

**MIN  
FIN**

REFORM  
SUPPORT  
TEAM

# **ANNUAL REPORT**

**Reform Support Team**  
Ministry of Finance  
of Ukraine



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# INTRODUCTION

Looking back on 2024, I am incredibly proud of the work we have done as a team. The European Council's decision in December 2023 to begin EU accession negotiations with Ukraine marked a historic moment for our country and became our guiding star for the year, and beyond. Despite the challenges of war, our commitment to advancing Ukraine's European integration remains unshakeable.

For me personally, resilience these days means working together as a team side by side with the Ministry of Finance, even when challenges do not seem to relent. This year, the Recovery and Reform Support Team (RST) demonstrated that the strong team efforts among various streams within our team and engaging in close collaboration with the Ministry at all levels, from technical experts all the way up to the Deputy Ministers and the Minister, is what allows us to overcome any challenges and obstacles in helping the Ministry deliver on its agenda for the benefit of Ukraine.

In 2024, we strengthened the Ministry's cooperation with International Financial Institutions, improving Ukraine's ability to manage key projects and securing vital support through the Ukraine Donor Platform.

Our experts in the State-Owned Banks Reform stream helped the Ministry improve corporate governance and develop a legal framework for privatisation, reducing the state's footprint in the banking sector and promoting economic efficiency.

With our help, the Ministry made significant progress on the Tax reform agenda – implementing measures envisaged by the National Revenue Strategy, achieving alignment with OECD standards, and deepening knowledge of judiciary representatives in international taxation through a long-term training programme delivered in collaboration with OECD experts, among others.

Through our work in the Customs Reform stream, we laid the groundwork for a new Customs Code, aligning our legal framework with EU legislation and easing trade procedures.

In the Public Administration Reform and Public Financial Management streams, we focused on internal capacity development as well as training of public sector employees and lawmakers, and improving budgeting and spending oversight. We are confident that such steps will increase transparency and fiscal responsibility.

These and many other 2024 achievements described in the Report reflect our team's dedication and commitment to helping the Ministry shape Ukraine's future on its way to EU integration.

I want to take this opportunity to thank my team for their exceptional commitment and expertise, as well as the Ministry for all its hard work for the benefit of Ukraine.

Nataliya Slysh  
Director,  
Reform Support Team  
Project Management Office  
at the Ministry of Finance of Ukraine



# TEAM

## CUSTOMS REFORM

Andriy Olefirenko



Oleksandr Kachura

Nataliia Yatsiv

Pavlo Ryabets



## IMPROVEMENT OF INTERNATIONAL FINANCIAL COOPERATION PROCESS



Olena Danylenko



Oleg Krainsky



Olena Viduta



Oksana Nikanorova



Iuliia Mykhailenko



Yaroslav Pavliuk



Olga Shapova



Pavlo Kushniriuk



Olena Smuk



Lyudmyla Chepka



Olga Cherniuk



Inna Samchynska



Oleksandr Chubukov



Anna Panasenko



Ievgen Kozlov



Roman Goptsii



Nataliya Slysh



Ihor Masiakin

## TAX REFORM

Ivanna Savchenko



Anna Mashyna



Bohdan Bykon



## ADMINISTRATIVE ASSISTANCE AND COMMUNICATION



Kateryna Knyzhytska



Valeriy Markhay



Dmytro Sydorenko

## PUBLIC ADMINISTRATION REFORM AND CAPACITY DEVELOPMENT AT THE MOF

## STATE-OWNED BANKS REFORM



Marta Hontaruk

# **PUBLIC ADMINISTRATION REFORM AND CAPACITY DEVELOPMENT AT THE MINISTRY OF FINANCE**

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# PROJECT MANAGEMENT SUPPORT FOR UKRAINE'S REFORMS MATRIX



**The RST provided comprehensive project management support in developing Ukraine's Reforms Matrix – a comprehensive analytical tool designed to enhance effective decision-making and streamline the management of the country's implementation process.**

Working closely with internal stakeholders, the team established robust internal processes to manage the Matrix efficiently. The RST also supported the MoF in organizing the event «Reforms Matrix: Strengthening the Foundations of Economic Growth for EU Accession». The event brought together representatives from Government, international partners, experts, business leaders, and civil society organizations to discuss key issues related to Ukraine's economic development strategy. Organized with the participation of the World Bank and the European Union, the discussions focused on Ukraine's reform progress toward European integration, efforts to support macroeconomic stability and further economic growth.

The Reforms Matrix serves as an innovative digital platform and centralized repository that systematically organizes all reform recommendations, conditionalities, and priorities. It enables the Ministry of Finance to analyze necessary changes, plan their implementation, and conduct continuous monitoring of progress. By integrating data visualization, performance tracking, and transparent reporting mechanisms, the Matrix facilitates real-time monitoring and accountability to the public, as well as improved coordination with international partners.



## WHAT IS THE REFORMS MATRIX

THE REFORMS MATRIX IS AN ANALYTICAL TOOL FOR EFFECTIVE DECISION-MAKING AND MANAGEMENT OF THE REFORMS IMPLEMENTATION PROCESS, WHICH ALLOWING:



THE REFORMS MATRIX INCLUDES MEASURES TO IMPLEMENT THE RECOMMENDATIONS OF INTERNATIONAL PARTNERS AND THE CONDITIONALITIES OF FINANCIAL SUPPORT PROGRAMMES



## DOCUMENTS COMPRISING THE REFORMS MATRIX

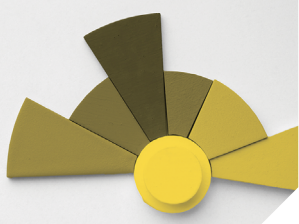
THE REFORMS MATRIX CONSISTS OF 4 STRUCTURAL DOCUMENTS



**This initiative has significantly bolstered the Ministry of Finance's capacity to manage Ukraine's reform agenda. The Reforms Matrix not only allows for the catalogue of reform measures and the tracking of their implementation and impact but also fosters a transparent, accountable governance framework that supports long-term economic recovery and development supported by international partners.**



# ALIGNMENT OF MOF ORGANISATIONAL CAPACITY DEVELOPMENT WITH GOVERNMENT OF UKRAINE POLICY FRAMEWORK ON PUBLIC ADMINISTRATION REFORM (PAR)



**In line with the Government of Ukraine's policy framework on Public Administration Reform, the RST bolstered the Ministry's organizational capacity by leveraging digital innovations to enhance transparency in public expenditure and reform civil servants' remuneration.**

The RST provided dedicated project management support to the development of an analytical tool ('dashboard') that visualizes public sector employment and remuneration data. Launched alongside the salary reform that started on 1 January 2024, this tool offers detailed insights into employment data for

## 108

Public authorities,  
encompassing

## 169,000

Public sector employees

The dashboard, regularly updated with fresh data, facilitates rigorous analyses of the evolving remuneration landscape and underscores the reform's aim to enhance predictability, transparency, and fairness within the civil service. Its publication on the Ministry's website has garnered wide recognition among experts, civil servants, and politicians alike.



Оплата праці всіх категорій працівників державних органів у розрізі установ

Наверх Скинути фільтри

Назва органу (оберіть зі списку)

Усі

Рівень посад (оберіть зі списку)

Усі

ОрганиПосади

ДіаграмаТаблицяДинаміка

Середній розмір нарахованої зарплати, тис. грн

| Код бюджетної класифікації | Назва органу  | Січ. 2024 | Лют. 2024 | Бер. 2024 | Квіт. 2024 | Трав. 2024 | Черв. 2024 | Лип. 2024 | Серп. 2024 | Вер. 2024 | Жовт. 2024 | Лист. 2024 | Груд. 2024 | 2024 РІК |
|----------------------------|---|-----------|-----------|-----------|------------|------------|------------|-----------|------------|-----------|------------|------------|------------|----------|
| 011                        | Апарат Верховної Ради України   | 47,5      | 52,0      | 57,9      | 60,8       | 66,9       | 72,1       | 78,8      | 65,3       | 75,0      | 75,2       | 72,6       | 87,2       | 67,5     |
| 030                        | Державне управління справами  | 48,5      | 52,7      | 57,2      | 60,2       | 62,8       | 65,8       | 65,0      | 57,4       | 56,0      | 55,9       | 88,0       | 90,4       | 63,0     |
| 030                        | Комітет з Національної премії України імені Тараса Шевченка                           | 44,7      | 43,4      | 43,8      | 50,7       | 54,2       | 51,1       | 56,2      | 62,2       | 65,4      | 65,2       | 70,0       | 55,7       |          |
| 030                        | Національна служба посередництва і примирення   | 43,7      | 26,0      | 26,0      | 26,7       | 28,5       | 35,1       | 42,2      | 41,7       | 31,7      | 29,6       | 32,7       | 33,1       |          |
| 030                        | Секретаріат Національної тристоронньої соціально-економічної ради                     | 61,8      | 62,4      | 64,4      | 72,4       | 77,0       | 68,1       | 66,5      | 64,3       | 72,6      | 70,4       | 78,3       | 68,9       |          |
| 041                        | Державна служба статистики України  | 17,3      | 16,4      | 37,6      | 36,8       | 37,7       | 40,1       | 53,0      | 48,0       | 34,4      | 35,9       | 35,5       | 70,5       | 38,7     |
| 041                        | Державна служба України з етнополітики та свободи совісті                             | 42,2      | 45,8      | 43,4      | 46,9       | 48,1       | 54,7       | 53,6      | 51,9       | 48,9      | 56,1       | 54,6       | 122,3      | 56,4     |
| 041                        | Державна служба України з питань безпечності харчових продуктів та захисту споживачів | 30,1      | 33,9      | 35,9      | 37,8       | 34,5       | 44,1       | 47,0      | 39,6       | 37,9      | 39,1       | 42,5       | 61,5       | 40,5     |
| 041                        | Державне агентство України з питань кіно  | 36,5      | 43,2      | 41,3      | 40,5       | 46,6       | 49,4       | 54,5      | 49,5       | 42,8      | 42,8       | 68,0       | 80,7       | 49,6     |
| 041                        | Комісія з регулювання азартних ігор та лотерей  | 37,7      | 40,8      | 41,6      | 40,2       | 52,1       | 58,7       | 60,5      | 60,2       | 52,9      | 56,3       | 93,1       | 102,1      | 56,5     |
| Усього                     |   | 38,6      | 44,4      | 46,9      | 48,0       | 50,9       | 54,6       | 58,5      | 55,8       | 55,2      | 57,5       | 62,0       | 79,8       | 54,4     |

Середньомісячний розмір заробітної плати може включати в себе одноразові виплати: компенсацію за невикористану відпустку, матеріальну допомогу для вирішення соціально-побутових питань, вихідну допомогу при звільненні тощо

Інформацію подано за даними держорганів  
Органи сектору безпеки і оборони не відображено

