

## OECD and Ukraine



Since 1991, the OECD and Ukraine have been working hand in hand to improve governance and economic development. A **Memorandum of Understanding for Strengthening Co-operation** (MoU) was signed with the Government of Ukraine in 2014 to reflect the mutual commitment to address the public policy challenges the country faces. In 2021, **the MoU was renewed** until late 2025.

When Russia launched its full-scale invasion of Ukraine on 24 February 2022, the **OECD Council condemned the attacks and suspended the participation of Russia and Belarus in OECD bodies**. At the same time, it asked the Secretary-General to develop **proposals to strengthen further the OECD's support to the democratically elected government of Ukraine**.

### OECD-Ukraine Liaison Office in Kyiv

The OECD established a **Ukraine Liaison Office** in Kyiv on 28 February 2023. The Office is temporarily hosted at the Embassy of the Slovak Republic to Ukraine, with financial support from Poland, Lithuania, Latvia, Romania, and the Slovak Republic, until conditions allow the OECD to open a stand-alone office. The Kyiv Office team supports the Country Programme's implementation, as well as the co-ordination of OECD activities with the Ukrainian government, other donors, and international organisations on the ground focused on supporting reconstruction efforts in line with international standards.

### OECD Policy Responses on the Impacts of the War in Ukraine

Since the beginning of the war, the OECD has been offering its expertise to Ukraine in addressing a range of policy challenges. This assistance includes the review and provision of recommendations on different sections of the draft National Recovery and Development Plan.

Additionally, the OECD prepared [a series of publications](#) that compile data, analysis, and policy recommendations on the range of impacts and consequences of the war. This includes sectoral focuses on the economy, refugees/migratory flows, energy, commodities, and more. The series aims to inform and support policy makers in their immediate response to the crisis and contribute to longer-term domestic reconstruction and global-recovery efforts.

### Country Programme for Ukraine

Responding to Ukraine's request for accession to the Organisation, the OECD Council on 5 October 2022 recognised Ukraine as a prospective OECD member and asked the Secretary-General to launch an initial accession dialogue. To structure this dialogue and move the relationship with Ukraine into this new phase, the OECD invited Ukraine to engage in an **OECD Country Programme, which was launched on 7 June at the OECD Meeting of the Council at Ministerial level (MCM)**, with the participation of Prime Minister Denys Shmyhal. The Country Programme does not grant Ukraine any special status within the OECD, nor does it commit the OECD or Ukraine to an OECD accession process. Nonetheless, one of its subsidiary objectives is **to help Ukraine progress toward potential OECD accession by bringing the country into deeper engagement with OECD bodies and instruments**.

The Programme consists of **(i) OECD reviews and capacity-building activities, (ii) OECD instruments to which Ukraine could adhere, and (iii) targets for enhancing Ukraine's participation/status in OECD bodies**. It focuses chiefly on Ukraine's reform, reconstruction and recovery priorities, while also supporting its aspirations for OECD and EU accession. In accordance with these priorities, the Country Programme is structured around six thematic pillars:

- ◆ economic recovery and infrastructure resilience;
- ◆ environmental sustainability and energy;

- ◆ taxation and financial management;
- ◆ good governance and transparency;
- ◆ competitiveness and regulatory efficiency; and
- ◆ human capital, social and cultural development.

In its entirety, the Country Programme encompasses **21 policy reviews** and **10 capacity-building projects**. Additionally, it sets out to enhance Ukraine's involvement in **25 OECD bodies** and to advance towards adherence to more than **70 OECD legal instruments**.

The Programme runs for **four years** to allow Ukraine to demonstrate results and assess its commitment to cooperation with the OECD. Its implementation will help Ukraine to harness international expertise, improve its policy landscape, and establish itself as a valued member of the OECD community, fostering both domestic and international objectives. Ukraine stands to gain a multitude of advantages, including:

- ◆ expanded access to global best practices and the opportunity to exchange experiences through increased involvement in OECD bodies;
- ◆ tailored reviews and peer learning ([full list of OECD reports on Ukraine since 2015](#));
- ◆ enhancement in the quality of policy reforms;
- ◆ the chance to anchor long-term reforms by adhering to selected OECD legal instruments;
- ◆ an expanded network of experts and peers; and
- ◆ strengthened ties with the OECD community.

