



UKRAINE'S REFORMS MATRIX
REFORMS AND CONDITIONALITIES
2024

WHAT IS THE REFORMS MATRIX

THE REFORMS MATRIX IS AN ANALYTICAL TOOL FOR EFFECTIVE DECISION-MAKING AND MANAGEMENT OF THE REFORM IMPLEMENTATION PROCESS

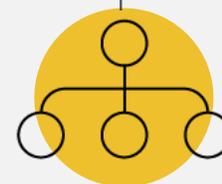
The Reforms Matrix will help **ORGANISE THE INTERNAL WORK** of the Ukrainian government:



to systematize all reforms and conditionalities



to analyze the necessary changes and plan their implementation



to carry out continuous monitoring - to check the status of implementation, recognise risks of non-compliance at all stages for timely response



to ensure accountability to the public and coordination with international partners, including MDCP

The matrix will help to **control the workload** of key actors to establish the sequence of reforms and avoid delays in implementation.

The reforms matrix is designed to **foster a dialogue about the prioritization and sequencing of reforms**. This approach aims to prevent overlaps and inconsistencies among various donor requirements.

UNLOCKING THE ECONOMIC GROWTH

Structural reforms that aim to enable private sector-led growth, self-sustainability and support economic growth are vital for Ukraine's development. These serve as the foundation for long-term resilience and recovery.

- The economic growth of Ukraine will depend on a continued **alleviation of Ukraine's long-standing legacy structural growth constraints.**
- In the absence of a changed development strategy, Ukraine's long-term growth is likely to continue to stagnate, making it difficult to narrow the income gap with EU countries.
- To narrow the income per capita gap and achieve robust economic growth, **it is crucial for Ukraine to prioritize** addressing the most critical constraints that hinder its economic development. By focusing on the areas where the impact of reforms is most significant, Ukraine can maximize its efforts to stimulate growth effectively.
- **By implementing growth-enhancing reforms** that redefine the role of the state and address distortions in factor markets, **Ukraine can unlock the potential** for substantial private sector productivity growth.

While Ukraine will continue to strengthen market institutions to enable growth, additional policy measures are needed to address key market distortions related to security and other economic bottlenecks to ignite the economic growth.

- Expand opportunities for export of Ukrainian products and attract higher investment
- Expand energy capacities and strengthening of sustainability of the energy system
- Create incentives for the return of Ukrainians to Ukraine

OVERVIEW OF THE FRAMEWORK

The government of Ukraine with the support of the World Bank propose an analytical framework that allows to conceptualize the results chain, illustrating how the impact of reforms will influence growth. The framework also enables to track the progress towards the ultimate objective of achieving economic convergence.

The aim

to help in underpinning a strategic planning process
to serve as a living management tool for UA Gov

- guiding corrective actions
- facilitating the coordination of development efforts
- serving as a key accountability tool for achieving strategic objectives, and sequencing of reform implementation

The proposed methodology

- to develop a “top down” aggregate indicator-based approach building on
 - (i) a production-function decomposition of GDP per capita
 - (ii) macroeconomic stability
 - (iii) stronger economic institutions
 - (iv) targeted measures to address immediate market failures, including related to security and trade disruptions

REFORMS MATRIX FOR ECONOMIC DEVELOPMENT

POLICY ACTIONS (INPUTS)