Microsoft Power BI

Міністерство фінансів України

Чисельність усіх категорій працівників державних органів

НаверхСкинути фільтри

Грудень 2024

АГЕНТСТВАМІНІСТЕРСТВА ТА СКМУ

ІНСПЕКЦІЇСЛУЖБИ

ІНШІ ДЕРЖОРГАНИ

КОМІСІЇ

Назва органу (оберіть зі списку)

Усі

СЛУЖБИ

ІНШІ ДЕРЖОРГАНИ

МІНІСТЕРСТВА ТА СКМУ

АГЕНТСТВА

ІНСПЕКЦІЇ

КОМІСІЇ

Фактична чисельністьВідхилення (вакансії)Гранична чисельність

| Код бюджетної класифікації | Назва державного органу  | Гранична чисельність працівників | Фактична чисельність працівників (од.) | Фактична чисельність працівників, яким нараховано зарплату (од.) | Відхилення фактичної від граничної (вакансії) | Вакансії до граничної чисельності |
|----------------------------|--|----------------------------------|--|--|---|-----------------------------------|
| 350                        | Агентство з управління державним боргом  | 70                               |  |  | 70  | 100,0%                            |
| 615                        | Національна комісія з цінних паперів та фондового ринку  | 575                              | 278                                    | 296  | 297   | 51,7%                             |
| 120                        | Державне агентство резерву України   | 66                               | 36                                     | 36   | 30  | 45,5%                             |
| 643                        | Національне агентство України з питань виявлення, розшуку та управління активами, одержаними від | 390                              | 217                                    | 218  | 173   | 44,4%                             |
| Усього                     |  | 125 526                          | 108 794                                | 105 195  | 16 732  | 13,3%                             |

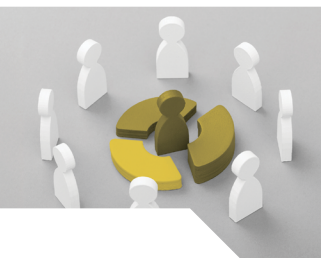
Інформацію подано за даними держорганів  
Органи сектору безпеки і оборони не відображено

Microsoft Power BI



This initiative marks a significant stride in the Ministry’s efforts to integrate modern digital tools with policy reform initiatives. By strengthening data transparency and refining remuneration systems, our work contributes to the broader objectives of the Government of Ukraine, ultimately fostering a more accountable, efficient, and forward-looking public administration.

# IMPROVEMENT OF HR PROCESSES AND ALIGNMENT WITH MOF HR STRATEGY



**The RST played a pivotal role in modernizing HR processes within the Ministry of Finance, which was in full alignment with the Government of Ukraine's policy priorities and recommendations from the EU Enlargement Report.**

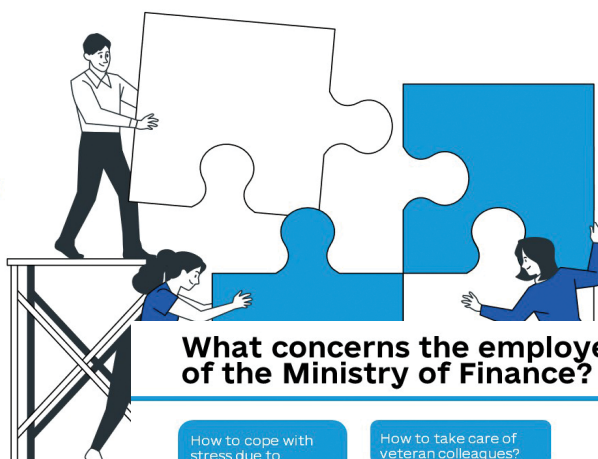
In close collaboration with the HR Department and with encouragement from MoF senior management, the team helped develop the Ministry's HR Strategy for 2024-2026, formally approved by order №145 on March 26, 2024. In addition to the Strategy, the team supported the creation of a comprehensive Action Plan for its implementation and prepared detailed presentations in both Ukrainian and English to facilitate clear communication among all stakeholders.

The RST contributed to optimizing recruitment and onboarding processes by delivering a draft recruitment workbook, a structured script for meetings between HR, supervisors, and new hires, and detailed process analyses. The team also supported the creation of the Ministry's New Joiner's Book by facilitating sessions with HR leadership and other departments, thereby shaping its structure, design, and content for the print version.



Ministry of  
**Finance**  
of Ukraine

**HR Strategy  
of Ministry  
of Finance  
2024-2026**



**What concerns the employees  
of the Ministry of Finance?**



How to cope with stress due to constant anxiety and uncertainty?

How to take care of veteran colleagues?

How can I get a promotion?

Where can I get information about training?

I am new here and don't know how everything works

I am a manager, find please employees for the team

What are the values of the Ministry of Finance?

There are not enough employees in the department, my workload has increased

How can digital technologies and AI make my job easier?





## What challenges are relevant today?

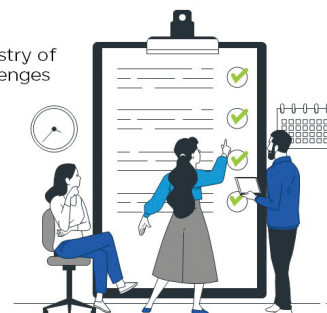


### Goal of the strategy



#### Building a modern and efficient HR management system at the Ministry of Finance

- 1 Maintaining the professional team of the Ministry of Finance in times of uncertainty and new challenges
- 2 Maintaining and developing the level of competence, motivation, productivity and integrity of employees
- 3 Developing the organisational culture and improving the inclusiveness of the Ministry of Finance
- 4 Integration of the latest software and technologies to improve HR processes



5

Enhancement of MoF's organizational culture was another priority. The team assisted in effectively disseminating the Ministry's Code of Conduct – developed previously with substantial RST involvement – through targeted articles and materials, and streamlined a communication campaign to promote the Ministry's values.

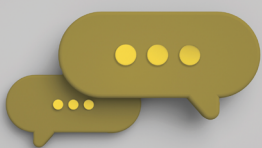
Additionally, the RST revamped the annual staff survey process by redesigning the questionnaire, supporting communications, analyzing results. Based on the surveys findings, the MoF, with RST's assistance, developed an Action Plan to address key areas of improvement and prepared reports on the results and subsequent implementation efforts for 2023 and 2024 surveys.

Lastly, to bolster the Ministry's reputation as an employer, the RST supported the development of its employer brand by creating an informative brochure on employment at the Ministry and assisting in the design of a new logo for the HR Service, in line with MoF's brand book and guidelines (developed and adopted last year with the RST's direct participation).



**These initiatives have significantly strengthened the Ministry of Finance's HR capabilities, ensuring a modern, efficient, and transparent approach to public service management. This achievement not only reinforces MoF's organizational capacity but also contributes to a more agile and forward-thinking public administration in line with the Government of Ukraine's policy priorities in PAR and recommendations from the EU Enlargement Report.**

# IMPROVEMENT OF INTERNAL PROCESSES



**The Reform Support Team enhanced the Ministry of Finance's internal processes by spearheading a series of strategic improvements aimed at strengthening internal communications and optimizing administrative procedures.**

The RST efforts included supporting the MoF in the development of an internal communications plan for 2024-2025, alongside the creation of a targeted communication strategy for main MoF internal initiatives during the year.

The RST prepared materials for transitioning from the banned Telegram app to a new messaging platform – WhatsApp as one of the internal communication channels for MoF's staff. This change was critical in ensuring that internal communications remained robust, secure, and aligned with contemporary digital practices.

In addition to RST's work on communications, the team contributed to refining internal procedures at the Ministry and its subordinated bodies. This included:



Internal orders amended to optimize internal HR processes



Workshops delivered to institutionalize internal processes, focusing on strategic document development



Career training sessions conducted for students at the State Tax University – an institution under the Ministry's umbrella – thereby fostering a culture of continuous professional development among future public servants.



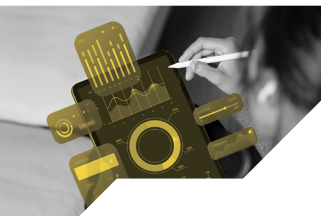
**Listed initiatives have bolstered the Ministry's internal capacity and administrative efficiency. By modernizing communication channels, optimizing processes, and enhancing institutional knowledge through targeted training, RST's work supports the Ministry's ongoing commitment to effective governance and organizational excellence.**

# TAX REFORM





# IMPLEMENTING NATIONAL REVENUE STRATEGY ACTIONS




**The Reform Support Team supported the Ministry of Finance in developing the methodology for the evaluation of tax policy instruments which result in tax expenditures.**

The availability of such a methodology was a structural benchmark for the IMF program. The Order of the Ministry of Finance No. 474 was adopted on 27 September 2024.

Tax expenditures are the amount of tax revenues lost due to the application of any provision of tax or customs legislation that provides a tax benefit. By their nature, tax expenditures are budget expenditures that are indirectly provided through the instruments of state tax policy rather than through budget assignments.

The National Revenue Strategy envisages a more targeted and rational provision of tax expenditures to minimize losses of budget revenues and prevent violations of the principle of fairness and economic efficiency. The systematic evaluation process will help increase the efficiency of using limited financial resources, which is especially important in the context of martial law.





МІНІСТЕРСТВО ФІНАНСІВ УКРАЇНИ

НАКАЗ

27.09.2024 № 474

**Про затвердження Методології проведення оцінювання інструментів податкової політики, які призводять до податкових видатків**

Відповідно до підпункту 4.3.11 Національної стратегії доходів до 2030 року, схваленої розпорядженням Кабінету Міністрів України від 27 грудня 2023 року № 1218-р, пункту 8 Положення про Міністерство фінансів України, затвердженого постановою Кабінету Міністрів України від 20 серпня 2014 року № 375, та з метою визначення єдиної методології проведення оцінювання податкових інструментів, які призводять до податкових видатків, **НАКАЗУЮ:**

1. Затвердити Методологію проведення оцінювання інструментів податкової політики, які призводять до податкових видатків, що додається.
2. Контроль за виконанням цього наказу покласти на заступника Міністра Воробей С.І.

Міністр С. Марченко

---

ЗАТВЕРДЖЕНО  
Наказ Міністерства  
фінансів України  
27 вересня 2024 року № 474

**МЕТОДОЛОГІЯ**  
**проведення оцінювання інструментів податкової політики,**  
**які призводять до податкових видатків**

**І. Загальні положення**

1. Ця Методологія застосовується Мініфіном та може застосовуватися іншими центральними органами виконавчої влади, а також суб'єктами законодавчої ініціативи при аналізі чинних положень або розробці нових положень податкового та митного законодавства, наслідком яких є або можуть бути податкові видатки.



