interview" stage as a prerequisite for determining a candidate's final ranking. The Senior Civil Service Commission (CSCS) will be empowered to assess candidate compliance using a "reasonable doubt" standard based on a methodology adopted by the Cabinet of Ministers, mirroring established practices in anti-corruption agencies like NABU and NACP.

The composition of the CSCS will be reformed and depoliticised: political officeholders will be strictly prohibited from serving as members, and the updated membership will include a representative from the National Agency on Corruption Prevention (NACP), a public administration expert, and civil society representatives, including a delegate from the veterans' community. The legislation also mandates that vacancies, competition results, and unfulfilled competitions will be published on the Unified State Web Portal of Electronic Services (Diia).

These legislative changes have moved Ukraine's civil service recruitment system towards closer alignment with the relevant OECD/SIGMA principles of public administration, in particular Principle 8: 'Public servants are motivated, fairly and competitively paid and have good working conditions'; Principle 9: ' Public administration attracts and recruits competent people based on merit and equal opportunities'; and Principle 10: ' Effective leadership is fostered through competence, stability, professional autonomy and responsiveness of accountable top managers'.

Commission assessment: satisfactorily fulfilled

Step 1.5

Name of the step: The Human Resources Management Information System (HRMIS) is in operation

Related reform/investment: Reform 3. Digitalisation of civil service and human resources management

Financed from: loan

Context

The requirement for step 1.5 described in the CID Annex is:

'The Human Resources Management Information System (HRMIS) is in operation and used in all ministries and all operating/acting other central executive authorities and their territorial bodies'

Step 1.5 is the second of two steps in the implementation of Reform 3 in Chapter 1 (public administration reform) and was unfulfilled as part of the eighth payment request. It is followed by Step 1.4 (due by Q3 2026) on the Modernisation of the Unified State Web Portal of Electronic Services.

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 Cabinet of Ministers Resolution No. 1343 of 28 December 2020 'On approval of the Regulation on the Human Resource Management Information System in public authorities';

3) Copy of the Cabinet of Ministers Resolution No. 85 of 5 April 2014 'Some Issues of Approving the Maximum Number of Employees of the Apparatus and Territorial Bodies of Central Executive Authorities and Other State Bodies';
4) Excel spreadsheet containing information on which central executive bodies and territorial bodies were utilising the HRMIS;
5) Hyperlink to the public portal for HRMIS: https://public.nads.gov.ua/ ;
6) Copies of spreadsheets and screenshots from HRMIS demonstrating use of the system, e.g. payroll and personnel orders.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover some constitutive elements of Step 1.5.

Reform 3 aims at the digitalisation of civil service and human resources management. The goal of this step is to digitalise and streamline the processes for managing personnel data, and human resource (HR) processes across government authorities. Ultimately, this aims to ensure that the Government of Ukraine has access to accurate HR data to support informed decision-making and policy development.

The functionality of the HRMIS revolves around centralising personnel data and HR processes through specific modules. The system operates via five core subsystems:

- Staff and Personnel: to manage individual employee profiles, organisational hierarchies, and daily administrative HR processes.
- Salary and Timesheet: to track employee working hours accurately, process payroll, and ensure transparent salary calculations.
- Personal Cabinet (Self-Service Account): to allow individual staff members to view their own records and manage direct interactions with HR.
- Public Portal: to provide open, aggregated statistical data on the civil service workforce for broader public transparency and policy planning.
- Core (Technological Subsystem): to provide the underlying IT architecture, data security, and foundational database integration that supports the other modules.

The HRMIS has been put into operation, with the Ukrainian authorities reporting that all relevant and active ministries, central executive authorities, and their territorial bodies totalling 1028 government entities (excluding those located in the temporarily occupied territories) were connected to the HRMIS.

The HRMIS public portal can be accessed at https://public.nads.gov.ua/.

As of November 2026, the Ukrainian authorities reported that 772 central executive authorities, and their territorial bodies are actively using HRMIS in their HR processes. This represents a 75.1% fulfilment of the requirements of the step.

Based on the spreadsheet provided by the Ukrainian authorities listing all the central executive authorities and their territorial bodies actively using HRMIS, the Commission services randomly drew a sample of 60 units. For each sampled unit, the Ukrainian authorities provided evidence showing that HRMIS is in-use for each of those units. The analysis of the provided evidence confirmed that HRMIS is in-use in all 60 of the central executive authorities and territorial bodies sampled. Therefore, the sampling exercise was considered successful and the requirement met.

