UKRAINE



COUNTRY ASSESSMENTS

HIGHLIGHTS

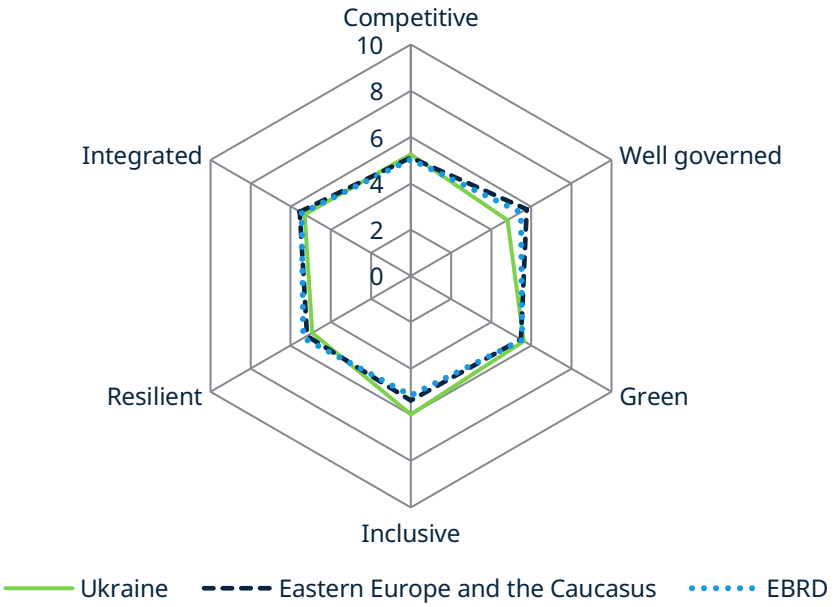
- **Economic activity stagnated in the first half of 2026.** Real gross domestic product (GDP) returned to slow growth of 0.4 per cent year on year in the second quarter of 2026, after contracting by 0.6 per cent in the first quarter, as Russian strikes on energy and logistics infrastructure continued and inflationary pressures re-intensified. External financing was reinforced by the European Union (EU)'s finalisation of a €90 billion Ukraine Support Loan in April 2026, anchoring the International Monetary Fund-supported programme and easing near-term fiscal pressure.
- **Ukraine's EU accession process advanced.** The cluster on fundamentals opened in June 2026, covering rule of law, democratic institutions and public administration reform. This was followed by the opening of the external relations cluster in July and clusters on the internal market and competitiveness and inclusive growth in October 2026.
- **Anti-corruption bodies have regained their powers and resources, but enforcement has been slow.** Last year's high-profile corruption scandal exposed significant governance weaknesses in state-owned enterprises (SOEs) and highlighted the fragility of the corruption prevention system and broader challenges for institutional governance.

For more information about country macroeconomic developments, please consult our latest Regional Economic Prospects report.

KEY PRIORITIES FOR 2027

- **Accelerate EU accession reforms** by maintaining momentum on the rule of law, public administration, governance and economic reforms.
- **Advance anti-corruption and governance reforms** by strengthening the independence and effectiveness of oversight institutions, enhancing SOE governance and ensuring accountability through transparent appointments and enforcement of integrity standards.
- **Continue energy-sector reform by prioritising decentralised, resilient generation and grid investment.** This should come alongside deeper capital-market development, building on the National Securities and Stock Market Commission's expanded responsibilities, to help mobilise private financing for reconstruction.

ASSESSMENT OF TRANSITION QUALITIES (1-10)



For more on reforms and transition qualities, see Chapter 5 of the Transition Report 2026-27.

KEY REFORMS AND POLICY DEVELOPMENTS[1]

EU accession

- The EU and Ukraine opened negotiations on cluster 1 (fundamentals) in June 2026, covering the rule of law, democratic institutions and public administration; cluster 6, covering external relations, followed in July and clusters 2 (internal market) and 3 (competitiveness and inclusive growth) in October 2026.

1 From the fourth quarter of 2025 to October 2026.

- The National Programme for the Adaptation of Ukrainian Legislation to EU law (NPAA) was approved in April 2026, providing a roadmap for legislative alignment and the transposition of over 1,600 EU legal acts. Implementation risks remain substantial, as Ukraine has been slow to deliver its reform commitments under the Ukraine Facility. Opening the remaining negotiating clusters will also depend on further progress on reforms to the rule of law, anti-corruption, and judicial and public administration.

SOE corporate governance

- Following the exposure of the "Midas"[2] corruption scheme in late 2025, the authorities accelerated corporate governance reforms across major state-owned energy companies.
- Between January and July 2026, new supervisory boards were installed at Naftogaz, Energoatom, Ukrenergo and the Gas Transmission System Operator of Ukraine (GTSOU) to strengthen independent oversight and reduce political influence over strategic energy assets.

National Securities and Stock Market Commission reform

- In May 2026 a selection commission was established to run a competitive process to appoint members of the National Securities and Stock Market Commission (NSSMC), a key step in the NSSMC's ongoing institutional reforms. The measures are expected to improve market integrity, investor confidence and alignment with EU capital-market standards.

National Energy and Climate Plan

- In June 2026 Ukraine updated its National Energy and Climate Plan (NECP) to reflect wartime realities, evolving energy-sector needs and progress with EU accession.
- The revised plan strengthens decarbonisation objectives, energy security and renewable-energy policies, providing a clearer path towards climate neutrality by 2050. It serves as the key policy framework guiding Ukraine's energy transition and alignment with EU climate and energy legislation.

Digitalisation of public investment management

- In June 2026 the Cabinet of Ministers approved the Concept for the Development of a Unified Digital Ecosystem for Public Investment Management. This integrates project preparation, financing, monitoring and reporting into a single digital platform.
- The reform is expected to improve transparency and strengthen oversight of public investment, particularly for reconstruction spending, and support alignment with EU governance standards.

2 Operation Midas was a major anti-corruption crackdown by Ukrainian anti-corruption institutions in November 2025. It exposed a massive, US$ 100 million wartime money-laundering and bribery network, which forced 10 to 15 per cent kickbacks from contractors at state-owned nuclear energy operator Energoatom and implicated high-ranking government officials.

Labour market reform

- In January 2026 the government approved the draft Labour Code, which is designed to modernise employment regulation, accommodate flexible forms of work and align with EU labour legislation.
- The reform is intended to reduce labour-market rigidities, bring more workers into formal employment and improve the matching of skills and jobs, helping to raise productivity in a labour-constrained economy.