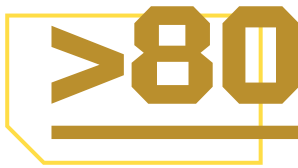
**Evaluation and monitoring of tax expenditures is a common practice in other countries, particularly in OECD countries. The existence of the methodology will allow the Government to determine how to use public resources for the current budget period and to manage the way such resources are used in the future.**

# BUILDING INSTITUTIONAL CAPACITY IN THE FIELD OF TAX POLICY



**The Ministry of Finance, together with the OECD experts and the Ukrainian Association of Administrative Judges, completed the introductory course of the educational programme on international taxation.**

On 8 March 2024, the educational programme for judges of administrative courts of Ukraine, 'International Taxation Standards: Implementation and Application in Ukraine', which lasted from October 2022 to February 2024, was completed. It was developed by the Ministry of Finance and the Reform Support Office, together with international experts from the OECD and the All-Ukrainian Association of Administrative Judges.



judiciary representatives had the opportunity to deepen their understanding and systematize their knowledge of the principles of international taxation, the structure and meaning of international tax treaties, transfer pricing rules and practical aspects of information exchange for tax purposes.



## OECD Ukraine Country Programme

Strengthening institutions and building capacity for successful policy reforms in Ukraine

Overview | Impact | Topics

### About OECD Ukraine Country Programme



**This training is an important step in the implementation of the OECD Ukraine Country Programme, which was signed by the OECD and the Government of Ukraine on 7 June 2023.**

# APPROACHING OECD MEMBERSHIP FOR UKRAINE

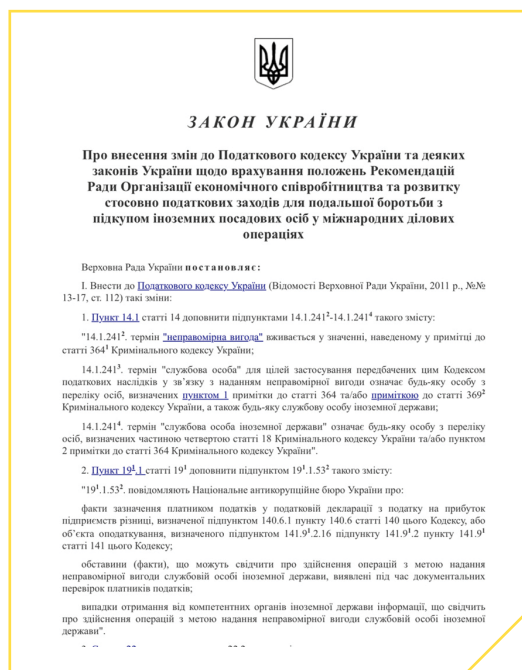


**The Reform Support Team supported the Ministry of Finance in communicating with the Parliamentary Committee, which considered implementing tax implications of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Convention on Anti-corruption).**

OECD Council Recommendations on tax measures to further combat bribery of foreign officials in international business transactions, an integral part of the Convention on Anti-corruption, emphasizes the importance of adopting clear legislation that explicitly disallows the deductibility of bribes to foreign officials in international business transactions and calls for the need to continuously monitor the effectiveness of the mechanism for disallowing such deductions.

The draft law has been prepared to incorporate the provisions of the Recommendations into the Tax Code of Ukraine and was significantly improved with the support of the RST for the second hearings at Parliament. The RST helped to maintain the communication on technical aspects of the draft between the MoF, peoples' deputies, anti-corruption authorities and OECD.

The law No 4112-IX was approved on 4 December 2024 and signed by the President.



# STRENGTHENING THE AML/CFT REGULATORY FRAMEWORK



The Reform Support Team supported the Ministry of Finance in development of the Regulation on Financial Monitoring by Primary Financial Monitoring Entities, whose activities are regulated and supervised by the Ministry.


The Order of the Ministry of Finance of Ukraine No 282, dated 07 June 2024, is aimed at establishing general requirements for compliance by business entities in respect of which the Ministry of Finance carries out state regulation and supervision in the field of prevention and counteraction to legalization (laundering) of proceeds from crime, terrorist financing and financing of the proliferation of weapons of mass destruction with the requirements of the financial monitoring legislation. According to the State Financial Monitoring Service, the number of such entities is

# 1,500

(excluding branches)

The Regulation was adopted to bring the regulatory framework in line with the requirements of the Law of Ukraine No. 361-IX dated 06 December 2019 “On Prevention and Counteraction to Legalization (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction”.





МІНІСТЕРСТВО ФІНАНСІВ УКРАЇНИ

НАКАЗ

07.06.2024 № 282

Зареєстровано в Міністерстві юстиції України  
16 липня 2024 р.  
за № 1071/42416

**Про затвердження Положення про здійснення фінансового моніторингу суб'єктами первинного фінансового моніторингу, державне регулювання і нагляд за діяльністю яких здійснює Міністерство фінансів України**

{Із змінами, внесеними згідно з Наказом Міністерства фінансів № 341 від 12.07.2024}

Відповідно до [Закону України](#) «Про запобігання та протидію легалізації (відмиванню) доходів, одержаних злочинним шляхом, фінансуванню тероризму та фінансуванню розповсюдження зброї масового знищення», [підпункту 5](#) пункту 4 Положення про Міністерство фінансів України, затвердженого постановою Кабінету Міністрів України від 20 серпня 2014 року № 375, з метою запобігання використанню суб'єктів первинного фінансового моніторингу для легалізації (відмивання) доходів, одержаних злочинним шляхом, фінансування тероризму та фінансування розповсюдження зброї масового знищення **НАКАЗУЮ:**

1. Затвердити [Положення про здійснення фінансового моніторингу суб'єктами первинного фінансового моніторингу, державне регулювання і нагляд за діяльністю яких здійснює Міністерство фінансів України](#), що додається.
2. Департаменту забезпечення координаційно-моніторингової роботи в установленому порядку забезпечити:
  - подання цього наказу на державну реєстрацію до Міністерства юстиції України;
  - оприлюднення цього наказу.
3. Цей наказ набирає чинності з 01 серпня 2024 року, але не раніше дня його офіційного опублікування.
4. Контроль за виконанням цього наказу покласти на першого заступника Міністра Улягіна Д.В.

Міністр С. Марченко

The approval of the Order is a performance of the obligation envisaged by the Memorandum of Understanding between Ukraine as Borrower and the EU as Lender for the 2023 Support Instrument for Ukraine (Macro-Financial Assistance (MFA)).



**As such, the RST contributed to improving the legal framework for combating money laundering and terrorist financing by developing relevant secondary legislation and making progress in developing institutional capacity regarding beneficial ownership.**

## CONTRIBUTING TO JOINT EFFORTS ON THE UKRAINE'S ACCESSION TO THE EU



**The Reform Support Team supported the Ministry of Finance in preparing materials for bilateral meetings with the European Commission on the negotiated Title 4 "Free Movement of Capital".**

The materials contained analyses of Ukraine's national legislation compliance with the EU acquis. Title 4 "Free Movement of Capital" covers such issues as rules and restrictions on the movement of capital within the EU, between Member States and third countries, regulation of cross-border payments and execution of payment orders in respect of securities.

As part of the preparation of the materials, the European Commission's questionnaire on preventing money laundering and combating the financing of terrorism was also reviewed.

The Head of the Ministry of Finance's Department for Coordination and Monitoring participated in the event in November 2024 and used the prepared materials in discussions with the EU Commission.





## У Брюсселі стартувала двостороння зустріч Україна-ЄС, присвячена свободі руху капіталу

20.11.2024

Поділитись:



У середу, 20 листопада у Брюсселі, Бельгія, розпочалась двостороння зустріч України та Європейської Комісії у межах скрінінгу, присвячена переговорному Розділу 4 «Свобода руху капіталу», що входить до другого кластеру «Внутрішній ринок».

Під час свого виступу, Головний переговорник, Віцепрем'єр-міністр з питань європейської та євроатлантичної інтеграції – Міністр юстиції Ольга Стефанішина зазначила, що вільний рух капіталу має важливе значення для сприяння економічному зростанню, залученню інвестицій та забезпеченню фінансової стабільності країни. Україна сповнена рішучості привести національне законодавство у відповідність до права ЄС у цій сфері, а також вчасно та ефективно його імплементувати.

«Протягом майже 10 років, що минули з моменту підписання Угоди про асоціацію між Україною та ЄС, це зобов'язання залишається незмінним. І це зобов'язання також узгоджується з метою України приєднатися до Агентства SEPA. У зв'язку з цим, дозвольте мені підтвердити, що Україна приймає *aquis* ЄС у сфері вільного руху капіталу. Навіть в умовах повномасштабної війни ми докладаємо значних зусиль для імплементації права ЄС та зняття пов'язаних з війною обмежень, прагнучи до прискореної інтеграції у цій сфері з ЄС та приєднання до SEPA», – заявила урядовиця.



**RST's engagement to the preparation for the screening meetings with EU Commission allows the Ministry to be focused on the content side of the presentations, while RST contributes to the technical quality of the materials.**

# **CUSTOMS REFORM**

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# EUROPEAN INTEGRATION IN CUSTOMS SPHERE



State  
Customs Service  
of Ukraine

**The Reform Support Team provided legal and organizational assistance to the Ministry of Finance and the State Customs Service in facilitating Ukraine's ongoing adoption of EU acquis and the best world practices in customs as a part of the EU candidate country's obligations.**

The key achievement of 2024 was the adoption of the Law of Ukraine № 3926-IX (draft Law № 10411), which was primarily developed and supported by the RST throughout all stages of the law's passage. Highlights of this achievement:

## 150

Pages of the  
Draft

## 300

Pages of comparison table that introduced significant amendments to numerous customs processes - so so-called "Small new Customs Code" among the business community

Over

## 80

Working group sessions held on the platform of the key Parliamentary Committee, with all necessary materials, presentations, and explanations prepared and delivered by the RST

This is already the 6th Law of Ukraine related to Ukraine's customs European integration, developed and supported by the RST, since 2019.



### ЗАКОН УКРАЇНИ

**Про внесення змін до Митного кодексу України щодо імплементації деяких положень Митного кодексу Європейського Союзу**

Верховна Рада України постановляє:

1. Внести до Митного кодексу України (Відомості Верховної Ради України, 2012 р., №№ 44-48, ст. 552) такі зміни:

1. У статті 4:

1) у частині першій:

доповнити новим пунктом 1<sup>1</sup> такого змісту:

"1<sup>1</sup>) авторизований об'єкт - об'єкт, утримує якого є підприємство, якому надано таку авторизацію:

на застосування спрощення "процедура випуску за місцезнаходженням";

на застосування транзитного спрощення "статус авторизованого вантажовідправника", "статус авторизованого вантажодержувача", передбаченого Конвенцією про процедуру спільного транзиту;

на застосування транзитного спрощення "статус авторизованого вантажовідправника МДП", "статус авторизованого вантажодержувача МДП";

на експлуатацію митного складу;

на експлуатацію складу тимчасового зберігання".