The Ukrainian authorities are planning to finalise the roll-out and the implementation of HRMIS to all relevant central executive bodies and territorial bodies.
Commission assessment: partially fulfilled

Step 3.7

Name of the step: Entry into force of the legislation for simplified insolvency procedures for Micro, Small, and Medium Enterprises (MSMEs)
Related reform/investment: Reform 2. Reforms of insolvency and enforcement of court decisions
Financed from: loan
Context The requirement for Step 3.7 described in the CID Annex is: *Entry into force of the legislation for simplified insolvency procedures for Micro, Small, and Medium Enterprises (MSMEs) in line with the principles of the Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132. The legislation is drafted based on a regulatory impact assessment with the involvement of EU experts. The legislation focuses on these main areas:* - *simplified out-of-court and bankruptcy procedures for MSMEs (including individual entrepreneurs);* - *availability of insolvency tools and services of insolvency practitioners for MSMEs;* - *prevention of abuse of insolvency procedures by MSMEs.* Step 3.7 is one of five steps of Reform 2 in Chapter 3 (judicial system and human rights).
Evidence provided 1) Summary document duly justifying how the step was satisfactorily fulfilled, in line with the requirements set out in the CID Annex; 2) Copy of the Law of Ukraine No. 5062-IX 'On Amendments to the Code of Ukraine on Bankruptcy Procedures and other Laws of Ukraine to Improve Bankruptcy (Insolvency) and Preventive Restructuring Procedures and Introduce Simplified Bankruptcy (Insolvency) Proceedings for Micro and Small Enterprises', dated 11 November 2026.
Analysis The justification and evidence provided by the Ukrainian authorities cover all constitutive elements of Step 3.7. The objective of Reform 2 is the improvement of insolvency and enforcement procedures by aligning the relevant legislation with the EU *acquis* and building institutional and other capacities to properly apply it. To this end, the Ukrainian parliament adopted the Law of Ukraine No. 5062-IX on '*On Amendments to the Code of Ukraine on Bankruptcy Procedures*

and other Laws of Ukraine to Improve Bankruptcy (Insolvency) and Preventive Restructuring Procedures and Introduce Simplified Bankruptcy (Insolvency) Proceedings for Micro and Small Enterprises' on 11 November and it entered into force on 17 November. The law aims at responding to the low effectiveness of the existing insolvency procedures by introducing shorter procedural deadlines, providing for more predictable costs of insolvency proceedings and further developing mechanisms for restructuring and debt discharge. It is in line with the principles of Directive (EU) 2019/1023, which aims to ensure that viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks which enable them to continue operating; honest insolvent or over-indebted entrepreneurs can benefit from a full discharge of debt after a reasonable period of time, thereby allowing them a second chance; and that the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length. The directive allows Member States to define in the national law, what constitutes a micro, small and medium-sized enterprise. The law introduces simplified out-of-court, preventive restructuring and bankruptcy procedures. The simplified procedures are available for enterprises, including individual entrepreneurs, whose average number of employees during the reporting period does not exceed 50 persons and whose annual income from all activities does not exceed the equivalent of EUR 10 million. It also limits the scope of potential participants eligible for the simplified procedure by conditions linked to the previous conduct of the debtor and the size of debt. It also provides for procedural changes intended to reduce the duration of bankruptcy proceedings and simplifies the involvement of creditors and other participants. It also extends the opportunities for debt discharge, particularly for individual entrepreneurs. The law extends the availability of insolvency tools and services of insolvency practitioners for MSMEs. It introduces mandatory participation of insolvency practitioners in MSMEs procedures, improving the oversight of procedures. It also clarifies and expands the role of the insolvency practitioner, including the powers over the property of debtor, coordination of claims of creditors and access to necessary documents. The law provides safeguards against the abuse of insolvency procedures by MSMEs. It introduces a mechanism to verify that the debtor meets established integrity criteria. It includes an assessment of whether the debtor is engaged in fraudulent transactions, such as transferring assets in the pre-insolvency period to the detriment of creditors. If the debtor does not meet the good faith requirements, or ceases to meet it during the proceedings, the court may refuse to open the simplified procedure or may terminate it.
Commission assessment: satisfactorily fulfilled

Step 6.3

Name of the step: Appointment of Supervisory boards of state-owned enterprises with a majority of independent members
Related reform/investment: Reform 2. Improved governance and management of state-owned enterprises
Financed from: loan
Context

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

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

Step 6.3 is the second of the seven steps in the implementation of Reform 2 under Chapter 6 (management of public assets). It was preceded by Step 6.1 concerning entry into force of the legislation on corporate governance of SOEs. It will be followed by Step 6.4 (due on Q3 2026) on corporatisation of key state-owned enterprises.