The co-ordination of the Country Programme is overseen by the Ukraine Unit within the OECD's Global Relations and Co-operation Directorate, with support from the OECD Ukraine Liaison Office in Kyiv. Their roles include ensuring timely implementation, liaising with OECD Directorates, preparing monitoring reports, engaging with donors, and facilitating communication with the Ukrainian government. The main goal of these coordination is to ensure the coherence and effective implementation of the OECD's support for Ukraine.

The Programme is being implemented in close co-ordination with the government and with Ukraine's other international partners, notably through the **Multi-Agency Donor Coordination Platform** led by Ukraine, the EU, and the G7, in which the OECD is an active participant.

## Contacts

### Mr William Tompson

Head of the Eurasia Division  
Global Relations, OECD  
T : +33 145 24 15 76  
E : [william.tompson@oecd.org](mailto:william.tompson@oecd.org)

### Ms Gabriela Miranda

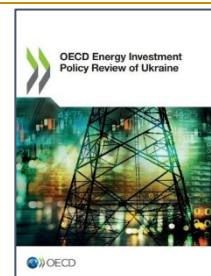
Head of Ukraine Unit, Eurasia Division  
Global Relations, OECD  
T : +33 145 24 95 01  
E : [gabriela.miranda@oecd.org](mailto:gabriela.miranda@oecd.org)

### Ms Rosaria Puglisi

Head of the OECD Kyiv Office  
T: +38 044 272 0042  
E: [oecdkyiv@oecd.org](mailto:oecdkyiv@oecd.org)

## Economic Recovery and Infrastructure Resilience

An *Investment Policy Review of Ukraine* (IPR) and a *Study of Responsible Business Conduct Practices*, both focusing on the energy sector were launched in 2021. The Energy IPR assesses Ukraine's business environment against the OECD Policy Framework for Investment, focusing on responsible business conduct, investment policy, infrastructure, and finance. Ukraine is an Adherent to the [OECD Declaration on International Investment and Multinational Enterprises](#) and related legal instruments.



In 2021, the OECD published the report *Beyond COVID-19: Advancing Digital Business Transformation in the Eastern Partner Countries*, which analyses the current state of digitalisation in the Eastern partner countries including Ukraine, and presents a "blueprint" for supporting the digital transformation of businesses. In 2022, the OECD was conducting a project to **Promote SME Digitalisation in Ukraine**, and another one to support **its roadmap for smart cities**.

Ukraine is featured in the annual *OECD Scoreboard on Financing SMEs and Entrepreneurs*. The country has also participated in the third round of the Small Business Act for Europe Assessment in the Eastern Partner region, which results were published in the *SME Policy Index: Eastern Partner Countries 2020*. In 2019, the OECD reviewed **Ukraine's SME Development Strategy**, and throughout 2018-19 the OECD worked on strengthening capacities to make better use of **Enterprise Statistics in Ukraine**. Further work to strengthening the capacities of the State Statistics Service of Ukraine was provided in 2021 in the framework of the project **Improving Statistics Development in Ukraine**. Since 2015, the OECD has also monitored the progress made in the implementation of OECD policy recommendations to remove barriers to improve the **Policy Framework for Energy Service Companies (ESCOs)** and to unleash Ukraine's competitiveness in energy and agriculture. The OECD aims to carry out the *SME and Entrepreneurship Policy Review for Ukraine* and the *Statistical Policy Review*.

Ukraine is also included in the annual report *Agricultural Policy Monitoring and Evaluation*. The current assessment for 2023 looks at recent domestic policy developments, and policy responses to Russia's war of aggression in Ukraine. Within the framework of the Country Programme the OECD is to prepare a comprehensive *Agricultural Policy Review*.