У зв'язку з цим пункт 1<sup>1</sup> вважатиме пунктом 1<sup>2</sup>;

пункт 8 викласти в такій редакції:

"8) декларант - особа, яка подіє від власного імені митну декларацію, декларацію тимчасового зберігання, загальну декларацію прибуття, чи особа, від імені якої подіється така декларація";

включити пункт 9<sup>1</sup> такого змісту:

"9<sup>1</sup>) декларація тимчасового зберігання - заява встановленої форми, яка засвідчує факт розміщення товарів на тимчасове зберігання під митним контролем";

у пункті 17:

у підпункті "б" слово "назву" замінити словами "назву (найменування)";

у підпункті "в" слово "гарантія" замінити словами "гарантійний документ", слово "представлені" - словом "пред'явлені", а слово "назву" - словами "назву (найменування)";

у пункті 19<sup>1</sup> після слів "механізм взаємодії" доповнити словами "(у тому числі через особистий кабінет)", а слова "ix представників" виключити;

With the support of the RST, the process of developing the New Customs Code of Ukraine, which aims to fully harmonise with the Union Customs Code (UCC), was launched.

This ambitious project was organized as follows:



Expert teams were formed, consisting of representatives from the Ministry of Finance, the State Customs Service, the RST, and EU4PFM experts

The work is coordinated by the Organizational and Technical Team (OTT), which includes 3 RST experts, who support:

- 1 the development of correlation tables (EU Regulations 952, 2446, 2447, 608, 1186 and CCU) and working files for each expert team to process over 1,400 articles;
- 2 the creation of a basic glossary;
- 3 arranging meetings with international experts and between the experts' teams on raised questions;
- 4 revising draft working files to support them to the next stage of the project.



**According to the European Commission's Enlargement Report, issued on October 30, 2024, Ukraine received the highest score in Chapter 29 «Customs Union», for its level of preparation and progress in aligning its processes and legislation with those of the EU. Moreover, in 2024, Ukraine's preparation and progress with Chapter 29, «Customs Union», was evaluated on the highest level among 10 EU candidate countries. One-third of admitted in the Report achievements highlighted in the Report pertain to aligning customs legislation with the EU acquis, in which the RST's Customs team has consistently and systematically supported the Ministry of Finance over the past seven years**

# CAPACITY BUILDING AND COMMUNICATION IN THE FIELD OF CUSTOMS REFORM



**The Reform Support Team assisted the Ministry of Finance in developing specific regulations for employment in customs authorities and communicating the customs reform.**

The Reform Support Team assisted the Ministry of Finance in developing specific regulations for employment in customs authorities. The Law of Ukraine № 3977-IX On Amendments to the Customs Code of Ukraine to Establish Specific Regulations for Service in the Customs Authorities and Attestation of Customs Officials, adopted on September 17, 2024, was based on the draft Law № 6490, developed with the support of the RST.

The Law № 3977-IX outlines specific regulations for employment in the customs authorities, including:

- 1** establishment of the essential terms of the contract for service in the customs authorities;
- 2** assessment of the customs competencies annually, application of rotation;
- 3** psychophysical examination with the use of a polygraph, integrity checks and lifestyle monitoring of customs officials;
- 4** introduction of one-time attestation of all customs officials;
- 5** appointment and dismissal of the Head of the State Customs Service of Ukraine.

Additionally, the RST participated in the development of a draft CMU Resolution on the Procedure for holding a recruitment competition for the customs authorities of Ukraine.



The RST assisted the MoF with communicating the customs reform. The team supported the development of the draft content plan for the information campaign to clarify the provisions of the Law of Ukraine № 3926-IX. The first four publications within the communication campaign were delivered in 2024.

Additionally, the RST provided quarterly analyses on the functioning of Authorized Economic Operators (AEOs) in EU member states and Ukraine for comparable periods, as well as analyzing the progress in the transition to NCTS phase 5 in EU member states and Ukraine.



**4 РОКИ 3 МІС.: ТЕМПИ ЗАЛУЧЕННЯ БІЗНЕСУ ВІДПОВІДАЮТЬ БІЛЬШОСТІ КРАЇН ЄВРОПИ**



Міністерство  
фінансів  
України



Державна  
митна служба  
України



МІН  
ФІН



**4 роки 3 міс. АЕО в Україні**  
(у т.ч. 2 роки 8 міс.  
повномасштабної війни):

**65**

**КОМПАНІЙ**  
отримали статус АЕО

**68**

**АВТОРИЗАЦІЙ**  
65 — право на спрощення  
3 — щодо безпеки  
та надійності



**Перші 4 роки 3 міс. АЕО в ЄС:**



**В 17 державах бізнес отримував статус АЕО схожими / меншими темпами**

**Схожі з Україною темпи**

- Ірландія
- Чехія
- Словенія

**На 30%+ нижчі темпи**

- Болгарія
- Литва
- Греція
- Люксембург
- Данія
- Мальта
- Естонія
- Румунія
- Кіпр
- Словаччина
- Латвія
- Фінляндія

**«0» авторизацій**

- Португалія
- Хорватія



**В 11 державах бізнес отримував статус АЕО вищими темпами**

**Вищі темпи**

- Австрія
- Бельгія
- Велика Британія\*
- Іспанія
- Італія
- Нідерланди
- Польща
- Угорщина
- Франція
- Швеція

**Значно вищі темпи**

- Німеччина



\* 31 січня 2020 року Велика Британія припинила членство в ЄС

**Ukraine, among 55% countries, that first made the transition to the latest version of NCTS (so-called "customs visa-free")**



Ministry of  
Finance  
of Ukraine



State Customs Service  
of Ukraine



МІН  
ФІН

**Pathway to NCTS Phase 5<sup>1</sup>**

CTC<sup>2</sup> countries started development and transition to NCTS Phase 5

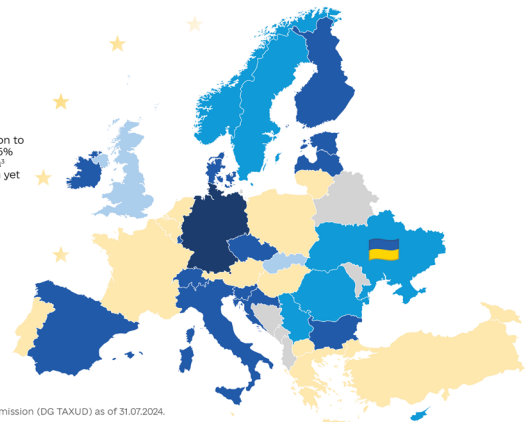
Ukraine joined the CTC based on NCTS Phase 4



**22 countries already use NCTS Phase 5**

- 2021 — Germany
- 2023 — 13 countries
- The first half of 2024 — 6 countries (including Ukraine)
- July 2024 — the United Kingdom, Slovakia

**15 countries are going to make the transition to NCTS Phase 5 by the end of 2024**



<sup>1</sup> Based on data of the General Directorate for Taxation and Customs Union of the European Commission (DG TAXUD) as of 31.07.2024. Development of NCTS Phase 5 in Ukraine has been done with the support of EU4PFM project

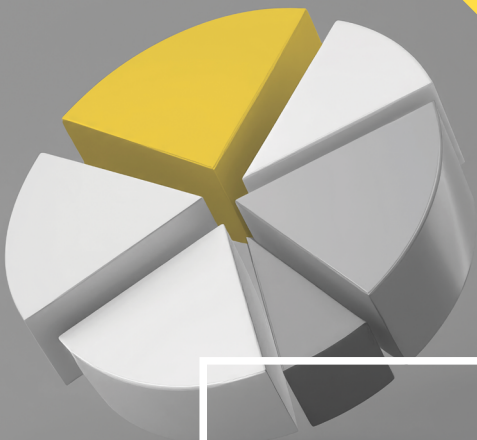
<sup>2</sup> Convention on a common transit procedure

<sup>3</sup> Georgia is going to join the Convention and make the transition to NCTS Phase 5 by the end of 2024



**The Reform Support Team played an important role in supporting the Ministry of Finance in capacity building of customs authorities, strengthening communication and advisory work with the business community, and facilitating effective cooperation with international partners in the field of customs reform, contributing to the advancement and success of such initiatives.**

# **PUBLIC FINANCIAL MANAGEMENT REFORM AND BUDGET EXPENDITURES OPTIMIZATION**



# MEDIUM-TERM AND ANNUAL BUDGETING IMPROVEMENT. HARMONIZATION WITH THE EU ACQUIS



**The Reform Support Team provided thorough support to the Ministry of Finance with Ukraine's European Integration process.**

The RST supported the Ministry of Finance in preparation for the Screening Meeting on the EU Acquis. In the spring of 2024, the RST supported the Ministry of Finance in preparation for the Explanatory Screening Meeting on the EU Acquis with Ukraine and the Republic of Moldova. This covered the following topics: Chapters 17 – Economic and Monetary Policy, Chapter 18 – Statistics, Chapter 33 – Financial and Budgetary Provisions. Later, in 2024, the RST provided analytical support to the Ministry of Finance in preparation for the Screening Meetings on the EU Acquis. This covered the following chapters: Public Financial Management as a Part of the Public Administration Reform Fundamentals, Chapter 4 – Free Movement of Capital, Chapter 18 – Statistics, Chapter 32 – Financial Control.

The RST provided recommendations to improve the budgeting process by introducing international best practices. The team developed an outline for a new Strategic Planning Documents System that links strategic and budget planning into a unified system. The Ministry of Economy included these proposals in the Draft Concept for the National Strategic Planning System.

The RST developed proposals for amendments to the Budget Code of Ukraine regarding increasing the role of gender-oriented budgeting as a part of performance-based budgeting. This is in line with the recommendations of the European Commission highlighted in the “Enlargement Report” published in October 2024.

**Chapter 32 – Financial Control**

Denys Uliutin  
FIRST DEPUTY MINISTER OF FINANCE  
MINISTRY OF FINANCE OF UKRAINE  
Brussels, 8 October 2024

### PFM: Implementation activities

Preparing and reviewing issues related to the audit and IA activities and their improvement

**Practice**

Statistical data on the status of audit committees in ministries

| Category                                     | Percentage |
|--|------------|
| Audit committees were established            | 53%        |
| Measures are being taken to establish the AC | 32%        |
| No ACs were formed (% authorities)           | 15%        |

**Training and consulting support to stakeholders were provided**  
(instructional letters were sent, a training event was held for the heads of IA units and a working visit was organized for members of some audit committees)



The RST also contributed to the harmonization of the Ukrainian national statistical standards with the EU regulations and practices. This included developing recommendations and proposals for harmonization of the National Statistical Standards with Eurostat, ESA 2010 and COFOG (OECD Classification of the Functions of Government). The RST inception recommendations covered the following topics:

- 1 performance indicators of non-profit institutions controlled by the government in the indicator of net lending / net borrowing of the general government sector;
- 2 a new approach to the formation of statistical data on general government net lending (+) / net borrowing (-) on an accrual basis, including the compulsory state social insurance funds;
- 3 bringing the functional classification of expenditures and lending in line with COFOG and economic classification in line with ESA 2010 (to prepare statistics for publication on the Eurostat website);
- 4 preparation of data for reporting on government deficit and debt indicators in accordance with the requirements of Eurostat;
- 5 description of the experience of EU countries regarding the responsibility of government agencies for the preparation of data on the general government deficit, economic classification implementation;
- 6 description of ESA 2010 requirements for non-financial assets accounting compared to national accounting;
- 7 Action plan for 2025-2028 for the implementation of measures which are necessary for the preparation of administrative data for the compilation of information in the system of national accounts under ESA 2010;
- 8 concept guidelines on accounting of international assistance.