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Order No 817-p of the Cabinet of Ministers of Ukraine of 30 August 2024 on some issues of the Supervisory Board of the 'Energy Company of Ukraine';
3) Order No 99-p of the Cabinet of Ministers of Ukraine of 26 January 2026 on some issues of the Supervisory Board of the 'National Joint Stock Company 'Naftogaz of Ukraine';
4) Order No 998-p of the Cabinet of Ministers of Ukraine of 31 October 2023 on some issues of the Supervisory Board of the 'Limited Liability Company Gas Transmission System Operator of Ukraine';
5) Order No 86-p of the Cabinet of Ministers of Ukraine of 28 January 2026 on issues of the Supervisory Board of the 'National Nuclear Energy Generating Company 'Energoatom';
6) Order No 185-p of the Cabinet of Ministers of Ukraine of 25 February 2026 on issues of the Supervisory Board of the 'National Nuclear Energy Generating Company 'Energoatom';
7) Order No 197-p of the Cabinet of Ministers of Ukraine of 02 March 2026 on issues of the Supervisory Board of the 'National Joint-Stock Company 'Naftogaz of Ukraine';
8) Order No 663-p of the Cabinet of Ministers of Ukraine of 01 July 2026 on issues of the Supervisory Board of the 'National Nuclear Energy Generating Company 'Energoatom';
9) Order No 588-p of the Cabinet of Ministers of Ukraine of 17 June 2026 on issues of the Supervisory Board of the 'Ukrainian Railway';
10) Order No 1090-p of the Cabinet of Ministers of Ukraine of 1 October 2025 on issues of the Supervisory Board of the 'Ukrainian Railway';
11) Order No 900-p of the Cabinet of Ministers of Ukraine of 26 August 2025 on issues of the Supervisory Board of the 'Ukrposhta';
12) Order No 46-p of the Cabinet of Ministers of Ukraine of 21 January 2025 on issues of the Supervisory Board of the State Specialized Economic Enterprise 'Forests of Ukraine';
13) Order No 524-p of the Cabinet of Ministers of Ukraine of 27 May 2026 on issues of the Supervisory Board of the State Specialized Economic Enterprise 'Forests of Ukraine';

14) Order No 666-p of the Cabinet of Ministers of Ukraine of 15 July 2026 on issues of the Supervisory Board of the State Specialized Economic Enterprise 'Forests of Ukraine';
15) Order No 451-p of the Cabinet of Ministers of Ukraine of 13 May 2026 on issues of the Supervisory Board of the 'Private Joint-Stock Company National Energy Company 'Ukrenergo';
16) Order No 721-p of the Cabinet of Ministers of Ukraine of 15 July 2025 on issues of the Supervisory Board of the 'Private Joint-Stock Company Ukrainian Danube Shipping Company';
17) Order No 1168-p of the Cabinet of Ministers of Ukraine of 26 November 2024 on issues of the Supervisory Board of the 'Private Joint-Stock Company National Energy Company 'Ukrenergo';
18) Order No 452-p of the Cabinet of Ministers of Ukraine of 13 May 2026 on issues of the Supervisory Board of the 'Limited Liability Company Gas Transmission System Operator of Ukraine';
19) Order No 587-p of the Cabinet of Ministers of Ukraine of 17 June 2026 on termination of powers of members of the supervisory board of the private joint stock company 'Ukrhydroenergo';
20) Order No 664-p of the Cabinet of Ministers of Ukraine of 1 July 2026 on issues of the Supervisory Board of the 'Limited Liability Company Gas Transmission System Operator of Ukraine';
21) Letter from the head of the State Agency for Forest Resources of Ukraine dated 11 February 2026 on the termination of powers of a member of the Supervisory Board;
22) Protocol/Minutes No 3 of 24 April 2026 of the remote extraordinary general meeting of shareholders of PJSC 'Centrenergo';
23) Order No 1254 of the Ministry of Economy of Ukraine of 09 March 2023 on 'some issues of the supervisory board of the state-owned enterprise 'Printing Plant 'Ukraine' on the production of securities';
24) Order No 1672 of the Ministry of Economy of Ukraine of 26 April 2023 on 'some issues of the supervisory board of the state-owned enterprise 'Printing Plant 'Ukraine' on the production of securities';
25) Order No 195-p of the Cabinet of Ministers of Ukraine of 7 March 2023 on the approval of candidates for the positions of members of the supervisory board of the state enterprise 'Printing Plant 'Ukraine' for the production of securities';
26) Order No 336-p of the Cabinet of Ministers of Ukraine of 23 April 2024 on the approval of the candidacy of Rusnyak P.Yu. for the position of a member of the supervisory board of the state enterprise 'Printing Plant 'Ukraine' for the production of securities';
27) Order No. 1092-p of the Cabinet of Ministers of Ukraine of 21 October 2026 on Questions on the Supervisory Boards of 'Ukrposhta' Joint Stock Company;
28) Order Nr. 2339 of the Ministry of Restoration, Infrastructure and Transport of Ukraine of 30 October 2026 about the Supervisory Board of JSC 'Ukrposhta';
29) Order Nr. 163 of 26 March 2026 of the Ministry of Energy of Ukraine 'About some issues regarding the Joint Stock Company 'Ukrainian Distribution Networks'';