In 2023, **the OECD established a Ukraine desk** in its Economics Department **to prepare a full-fledged Economic Survey** of Ukraine and work on incorporating Ukraine into OECD forecasting and indicator systems. The survey help the Government improve macroeconomic management and the design of structural reforms in the wider context of recovery.

The Country Programme also envisages a multi-disciplinary *Infrastructure Policy Review of Ukraine*, the result of which will be a general improvement of institutional capacity to plan, finance, fund, deliver, monitor, and report infrastructure projects. To underly this work, a policy brief on **the architecture of infrastructure recovery in Ukraine** was prepared. Finally, to provide a focus on digital infrastructure, the OECD will engage in the *Review on restoring connectivity, building high-quality communication infrastructure and making Ukraine digital-resilient*.

## Environmental Sustainability and Energy



Through the GREEN Action Task Force, the OECD has supported Ukraine in making its economy more sustainable. In 2019, the four-year EU4Environment programme was launched with the aim of preserving natural capital and increasing people's environmental well-being in the Eastern Partnership (EaP) countries, including in Ukraine. As a follow-up to the EU-funded Water Initiative Plus (EUWI+) Programme, the OECD seeks to **Improve the Management of Water Resources in Ukraine** under a new action launched in January 2022.

In 2023, the OECD prepared a policy brief on *Environmental impacts of the war in Ukraine and prospects for a green reconstruction* that suggests the ways to ensure that the post-war economic development fundamentally transforms Ukraine towards a green and net-zero economy. Within the framework of the Country Programme *Reviews of alignment with environmental and waste management instruments* will be conducted.

In 2021, the OECD updated the inventory of government support for the production and consumption of fossil fuels, with an objective to support **Ukraine's quantification and reform of fossil-fuel subsidies**. The OECD launched a representative survey of public acceptability of climate change mitigation policies in Ukraine in 2021. The results of the

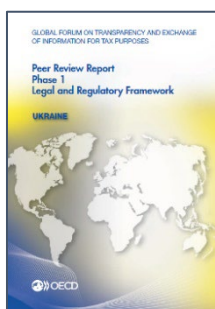
survey **will** be presented and analysed in 2023. The OECD also prepared the *Snapshot of Ukraine's Energy Sector* (in 2019) and the *Monitoring of the Energy Strategy of Ukraine 2035* (in 2020).

The OECD is **analysing the green debt capital markets** in Ukraine, through reviewing current use of green bonds in Ukraine and analyses prospects for their broader use to mobilise finance for green investments.

The **International Energy Agency (IEA) signed a two-year joint work programme with Ukraine** to help the country's energy system recover from the destruction caused by Russia's invasion and lay the foundations for its transition to a secure and sustainable energy future. Cooperation is focused on the **recovery of Ukraine's energy system and its transition to sustainable energy**.

As part of the Country Programme, the Nuclear Energy Agency is to prepare a *Report on radiological protection in a conflict zone*. In addition, the NEA is to provide **capacity-building support on advanced nuclear modelling tools for nuclear energy and safety applications**.

## Taxation and Financial Management



Ukraine is a member of the **Inclusive Framework on Base Erosion and Profit Shifting (BEPS)**, which brings together more than 100 jurisdictions committed to curbing cross-border tax evasion. In August 2019, Ukraine ratified the **Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS**, which entered into force in December of that year. Ukraine also benefitted from an 18-month programme under the joint **OECD-UNDP Tax Inspectors without Borders initiative (TIWB)** in 2019-2020. It is a member of the **Global Forum on Transparency and Exchange of Information** and in 2022 acceded to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. In 2023, Ukraine adopted a law to implement the Exchange of Information on Request (EOIR) and Automatic Exchange of Information

(AEOI) standards. **Ukraine's EOIR Peer Review** is underway, with the first phase completed in 2021. Since 2022, the OECD has been conducting a project to **support Ukraine with its fiscal reforms to address tax fraud**. The work includes support with the implementation of a Voluntary Disclosure Programme on the launch of the Common Reporting Standard (CRS) in Ukraine. Within the framework of the Country Programme, the OECD is undertaking a *Tax Policy Review* and the *Review on Improving Financial Market and Corporate Governance for Recovery*.