Furthermore, the RST

- 1 prepared recommendations to guidelines for baseline expenditures calculations, fiscal space estimations, and the costing of new policies;
- 2 assisted the MoF in preparing a report on the Diagnostic Review of the Medium-Term Budgetary Planning System of Ukraine and the supplementary materials to the Diagnostics Review;
- 3 supported the Ministry with drafting the Methodological Recommendations on the procedure for application by the MoF's structural units of intervention measures regarding violation of the budget legislation during the budget process.



**RST's comprehensive support has contributed to Ukraine's European integration by reinforcing the Ministry of Finance's capacity to embrace international best practices. By facilitating the bilateral Screening Meetings on the EU Acquis and delivering strategic proposals on budgeting reforms, gender-oriented budgeting, and statistical standards harmonization, the team has fortified the foundations of public financial management. In doing so, RST has paved the way for a more transparent, accountable, efficient, and future-oriented fiscal system that aligns with the EU Acquis and OECD standards.**

## PERFORMANCE-BASED BUDGETING IMPROVEMENT



**The Reform Support Team focused on capacity building in public institutions and specific processes, like spending reviews improvement. The team also participated in a spending review in the cultural policy sector.**

The RST developed and delivered comprehensive training programmes on performance-based budgeting (PBB) and other PFM-related topics, aimed at enhancing institutional capacity across the different levels of government.

Over 300 public sector employees took part in trainings:

**21**

Members of Parliament of Ukraine and representatives of the Secretariat of the Parliament

**20**

Category A civil servants

**277**

Internal auditors

Spending review is another important process for increasing the efficiency of public expenditures. As a part of the working group on spending review in the cultural policy sector, the RST provided proposals for the draft spending review report on the Ukrainian Cultural Foundation (UCF) projects. The UCF is an institution under the Ministry of Culture and Strategic Communications of Ukraine aimed at facilitating the development of culture and arts in Ukraine by strengthening the institutional and financial capacity of organizations in the field of culture, supporting the creation of cultural products, and enhancing the role of culture in society. The RST recommendations focused on improving the UCF processes in line with the best practices, including the result-based management approach and the performance-based budgeting principles. The proposals highlighted the need to establish a system for assessing the outcomes of UCF-supported projects.



**These achievements mark a milestone in strengthening Ukraine's public financial management system. By delivering comprehensive trainings on performance-based budgeting to over 300 public sector employees and participating in spending review processes, particularly within the cultural policy sector, RST's initiatives have enhanced institutional capacity and transparency, laying a foundation for a more efficient and outcome-driven fiscal system that underpins the effective and efficient utilization of public finances. The experience gained from participating in the spending review working groupe will be utilized to develop recommendations for enhancing the overall methodological guidelines for spending reviews.**

# PUBLIC EXPENDITURES TRANSPARENCY IN PUBLIC ADMINISTRATION AND SOCIAL ASSISTANCE



Transparency in public expenditures is among the top priorities for the Ministry of Finance of Ukraine; thus, the Reform Support Team continued to support enhancing transparency in specific sectors.

The RST supported the MoF with the development of a public BI tool (dashboard) on social assistance public expenditures. The dashboard covers public expenditures on social assistance totalling in 2024 (plan).

## UAH 183 BN

OR

## USD 4.5 BN



Ministry of  
Finance  
of Ukraine

### Social Assistance Expenditures in 2021-2024

Clear filters

Social Assistance Type (select)

Yci

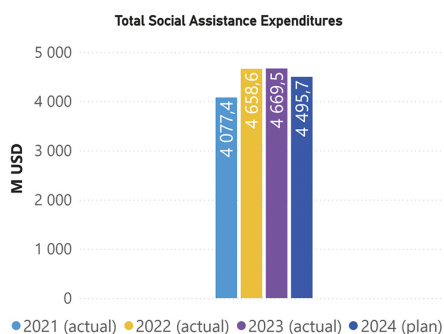
Social Assistance Payment (select)

Yci

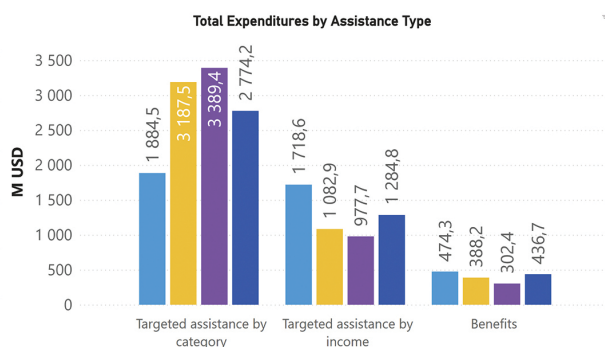
UAH

USD

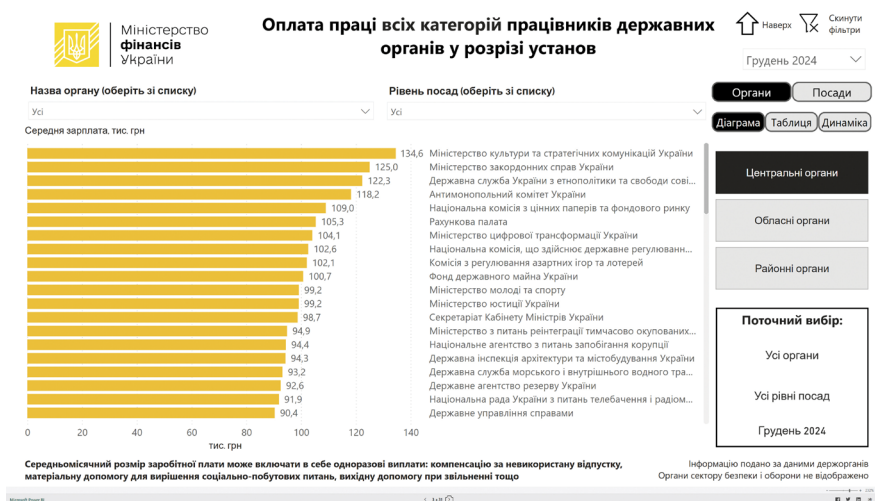
#### Total for all assistance types



#### Total for all social assistances



The team supported the Ministry in developing, improving, updating, and administering a public dashboard on Public Sector Employment and Remuneration with monthly 2024 data, which offers unprecedented transparency to the public sector remuneration. The data covers almost 170 thousand public employees in the central government bodies, the local administrations and the judiciary. The monthly data illustrates a rollout of the new remuneration system in the public sector, which started at the beginning of 2024; the data also demonstrates a seasonality in the payments, with vacations largely happening in the summer and bonuses often paid at the end of a year. These aspects make the aggregated annual indicators more representative compared to the monthly numbers that vary significantly. The dashboard is available on the Ministry of Finance website and is popular among the media, experts, and politicians.

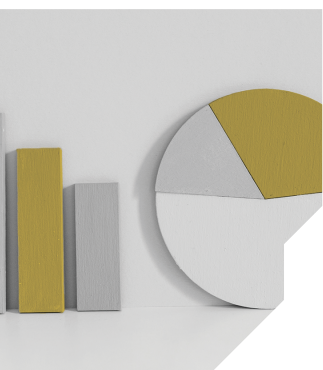


To foster the Ministry of Finance's internal process digitalization, the RST supported the MoF with the development of dashboards on performance indicators of specific budget programmes in the fields of education, healthcare, science, and culture.



**These results highlight RST's impact on boosting public expenditure transparency and advancing the Ministry's digital transformation. The dashboards offer timely access to critical data, enabling more effective and efficient management of public funds and reinforcing accountability and transparency in the public financial management.**

# PUBLIC EXPENDITURE OVERSIGHT IN INFRASTRUCTURE DEVELOPMENT AND RECOVERY, AGRICULTURE, AND ENVIRONMENTAL PROTECTION



**One key direction in the PFM reform is efficient budgeting and disbursement of public funds, as well as ensuring transparency and accessibility of data on the achieved goals. This approach requires a high level of sectoral expertise from the Reform Support Team to identify process bottlenecks and introduce the best European practices to the Ukrainian public administration.**

Due to the significant increase in the volume of international support for Ukraine, there is an exceptionally high demand for quality and transparent reporting on public expenditures. RST support has focused on Ukraine's wartime recovery process and economic survival.

The team is expected to find solutions for the prioritized sectors and key functions such as transparency of public expenditures, searching for inefficiencies and resolving them, creating new mechanisms for financing in relevant sectors and improving existence.

The RST assisted the MoF in establishing a mechanism for military risk insurance for maritime operators. This initiative led to the rapid creation of an international insurance pool with a

## USD 50 MN

fund, helping to lift export restrictions for Ukraine's agricultural sector and ensuring greater stability for maritime trade.



The team supported the assessment and prioritization of projects for allocating a

# UAH 9.6 BN

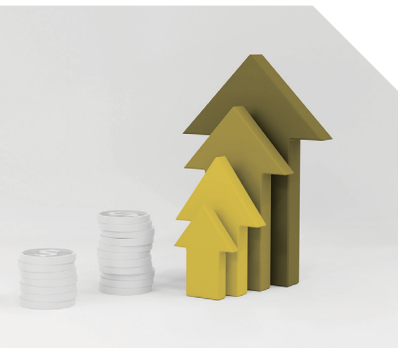
EU grant aimed at rapid recovery. This process supports rebuilding efforts where they are needed most by ensuring that funds are channelled into the most impactful initiatives.

Another priority was securing additional financing for the local road network. Through engagement with the Ministry of Finance,

# UAH 2.8 BN

from the reserve fund was allocated to improve infrastructure and connectivity.

The RST also facilitated advancing the Climate Finance agenda, focusing on key legislative and institutional developments. This included support in drafting the Law on Climate Policy, establishing a state environmental monitoring system, and launching the "Green Future" initiative to promote sustainable development.