Analysis

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

The objective of Reform 2 is to facilitate the transition from the state unitary enterprise legal form into more commercially oriented forms, to foster a more efficient and transparent

governance framework for state-owned enterprises (SOEs) by enhancing corporate governance standards and implementing them in top SOEs. To fulfil the step, Ukrainian authorities must ensure that supervisory boards with a majority of independent members are appointed for at least 15 SOEs from the list of top key SOEs approved by the Cabinet of Ministers' protocol decision. The nomination of the Supervisory board members should be conducted by competitive selection process, on the basis of procedures agreed and in place at the time of the start of the selection. To fulfil this step, the Ukrainian Cabinet of Ministers has adopted a series of orders appointing independent members and state representatives to the Supervisory Boards of top key SOEs, after a competitive selection process, in line with Nomination Committee procedures, took place. The 12 SOEs where the Supervisory Boards were appointed are JSC 'Ukrainian Railways', JSC 'National Nuclear Energy Generating Company 'Energoatom', NJSC 'Naftogaz of Ukraine', LLC 'Gas Transmission System Operator of Ukraine' (GTSOU), NPC 'Ukrenergo', State Enterprise 'Forests of Ukraine', PJSC 'Ukrainian Danube Shipping Company', JSC 'Energy Company of Ukraine', State Enterprise 'Printing Plant 'Ukraine' for the Production of Security Documents', PJSC 'Centrenergo', JSC 'Ukrposhta' and JSC 'Ukrainian Distribution Networks'. Independent members constitute majorities in all the Supervisory Boards of the SOEs mentioned above. This represents a 80% fulfilment of the requirements of the step.
Commission assessment: partially fulfilled

Step 6.9

Name of the step: Entry into force of the updated legislation on state aid and full unsuspension of the application of state aid control
Related reform/investment: Reform 4. Improved state aid control framework
Financed from: loan
Context The requirement for step 6.9 described in the CID Annex is: *'Entry into force of the updated legislation on state aid, including provisions in relation to services of general economic interest, together with the full unsuspension of the application of state aid control by the Antimonopoly Committee of Ukraine, with the exception of the recapitalization by the State of systemically important banks holding state secrecy clearance for financing of the defence industry for the duration of martial law. The law will also allow for specific appropriate aid schemes for support to SMEs provided under martial law.'* Step 6.9 is the only step in the implementation of Reform 4 in Chapter 6 (management of public assets) was unfulfilled as part of the seventh payment request.
Evidence provided 1) Copy of Law Law of Ukraine No. 5066-IX 'On Amendments to Certain Laws of Ukraine Concerning the Restoration of Effect of Certain Provisions of the Law of

Ukraine 'On State Aid to Economic Entities,' the Specifics of Their Application under the Legal Regime of Martial Law, and the Improvement of the Mechanism for Monitoring State Aid to Economic Entities', dated 11 November 2026.
Analysis The justification and substantive evidence provided by the Ukrainian authorities cover all constitutive elements of Step 6.9. Law No. 15437 is aimed at the full unsuspension of the application of state aid control by the Antimonopoly Committee of Ukraine (AMCU) and at the further harmonisation of national legislation on state aid with the EU *acquis*, in line with Ukraine's commitments under the EU-Ukraine Association Agreement. The law provides for the unsuspension of state aid control. It restores the provisions of the Law of Ukraine "On State Aid to Business Entities" that were suspended after martial law was introduced. The AMCU regains full control over state aid to business entities, and the mandatory monitoring of state aid and reporting on it are restored. The law also implements gradual harmonisation with the EU *acquis*. It introduces and clarifies the concepts of 'state aid', 'de minimis aid', 'economic activity', 'services of general economic interest' and 'important project of common interest of the Parties to the Association Agreement', in line with EU state aid rules. The *de minimis* threshold is set at EUR 300,000 per business entity over any three-year period, regardless of the source of aid. The law also improves the procedures for monitoring state aid and for assessing its compatibility. Lastly, the law sets out special rules for applying its provisions during martial law in territories where active hostilities are taking place or which are temporarily occupied.
Commission assessment: satisfactorily fulfilled