## Good Governance and Transparency

The joint OECD-EU SIGMA Programme assists Ukraine in improving many aspects of its public governance system, including by drafting the **PAR Strategy and its Action Plan for 2022-2025**, in line with the results of the **2018 SIGMA baseline measurement assessment against The Principles of Public Administration (PPA)** report, which provides policy recommendations to help improve overall policy design and service delivery. Used by the European Commission as a framework to assess public administration reform in EU candidates and potential candidates, the PPA helps evaluate the strategic framework of the reform, policy development and co-ordination, and public service delivery. **In 2023, SIGMA carried out a follow-up assessment of Ukraine's public administration** against the Principles of Public Administration as one of the fundamentals for the European integration process. Drawing on the assessment's findings the OECD will carry out a comprehensive **Public Governance Review**. The expected outcome is to strengthen Ukraine's public governance system and prepare it for the recovery, ensuring effective coordination across the whole-of-government.



In addition, SIGMA regularly provides comments to amendments of the **Civil Service Law** in order to make it more compliant with the European practices, and it has co-operated closely with the Verkhovna Rada of Ukraine during the **drafting of the laws on administrative procedure** and on **Public Consultations**. SIGMA has also assisted with the drafting and monitoring of **Ukraine's Public Finance Management (PFM) Strategy and Action Plan**, as well as with reforms in the areas of public internal financial control and public procurement.

Reform of the corporate governance of SOEs has been supported by the OECD for several years. In 2019, the OECD completed the review of the *SOE Reform in the Hydrocarbons Sector in Ukraine*, looking at **Naftogaz** as a case study. The following year, the OECD completed an electricity sector SOE review, looking at the corporate governance reform of **Ukrenergo**. In May 2021, the Organisation published the *Review of the Corporate Governance of SOEs in Ukraine*. This national review evaluates the ownership, corporate governance and regulatory arrangements for SOEs in Ukraine and includes policy recommendations to better align Ukraine's practices with the [OECD Recommendation on Guidelines](#)



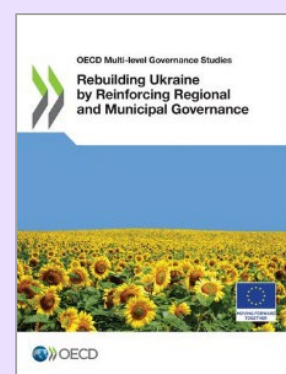
[on Corporate Governance of State-Owned Enterprises](#) (“SOE Guidelines”). In order to support Ukraine with the implementation of the OECD SOE Guidelines, the OECD reviewed the draft law regarding the incorporation of the SOE Guidelines.

In June 2018, the OECD launched its report *Maintaining the Momentum of Decentralisation in Ukraine* which highlights mechanisms to improve multi-level governance and to detect barriers for effective public service delivery at the subnational level. As a follow-up of this work, Ukraine adhered in 2019 to the [OECD Recommendation on Effective Public Investment across Levels of Government](#). In 2023, the project **Supporting Decentralisation in Ukraine 2021-2022** resulted in the report *Rebuilding Ukraine by Reinforcing Regional and Municipal Governance*. In 2024 the OECD will launch the capacity-building activities to support implementation of its recommendations.

## FOCUS: REBUILDING UKRAINE BY REINFORCING REGIONAL AND MUNICIPAL GOVERNANCE

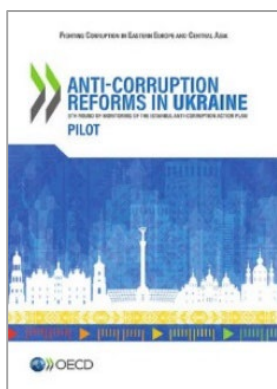
This report follows up on the OECD reports Territorial Review of Ukraine (2014) and *Maintaining the Momentum of Decentralisation in Ukraine* (2018). To ensure the maximum relevance of the work in the context of the war, the review’s focus was shifted to the role of effective multi-level governance for post-war reconstruction and recovery.