**This multifaceted support helped the Ministry of Finance conduct more efficient budgeting, increase transparency and sectoral expertise, enable the implementation of best practices, and secure international and local funding to address key public finance reforms and initiatives.**

# STATE-OWNED BANKS REFORM





# STRENGTHENING GOVERNANCE IN STATE-OWNED BANKS



**The Reform Support Team supported the Ministry of Finance in enhancing governance structures within Ukraine's state-owned banks (SOBs). Throughout the year, RST facilitated numerous governance improvements and operational efficiency.**

The RST assisted the MoF in the selection process for an additional supervisory board member of Ukreximbank, ensuring a fair and transparent approach. Furthermore, RST facilitated the selection of a recruitment company to manage the competitive selection of independent supervisory board members for Sense Bank, reinforcing best governance practices.

In addition to governance improvements, the team supported the finalisation of charters and other governance documents for Sense Bank and PrivatBank, ensuring legal clarity and strengthening the regulatory framework.

The RST also contributed to enhancing financial oversight by evaluating the financial health of state-owned banks, conducting dividend impact analysis, and assessing financial performance to support informed policy decisions.

**sense bank**



**Recruitment Company Selected**

**ПриватБанк**



**Board Appointed**

**ОЩАДБАНК**  
МІР БАНК. МОЯ КРАЇНА



**Board Appointed**

**UKR  
EXIM  
BANK**



**Board Appointed**



**These efforts are essential for ensuring that state-owned banks operate with transparency, accountability, and financial stability. Strengthened governance structures contribute to improved decision-making, reducing risks and increasing investor confidence. Legal clarity in governance frameworks ensures regulatory compliance and a more predictable operating environment for these banks. Additionally, comprehensive financial evaluations provide critical insights for policymakers, helping them make data-driven decisions that support long-term financial stability and economic growth. By reinforcing governance and financial oversight, RST's input assists in modernising Ukraine's state banking sector and aligning it with international best practices.**

# PREPARING SOBS FOR PRIVATISATION



**As part of Ukraine's economic reform agenda, the Reform Support Team supported the Ministry of Finance in laying the groundwork for initiating the privatisation process of SOBs. This is a critical step towards reducing state dominance in the banking sector, fostering competition, and attracting private investment.**

The RST assisted in developing a concept document that identified key challenges and provided recommendations for a structured and transparent privatisation process. This document served as a foundation for defining the necessary steps to ensure efficiency, competitiveness, and investor confidence in the sale of state-owned banks.

Additionally, the team participated in drafting a comprehensive procedure for selecting financial advisers who would guide the privatisation process, ensuring that expert oversight and best practices were embedded from the outset. A major milestone in these efforts was the drafting and successful adoption of a special law by Parliament № 3983-IX dated 19 September 2024, establishing the legal framework for state-owned bank sales.



## ЗАКОН УКРАЇНИ

**Про особливості продажу пакетів акцій, що належать державі  
у статутному капіталі банків**

### Розділ I. ЗАГАЛЬНІ ПОЛОЖЕННЯ

#### Стаття 1. Визначення термінів

1. У цьому Законі наведені нижче терміни вживаються в такому значенні:

1) забезпечення конкурсної пропозиції - надання учасником конкурсу забезпечення виконання своїх зобов'язань перед державою, що виникають у зв'язку з участю в конкурсі та поданням конкурсної пропозиції, у вигляді банківської гарантії, гарантійного внеску або в іншій формі, визначеній у порядку проведення конкурсу, затвердженому Кабінетом Міністрів України згідно із статтею 11 цього Закону (далі - порядок проведення конкурсу);

2) комісійне судження - вмотивовані, об'єктивні, неупереджені та обгрунтовані висновки та/або оцінка, надані комісією з продажу пакетів акцій банків (далі - комісія з продажу) щодо фактів, подій, обставин, осіб, що ґрунтуються на знаннях і досвіді членів комісії з продажу, на комплексному та всебічному аналізі інформації та документів, поданих до комісії з продажу в межах передбачених законодавством процедур, отриманих комісією з продажу, а також отриманої комісією з продажу інформації з офіційних джерел;



**A well-structured privatisation process enhances investor confidence, promotes efficiency in the banking sector, and ensures a more competitive financial market. This contributes directly to Ukraine's economic growth and financial stability.**



# REFORMING THE BUSINESS DEVELOPMENT FUND



**Recognising the importance of fostering sustainable business growth, the Reform Support Team supported the Ministry of Finance in reforming the Business Development Fund (BDF). This reform ensures a robust institutional framework, good corporate governance, and efficient financial support mechanisms.**

The RST assisted in the drafting of a special law № 11238 dated 7 May 2024 that clearly defines BDF's legal status, mandate, and financing model. This legislation provides a solid foundation for the Fund's operations, ensuring clarity in its role and long-term sustainability.

In addition to legislative support, the team facilitated the selection of independent supervisory board members through a competitive and transparent process, reinforcing best governance practices and accountability within the institution.

**Проект Закону про Національну установу розвитку**

Номер, дата реєстрації: 11238 від 07.05.2024  
Сесія реєстрації: 11 сесія IX скликання  
Включено до порядку денного: 3939-IX від 03.09.2024

Рубрика законопроекту: Економічна політика  
Суб'єкт права законодавчої ініціативи: Народний депутат України  
Ініціатор(и) законопроекту: Гетманець Данило Олександрович (X скликання), Кравчук Євгенія Михайлівна (X скликання), Марчук Ігор Петрович (X скликання), Зуб Валерій Олександрович (X скликання), Діденко Юлія Олександрівна (X скликання), Булашкін Максим Аркадійович (X скликання), Янако Володимир Іванович (X скликання), Забурна Лєся Валентинівна (X скликання), Николов Владислав Михайлович (X скликання), Маданюк Віталій Анатолійович (X скликання), Личак Галина Василівна (X скликання), Шаповал Антон Олександрович (X скликання), Лис Олена Георгіївна (X скликання), Короманська Ірина Валеріївна (X скликання), Сіва Олександр Георгійович (X скликання), Вятрас Володимир Антонович (X скликання), Радудий Михайло Борисович (X скликання), Могилевська Анастасія Вікторівна (X скликання), Вакуров Олександр Сергійович (X скликання), Коваленко Олександр Володимирович (X скликання), Славська Катерина Кирилівна (X скликання), Сачинко Олександр Володимирович (X скликання), Кисилевський Дмитро Давидович (X скликання), Третякова Галина Михайлівна (X скликання), Кориченко Микола Олександрович (X скликання), Козир Сергій Віталійович (X скликання), Каленчук Юрій Олександрович (X скликання), Мисюк Юрій Михайлович (X скликання), Мельник Олександр Олександрович (X скликання), Приходько Борис Вікторович (X скликання), Задороний Микола Миколайович (X скликання), Торосій Богдан Григорович (X скликання), Богущак Єлизавета Петрівна (X скликання), Штепа Сергій Сергійович (X скликання), Костричук Сергій Володимирович (X скликання), Кундич Олександр Олександрович (X скликання), Калату Іван Романович (X скликання), Пасичний Олександр Станіславович (X скликання), Струшак Вадим Олександрович (X скликання), Гринчук Олена Анатоліївна (X скликання), Могач Олександр Васильович (X скликання), Кочубай Андрій Андрійович (X скликання), Бондаренко Олег Володимирович (X скликання), Черваський Степан Миколайович (X скликання), Васюк Олександр Олександрович (X скликання), Бабак Сергій Віталійович (X скликання), Кицак Богдан Вікторович (X скликання), Пуртова Анна Анатоліївна (X скликання)

Головний комітет: Гетманець Д. О. Комітет Верховної Ради України з питань фінансів, податкової та митної політики  
Інші комітети: Наталюха Д. А. Комітет Верховної Ради України з питань економічного розвитку  
Маслова Д. В. Комітет Верховної Ради України з питань правової політики  
Потурка М. Р. Комітет Верховної Ради України з питань гуманітарної та інформаційної політики  
Коваленко А. А. Комітет Верховної Ради України з питань молоді та спорту  
Морозов О. О. Комітет Верховної Ради України з питань економічної політики та міжпарламентського співробітництва  
Підліска Р. А. Комітет Верховної Ради України з питань бюджету  
Радіва А. О. Комітет Верховної Ради України з питань антикорупційної політики  
Клименко Ірина Дмитрівна О. Комітет Верховної Ради України з питань інтеграції України до Європейського Союзу

Текст законопроекту та супровідні документи: Проект Закону (07.05.2024)   
Порівняльна таблиця (07.05.2024)   
Пояснювальна записка (07.05.2024)   
Підання (07.05.2024)   
Проект Постанови до Закону (іншого Акта) (07.05.2024)   
Науково-експертний висновок (Перше читання)   
Висновок Головного комітету (Перше читання)   
Висновок (антикорупційна експертиза)   
Висновок (бюджетна експертиза)   
Висновок Головного комітету (Друге читання)   
Затвердження Головного комітету коридорного управління   
Лінійна експертиза   
Порівняльна таблиця (Друге читання)

Документи, пов'язані із роботою:

To further enhance governance structures, the RST assisted in establishing contractual frameworks for the BDF's management and supervisory board members, including the development and negotiation of service contracts.



**The establishment of a well-governed BDF enhances trust, accountability, and investor confidence. The newly developed legal framework will ensure that BDF operates effectively to support business growth, economic recovery, and long-term financial stability in Ukraine.**

# **IMPROVEMENT OF INTERNATIONAL FINANCIAL COOPERATION PROCESS**

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# IMPROVEMENT OF THE LEGAL FRAMEWORK FOR THE ENHANCEMENT OF IMPLEMENTATION OF IFI PROJECTS



**The Reform Support Team supported the Ministry of Finance in restructuring of 2014-2015 EIB Apex Loans and drafting a provision for the Law on State Budget 2025 permitting the funds received by the Ministry of Finance from intermediary banks under the sub-loans to be credited to the general fund of the state budget to support the latter's liquidity.**

The team was involved in close cooperation of the MoF with the Council of Europe Development Bank (CEB), advising the Ministry on:

- 1** developing future legal procedures to review and approve private projects to be financed by the CEB;
- 2** legal process to review and approve within the Government a potential project to be financed by the CEB for Bank Lviv under current governmental procedures (which set forth no specific guidelines on how the ministries involved should operate in such circumstances).

Internal project implementation procedures were also improved by:

- 1** developing a streamlined pledge agreement form;
- 2** revising strategic financing orientations for 2024-2027;
- 3** working on a Cabinet of Ministers resolution to regulate investment projects supported by foreign financial institutions;
- 4** developing a streamlined sub-loan agreement template;
- 5** addressing key obstacles to efficient IFI project implementation.



**These changes have improved the process of attracting funds from IFIs and aligned Ukrainian legislation with European standards.**



# IMPLEMENTATION ACTIVITIES FOR EXISTING INTERNATIONAL FINANCIAL INSTITUTION PROJECTS



The Reform Support Team supported the Ministry of Finance in implementing existing IFI projects aimed at securing economic and social development.