Step 10.9

Name of the step: Adoption of a Roadmap for gradual liberalisation of gas and electricity market, to be implemented after the expiration of the martial law
Related reform/investment: Liberalisation of electricity and natural gas prices
Financed from: non-repayable support/loan
Context The requirement for Step 10.9 described in the CID annex is: *"Adoption of a Roadmap for gradual liberalisation of gas and electricity market by the Cabinet of Ministers of Ukraine with steps to take and the associated timeline, to be implemented after the expiration of the martial law. The roadmap is based on the technical analysis to understand the financial condition of the sector. The roadmap focuses on these main areas:* • *steps needed to reform the PSOs in order to gradually liberalise the market prices, once the martial law is lifted;* • *steps to take to ensure vulnerable consumers are adequately protected once the prices for households are liberalised, including the new design of the subsidy system for vulnerable consumers which improve the targeting and ensures adequate levels*

of protection, as well as preparatory steps to be implemented before the end of the martial law, such as identification of vulnerable population and the associated digital solution."

Step 10.9 is the first and only step of Reform 4 in Chapter 10 (energy).

Evidence provided

1) Summary document duly justifying how the step was satisfactorily fulfilled in line with the requirements set out in the CID Annex;
2) Copy of the order of the Cabinet of Ministers No.1181-p of 10 November 2026 adopting the roadmap on energy sector reforms and its action plan.

Analysis

The justification and substantive evidence provided by the Ukrainian authorities cover all the constitutive elements of step 10.9.

The overall objective of this reform is to set the grounds for a gradual liberalisation of prices once conditions allow, ensuring sufficient measures to protect vulnerable households. To achieve this objective, a roadmap on energy sector reform was adopted on 10 November 2026 by order of the Cabinet of Ministers No. 1181-p. The roadmap, structured in 7 thematic areas, includes an action plan with specific steps and a timeline to support a gradual liberalization of the electricity and gas market. The action plan is divided into the following 5 sections:

- Preparatory phase;
- Payment discipline and financial settlement;
- Public Service Obligations (PSOs) reforms;
- Competition access to energy resources and infrastructure;
- Demand management energy market oversight consumer protection and European integration.

The action plan includes several steps to reform Public Service Obligations (PSOs) and ensure that vulnerable consumers are adequately protected once prices for households are liberalized. More specifically:

- Section 1 includes key preparatory steps, to be implemented before the termination of the martial law, aimed at preparing the ground for PSOs reforms. These include, among others:
    - The creation of a unified state service (platform) to consolidate information on housing, utilities, payments and charges for energy goods and services, benefits and housing subsidies as well as to provide a channel for consumer enquiries and complaints to the responsible authorities (step 1);
    - An analysis, to be performed by the IMF, to assess the impact of potential tariffs adjustments on electricity, heat and natural gas prices with the goal of eliminating implicit subsidies (step 3);
    - classifying and identifying vulnerable consumers as well as updating the housing subsidy system to improve its targeting and ensure an adequate level of support for vulnerable consumers (step 3);
    - In coherence with step 10.12, the submission of a draft law to lift the moratorium on rising heat and hot water tariffs (step 4);
    - An analysis of the current housing and utilities support schemes to evaluate

future adjustments of support schemes for vulnerable consumers (step 6).

- Section 3 identifies the necessary steps to reforms PSOs after the termination of the martial law. These steps, divided in three phases, include, among others:
  - for the first phase (within 12 to 15 months after the termination of the martial law)
    - A submission to the Cabinet of Ministers of Ukraine of a draft act to bring the PSO gas price to market level for gas used to produce heat supplied outside the scope of the moratorium (step 20);
    - Adjustment of tariffs for heat and related services for households to an economically justified level (step 21);
    - Definition of an approach to set electricity and gas prices based on above-cost price approach (step 22);
  - For the second phase (within 21 months after the termination of the martial law)
    - Adjustment of electricity and natural gas prices for households to the ''above-the-cost'' level or to a market-based level (step 24);
  - For the third phase (within 24 to 33 months after the termination of the martial law)
    - Analysis of the impact on the State Budget, consumers and the social protection system of applying heat tariffs for households without gas PSOs (third stage of the reform), and implementation of the necessary measures (step 28).

The roadmap was based on the analysis of the financial condition of the energy sector included in the technical assistance report ''*Assessment of Energy Subsidy Fiscal Cost and Reform Options*'' conducted by the IMF.

Commission assessment: satisfactorily fulfilled