The report, which was drafted over the course of 2021-2022, takes stock of developments in the decentralisation reform process since 2014, examining its effects on municipal capacity, and identifying success factors that underpin municipal performance. The paper includes a chapter dedicated to multi-level governance arrangements for disaster management and post-war recovery and links pre-war findings to post-war reconstruction and recovery by reflecting on the specific challenges that Ukraine may face when advancing with the design and implementation of a national recovery plan at the subnational level.



Ukraine has been participating in the OECD Anti-Corruption Network for Eastern Europe and Central Asia (ACN) since its establishment in 1998. Through the Istanbul Anti-corruption Action Plan, the OECD supports Ukraine's anti-corruption reforms through country reviews and continuous monitoring of implementation of recommendations.

In 2021, the OECD conducted the *Anti-Corruption Review of the Energy Sector in Ukraine* and developed a report on the *Typology of High-Level Corruption in the Energy Sector*, which includes guidelines on detection, investigation, and prosecution of such cases. The Review provides an overview of corruption risks and schemes in the energy sector, anti-corruption measures implemented by the government and civil society, and challenges in the investigation and prosecution of corruption in the energy sector.



The *Fifth Monitoring Anti-Corruption Report*, using new anti-corruption indicators, was adopted by Ukraine in October 2021 and *Pilot 5th Round of Monitoring Under the Istanbul Anti-Corruption Action Plan* was published in May 2022. This pilot report, elaborated before Russia's large-scale aggression against Ukraine, examines Ukraine's anti-corruption framework and practices based on the criteria to test the new methodology for the 5th round of monitoring under the Istanbul Anti-Corruption Action Plan.

Further OECD assistance primarily focuses on strengthening Ukraine's legislative and institutional capacity to detect, investigate and prosecute **high profile and complex corruption**. The OECD was one of the key partners in launching the National Anti-Corruption Bureau of Ukraine and the Asset Recovery and Management Agency of Ukraine and selecting judges of the High Anti-Corruption Court. In addition, **training of Ukrainian tax officials and criminal justice professionals** responsible for detecting, investigating, and prosecuting high-profile corruption is underway through the **Ukraine Anti-Corruption Project** and the training offered at the **OECD Tax Academy in Ostia**.

The OECD also contributes to **promoting transparency and integrity in the business sector**: It is a co-signatory of the **Memorandum for the Ukrainian Anti-Corruption Initiative**, which resulted in the establishment of the Business Ombudsman Council in 2015, and it supports the Ukrainian Network of Integrity and Compliance, established in 2017.

Under the Country Programme the OECD will conduct a comprehensive *Justice Review of Ukraine* and an *Integrity and Anti-corruption Review of Ukraine* aimed at equipping Ukrainian anti-corruption institutions with the necessary tools to identify and mitigate corruption risks effectively.

## Competitiveness and Regulatory Efficiency

The 2017 *OECD Review of Competition Law and Policy in Ukraine* examined the progress of the Antimonopoly Committee of Ukraine (AMCU) in implementing previous policy recommendations on issues including the competition regime, institutional arrangements, and work product. In 2021, the OECD launched the review *Fighting Bid Rigging in Public Procurement in the Energy Sector in Ukraine* looking at procurement rules and practices of energy SOEs using its Guidelines for Fighting Bid Rigging and organised several capacity-building events for senior public procurement officials.



The *Competition Market Study of Ukraine's Electricity Sector*, which began in September 2021, continued after Russia's full-scale invasion of Ukraine, and was officially launched in June 2023. The study delivers recommendations on how to improve the functioning of Ukraine's electricity sector by identifying outstanding obstacles to competition in the context of Ukraine's integration within the European electricity grid.

Under the Country Programme the OECD is conducting a *Competition Peer Policy Review* that aims to strengthen the institutional set up for competition enforcement and advocacy in Ukraine and a *Regulatory Policy Review* that will support regulatory policy reform and the implementation of good regulatory practices.