4

Projects amounting to approximately **EUR 450 million** and **USD 760 million** were supported:



**THE WORLD BANK**  
IBRD • IDA

Implementation activities for the IBRD/IDA PforR projects, Supporting Reconstruction through Smart Fiscal Governance (SURGE) and Strengthening Government Capacity for Fiscal Reform Implementation (STRONG) (loan amount – **USD 750 million**, grant amount – **USD 10 million**);

**KfW**  
Bank aus Verantwortung

Preparation activities for attracting of new financing from the KfW to Support Business Development Fund (grant amount – **EUR 50 million**), which is implemented through the 5-7-9 programme;



**European Bank**  
for Reconstruction and Development

Preparation activities for attracting of new financing from the EBRD (**EUR 200 million** loan) for Naftogaz;

Preparation activities for attracting of new financing from the EBRD for Ukrhydroenergo.

57.9

доступні  
кредити



**NAFTOGAZ**  
GROUP



**Ukrhydroenergo**

The Reform Support Team assisted the Ministry of Finance in optimising its project portfolio and addressing issues related to the successful implementation of existing projects. These projects helped sustain Government spending, stimulate the economy by supporting Ukrainian businesses during the war, and help key energy companies maintain liquidity, fund reconstruction, and prepare for the heating season.

# LAUNCHING NEW JOINT PROJECTS WITH IFIS



The Reform Support Team supported the Ministry of Finance in launching new joint projects with IFIs, which contributed to the stability of the Ukrainian financial system and ensured the provision of essential public services during wartime.

## 9

New agreements in the amount of **USD 2.2 billion** and **EUR 700 million** were supported:



New joint projects with the CEB, namely a Framework Loan Agreement for the HOME: Compensation for Destroyed Residential Properties Project in the amount of **EUR 100 million**, which is aimed at compensating housing certificates for new housing, and a Framework Loan Agreement for **EUR 100 million** Health enhancement and life-saving in Ukraine (HEAL) Project aimed at ensuring access to healthcare services



The Finance Agreement between Ukraine and the EIB for the Ukraine Recovery III Project in the amount of **EUR 100 million**;

Loan and Grant Agreements for 4 systemic projects of the World Bank using the financial instrument PforR (Program-for-Results) in the fields of:



- 1 education LEARN (Lifting Education Access and Resilience In Times Of Need In Ukraine Program),
- 2 entrepreneurship RISE (Resilient, Inclusive and Sustainable Enterprise Project),
- 3 public finance SURGE/STRONG (Supporting Reconstruction through Smart Fiscal Governance Program, Strengthening Government Capacity for Fiscal Reform Implementation Project),
- 4 healthcare THRIVE (Transforming Healthcare through Reform and Investments in Efficiency Program)

with the involvement of **USD 2.167 billion** in loans and **USD 55 million** of grant support for the projects technical assistance;



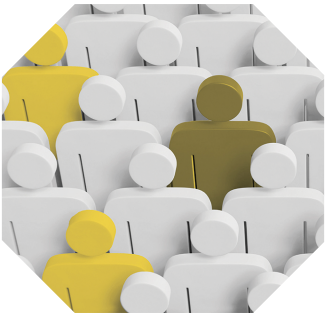
**European Bank**  
for Reconstruction and Development

Loan Agreement for the NJSC Naftogaz of Ukraine Strategic Gas Reserve Finance Project in the amount of **EUR 200 million** aimed at purchasing imported natural gas to create a strategic gas reserve;

Loan Agreement for Hydro Power Plants Emergency Restoration Project in the amount of **EUR 200 million** aimed for the supply and installation of equipment for the Dnipro and Sredniodniprovska hydroelectric power plants.

These projects helped to maintain all priority expenditures aimed at

- 1** covering the cost of salaries in the health, education and public administration sectors, as well as expenditures related to the payment of pensions, social benefits and subsidies;
- 2** the provision of essential services, including medical services to the population;
- 3** the procurement and delivery of humanitarian goods to affected regions;
- 4** social support for housing services; and the purchase of fuel and liquefied petroleum gas.



**These initiatives played an important role in ensuring the smooth operation of the financial system that enabled the Ministry of Finance to prioritise expenditure for continued providing essential services to the population during the war.**

# SUPPORTING OPERATIONAL EFFICIENCY AND INSTITUTIONAL CAPACITY IMPROVEMENT

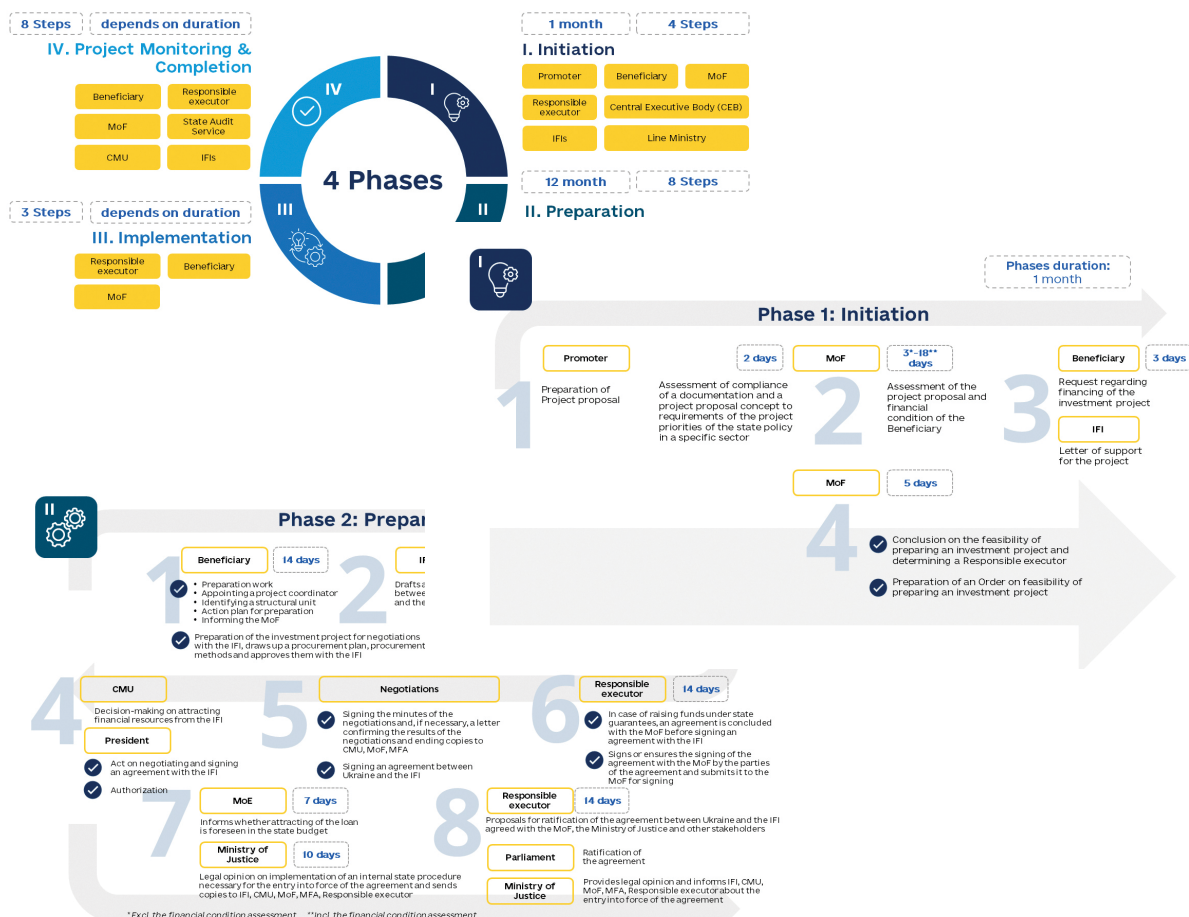


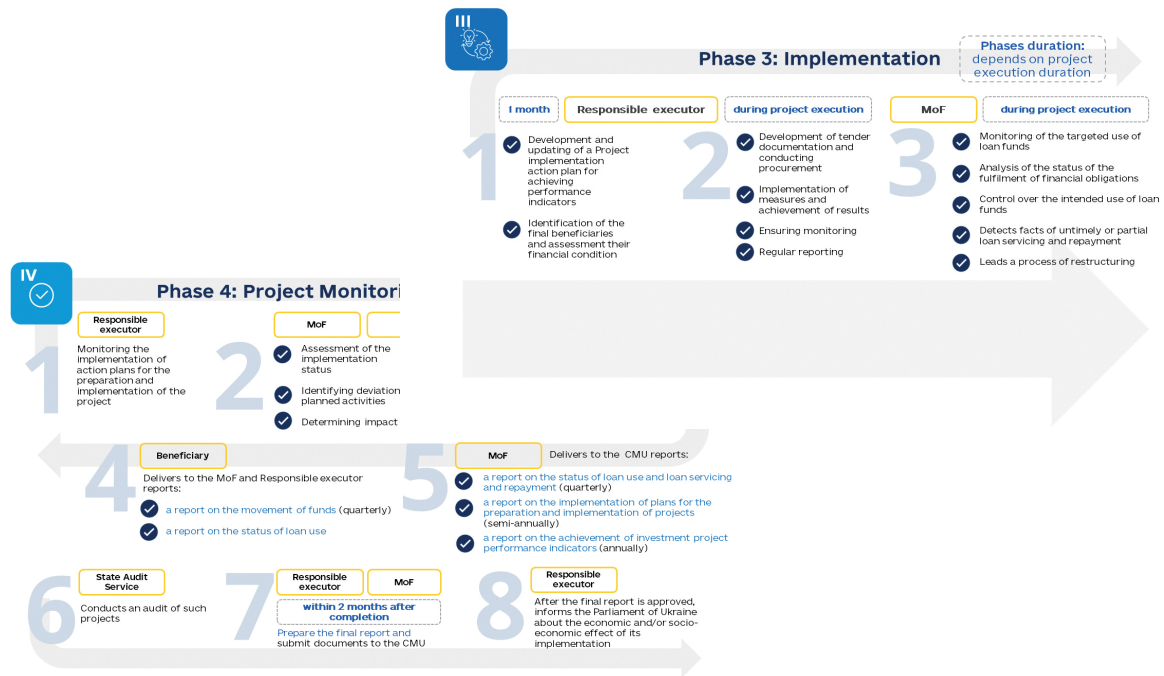
The Reform Support Team supported the Ministry of Finance in improving the internal documentation review process, which contributed to operational efficiency and investment absorption capacity.

The RST supported the MoF in reviewing and updating internal legal documentation and processes, helped update internal business processes, reporting and approval documentation within IFI projects, and provided legal advice to identify and mitigate operational inefficiencies.

Also, the team provided support to the MoF in developing infographics for CMU resolution N° 70, which regulates the IFI project cycle on the stages of initiation, preparation, implementation, monitoring, and completion of an IFI investment project.

## 4 Phases of an IFI investment project





Among other achievements of the team provided operational and monitoring support to the portfolio of

**78**

Active loan projects financed by IFIs in the amount of approximately **USD 28.1 billion**

**26**

Active grant projects financed by IFIs in the amount of approximately **USD 31.6 billion**:

- 1 Development of a tool for an assessment of the schedule of payments of new loans attracted from IFIs (the EBRD, the IBRD, the KfW, the EIB) including preparation of guidelines on its practical use.
- 2 Conducting of financial and economic feasibility study and TORs for the Independent Verification Agent and the Project Implementation Unit for the International Projects Department provided by the World Bank to execute the IBRD/IDA PforR projects: SURGE and STRONG.
- 3 Drafting of bilingual versions of Waiver and Amendment Letters to Loan/ Finance Agreements from IFIs, drafts of Loan/ Financing/ Grant Agreement under the PforR Projects of the World Bank (LEARN "Lifting Education Access and Resilience In Times Of Need In Ukraine", RISE "Resilient, Inclusive and Sustainable Enterprise").
- 4 Preparation of presentation materials and analytical information concerning the annual results reports, as well as quarterly and monthly monitoring of the portfolio of active projects financed by IFIs.



- 5** Drafting analytical information and presentation materials concerning active projects portfolio and attending annual portfolio reviews of joint projects with IFIs.
- 6** Preparation of analytical information on the EBRD programmes, the Ukraine Facility Pillar II, Project Preparation Framework, and other topics covered by the IFI Coordination Group Meetings and the Ukraine Financial Intermediary Fund Meetings.
- 7** Development of an analytical overview of the results of the needs assessment of recovery and reconstruction priorities in accordance with the RDNA2/ RDNA3 with current IFIs financing covered by existing projects.

The capacity building component was also driven by the RST while handling a survey among employees of the Department of International Financial Projects with further delivery of a comprehensive recommendations report on the identification and overcoming of obstacles applicable to all phases (initiation/proposal design/planning, appraisal, approval, implementation, procurement, contracting/subcontracting, monitoring/reporting/auditing) of IFI projects cycle aimed at increased investment absorption.

The team also assisted the MoF in conducting assessment and preparing analytical note regarding the possible actions on the improvement of the Department of International Financial Projects' institutional capacity by enhancing civil servants' potential.



**These steps formed an important improvement in the continuation of the MoF's institutional capacity development and enhanced operational effectiveness and efficiency regarding operating with IFI projects.**

# LEGAL SUPPORT OF IFI PROJECTS



The Reform Support Team assisted the Ministry of Finance in implementing several ongoing IFI projects, particularly by providing targeted legal assistance on specific issues.

The RST:



provided legal advice on the EBRD **EUR 63 million** loan for Ukraine's national post operator - Ukrposhta (disbursed in 2020) in connection with amendments to the mortgage agreement signed between the MoF and Ukrposhta;

offered legal advice and negotiation support to the MoF on the EBRD **EUR 200 million** loan for NJSC Naftogaz of Ukraine, revision and negotiation of a property rights pledge agreement to be entered into between the MoF and Naftogaz in connection with the sovereign guarantee given to the EBRD;

provided legal advice and transaction support on the EBRD **EUR 200 million** loan for Ukraine's main hydropower generating company - Ukrhydroenergo (2023 extraordinary liquidity support loan), finalisation of the loan agreement and the guarantee agreement;

offered legal advice on the EBRD **EUR 150 million** loan for the Urengoy-Pomary-Uzhgorod gas pipeline project, development of procedures and options to terminate the financing agreement under Ukrainian law;

provided legal advice, drafting and negotiation support on the Amendments to the 2005 Ukraine – EIB Framework Agreement.



**These activities ensured practical significance for the legal improvements in the preparation and coordination of IFI projects and also helped the MoF to address the challenges posed by the russian invasion and martial law.**

# SUPPORTING PARTICIPATION IN THE UKRAINE DONOR PLATFORM



**The Reform Support Team supported the Ministry of Finance in participating in the Ukraine Donor Platform (UDP) as one of the major contributors on the side of the Government of Ukraine.**

The UDP's mandate is to coordinate support for Ukraine's immediate financing needs and long-term economic recovery and reconstruction by uniting diverse funding sources and instruments while ensuring resources are allocated transparently, coherently, and inclusively.

The RST assisted the MoF and Minister of Finance (co-chair in the UDP on behalf of Ukraine) of the UDP activities in various ways:

- 1 provided support in the preparation and formulation of amendments<sup>1</sup> to the Resolution of the CMU № 603<sup>2</sup> dated 14 May 2024 "On Certain Issues of Facilitating the Coordination of the Activities of Central Executive Bodies to Support Ukraine's Participation in the Ukraine Donor Platform". This resolution outlines the priority areas of support for Ukraine and establishes the framework for the engagement of Central Executive Bodies of Ukraine with the UDP within these designated areas, as well as the creation of the Steering Council for relevant discussions and decision-making. The RST also provided support in the preparation of the MoF for both of the Steering Council meetings in 2024;

1



2



## КАБІНЕТ МІНІСТРІВ УКРАЇНИ ПОСТАНОВА

від 14 травня 2024 р. № 603  
Київ

**Про деякі питання сприяння координації діяльності  
центральної виконавчої влади для підтримки участі  
України в Українській платформі донорів**

{Назва Постанови із змінами, внесеними згідно з Постановою КМ № 1410 від 10.12.2024}

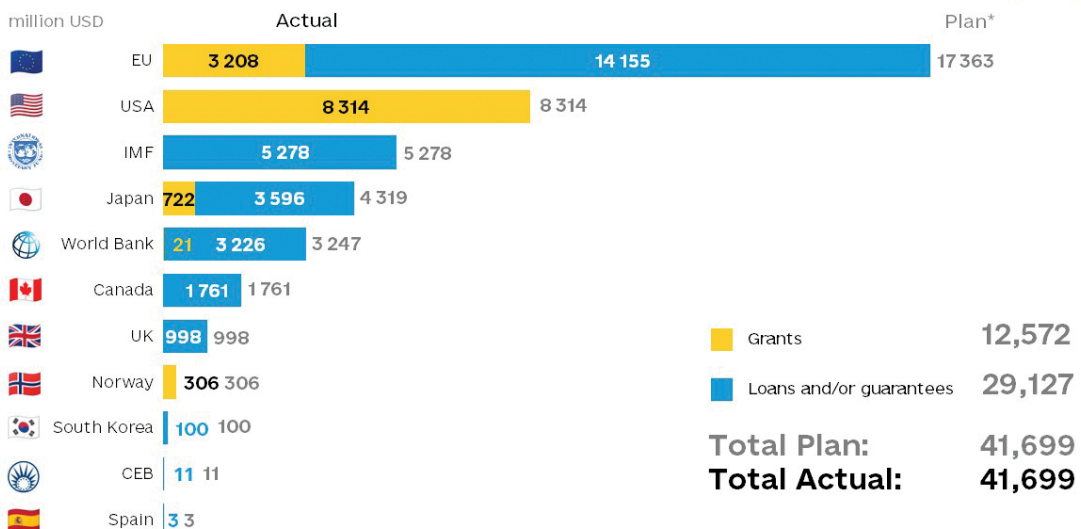
- 2 supported the MoF in preparing for and participating in four Steering Committee meetings of the UDP, twenty meetings of the G7+ experts on various matters, and forty-eight meetings with the Platform Secretariat. This involved formulating proposals that articulated the MoF's stance on current initiatives within the UDP, offering strategic recommendations for communications during the Steering Committee and G7+ experts' meetings, and conducting stocktaking analysis for 2023 and 2024. Moreover, the RST contributed to the development of proposals to improve the UDP's operations and assisted in preparing background documents for its members, with a focus on budget financing, Public Investment Management reform, and the Joint Communiqués;



- 3 assisted the MoF in effective communication and information flow with the UDP regarding budget financing and developed an analytical tool for tracking provided budget support by international partners with the provision of regular updates and enhancements;

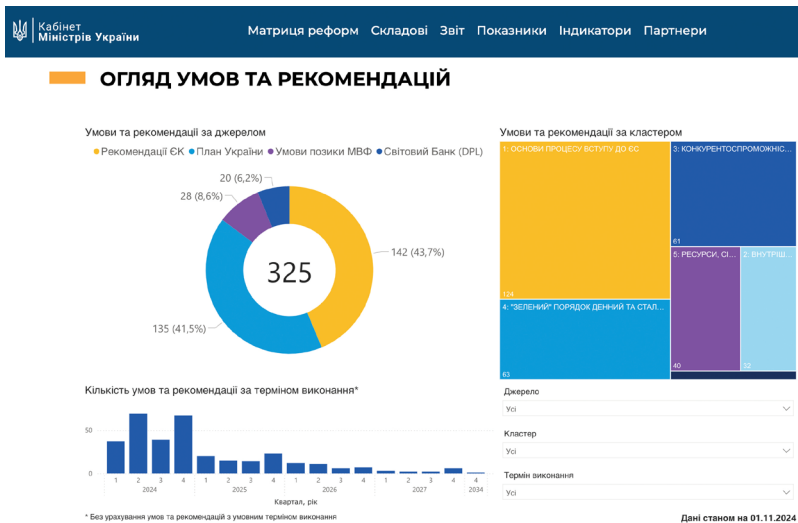
### Ukraine's State Budget external financing in 2024

As of 31.12.2024



\* Amounts may be adjusted for exchange rate differences and may not exceed the amount specified in the agreement

- 4 supported the MoF in meetings with G7+ countries and IFIs to align their commitments with Ukraine's recovery needs. RST provided an analysis of data and recovery project monitoring and coordination processes within the UDP;
- 5 supported the MoF with monitoring the commitments and indicators as part of Ukraine's Reforms Matrix and assisted with preparing the Memorandum of Understanding between Ukraine and the World Bank in the area of economic growth policy formulation, implementation, and performance monitoring, intending to maximize Ukraine's potential for sustainable, inclusive economic development.



The Ministry's active participation in the UDP has been vital in international cooperation aimed at mobilizing resources, coordinating donor support, and fostering partner relationships to address Ukraine's financing and recovery needs. Significant progress was made in 2024, including such achievements as fully meeting budget financing needs for 2024, establishing and launching a new coordination mechanism within the Government of Ukraine, launching and transferring Ukraine's Reforms Matrix into MoF's area of responsibility with the following launch of the development of Ukraine's Reforms Matrix IT tools, etc.

With the ongoing development of UDP activities and Ministry of Finance's active participation in its operation, the Reform Support Team's consistent and reliable assistance will provide the necessary backing, which includes legislative and consultative support, meeting and intervention preparations, analytic and data management work, contribution to improved communication with international partners and other activities.



Supported by



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