## Human Capital, Social and Cultural Development

Within the framework of the series of publications **Policy Responses on the Impacts of the War in Ukraine**, the OECD prepared a policy brief *Social Policies for an Inclusive Recovery in Ukraine*, which features key considerations for policymakers on social and employment strategies to address the long-term needs of its most vulnerable citizens. Under the Country Programme, the OECD will prepare extensive *Social Policy Review*, *Reintegration Policy Review* and *Labour Migration Policy Review*.



In 2017, the OECD undertook a *Review of Integrity in Public Education* to help tackle systemic integrity violations in Ukraine's education system. The review focuses on policy design to eliminate integrity risks, to improve capacity for their early detection and redress, and ultimately to restore public trust in operating a merit-based education system. The OECD has also supported Ukraine's first-ever participation in the **Programme for International Student Assessment (PISA)**. The *PISA Report on Ukraine* was launched in Kyiv in 2019. Despite the war, Ukraine has continued its participation in the **PISA 2022** survey and has committed to participating in the **PISA 2025 assessment**. Based on the data collected through these extensive surveys, the OECD will provide Ukraine with support in deriving actionable insights to help Ukraine define its priorities for the post-war reconstruction of its education system.

The OECD has prepared an analysis on the integration of Ukrainian refugees into the education systems of host countries as well as on the academic interventions Ukraine could introduce to support learning recovery. **Five thematic policy briefs were produced, focusing on refugee students, refugee teachers, integration through VET systems, social and emotional well-being, and education policy strategy.** As part of the Country Programme, the OECD will carry out an *Education Policy Study* and a *Vocational Education and Training Review* aimed at improving education quality and equity in Ukraine.

## Snapshot of Ukraine's Engagement with the OECD

---

### Participation in OECD committees and their subsidiary bodies or projects

- ♦ Associate in the Base Erosion and Profit Shifting (BEPS) Project (BEPS Inclusive Framework) – Committee on Fiscal Affairs
- ♦ Associate in the Investment Committee in enlarged session for work related to the Declaration on International Investments and Multinational Enterprises and related legal instruments, including the Working Party on Responsible Business Conduct and Freedom of Investment (FOI) Roundtable
- ♦ Associate in the Steel Committee
- ♦ Member of the International Transport Forum
- ♦ Programme for International Student Assessment (PISA) Governing Board participant
- ♦ Participant in the OECD Working Group on Bribery in International Business Transactions
- ♦ Participant in the Competition Committee and its subsidiary bodies
- ♦ Participant in the Public Governance Committee and its subsidiary bodies
- ♦ Participant in the Committee on SMEs and Entrepreneurship

### Other activities within the framework of the OECD

- ♦ Anti-Corruption Network for Eastern Europe and Central Asia (ACN)
- ♦ Equal Pay International Coalition
- ♦ Eurasia Competitiveness Programme
- ♦ Global Forum on Transparency and Exchange of Information for Tax Purposes (member)
- ♦ International Transport Forum (member)
- ♦ OECD Eastern Europe and South Caucasus Initiative (EESCI)
- ♦ OECD Seed Schemes (participating State)
- ♦ OECD-GVH Regional Centre for Competition in Budapest
- ♦ Senior Budget Officials from Central, East and Southeast European Countries
- ♦ SIGMA (European Neighbourhood Instrument)

### Adherence to selected OECD legal instruments ([full list](#))

- ♦ Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol
- ♦ Decision Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade
- ♦ Declaration on International Investment and Multinational Enterprises and related legal instruments
- ♦ Declaration on Policies for Building Better Futures for Regions, Cities and Rural Areas
- ♦ Multilateral Guidelines (Extract from the Annex to the Decision establishing a Steel Committee)
- ♦ Recommendation on Artificial Intelligence
- ♦ Recommendation on Effective Public Investment Across Levels of Government
- ♦ Recommendation on the Due Diligence Guidance for meaningful Stakeholder Engagement in the Extractive Sector
- ♦ OECD-FAO Guidance for Responsible Agricultural Supply Chains