OUTPUTS



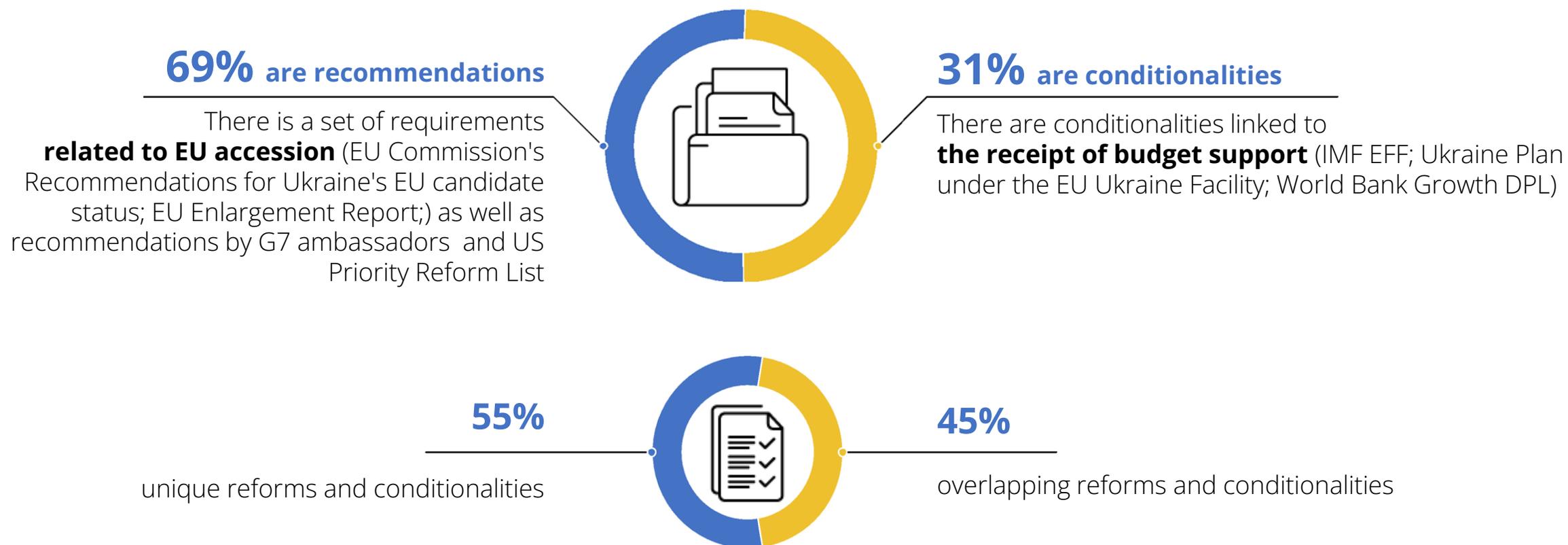
INTERMEDIARY OUTCOMES



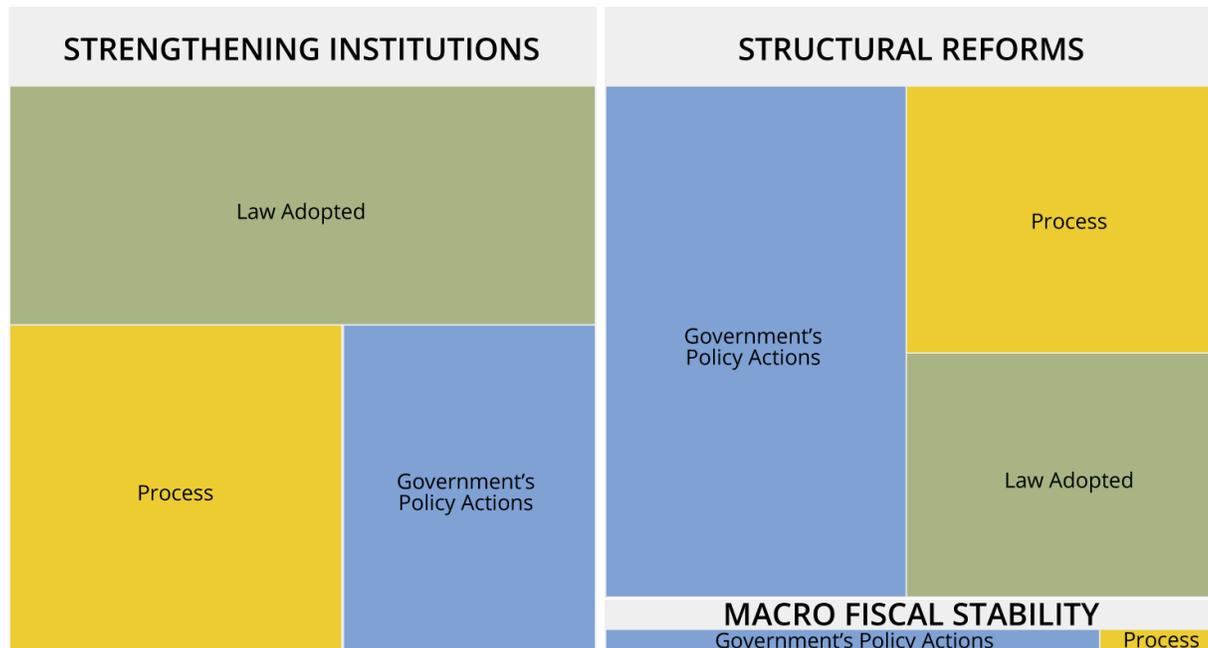
GOALS

SNAPSHOT ON THE REFORMS MATRIX

CA. 230 CONDITIONALITIES ENVISAGED IN THE KEY DOCUMENTS TO BE IMPLEMENTED BY UKRAINE **IN 2024**



REFORMS MATRIX: RESULTS TYPE INDICATORS

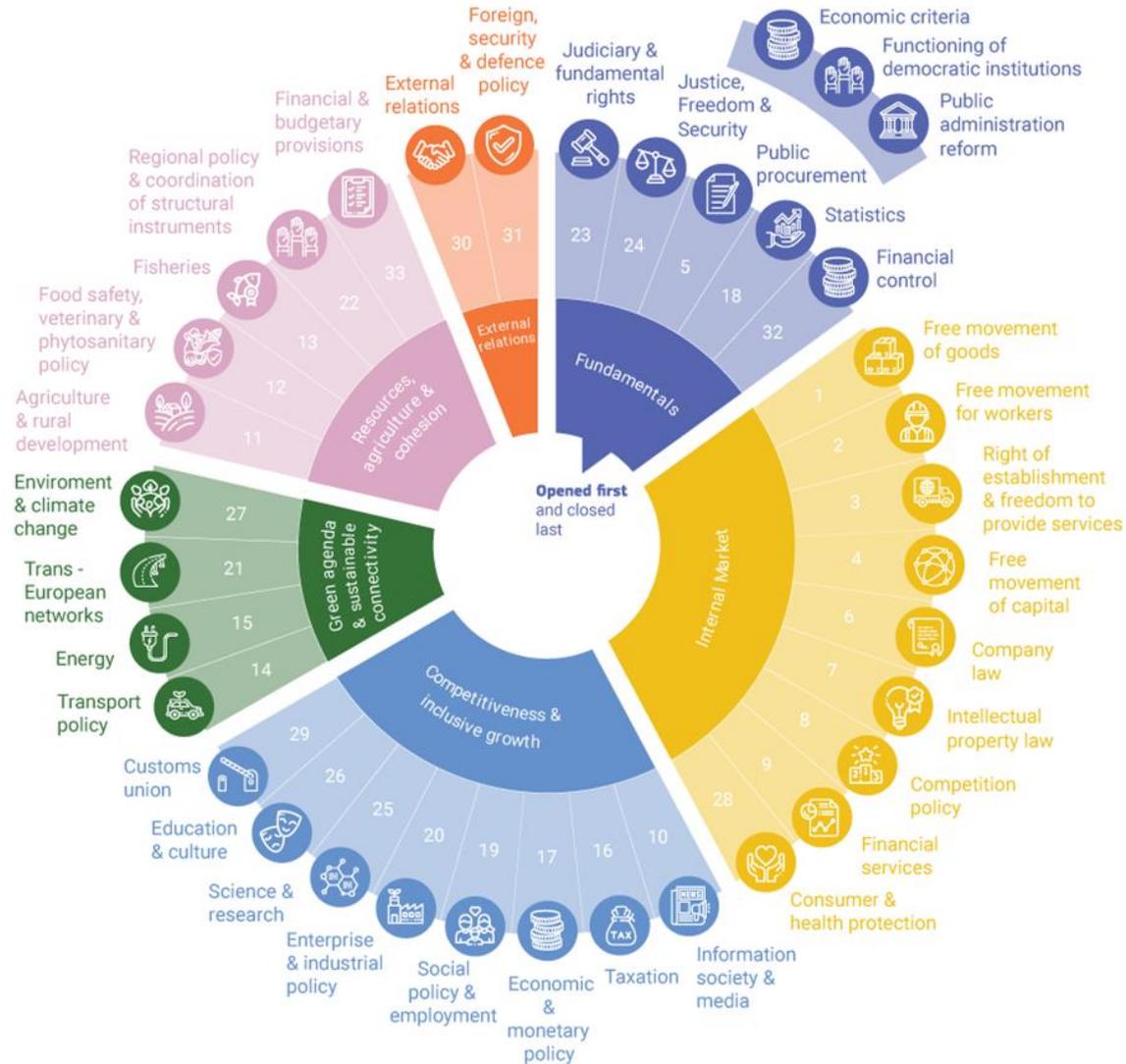


50+ laws to be adopted
in order to meet all
conditionalities and
recommendations

Government's Policy Actions refer to the outcomes or results that are associated with the adoption of the regulatory acts at the government level and/or at the level of the central executive bodies

Process Indicators refer to capacity building; conducting audits, reviews, evaluations; etc.

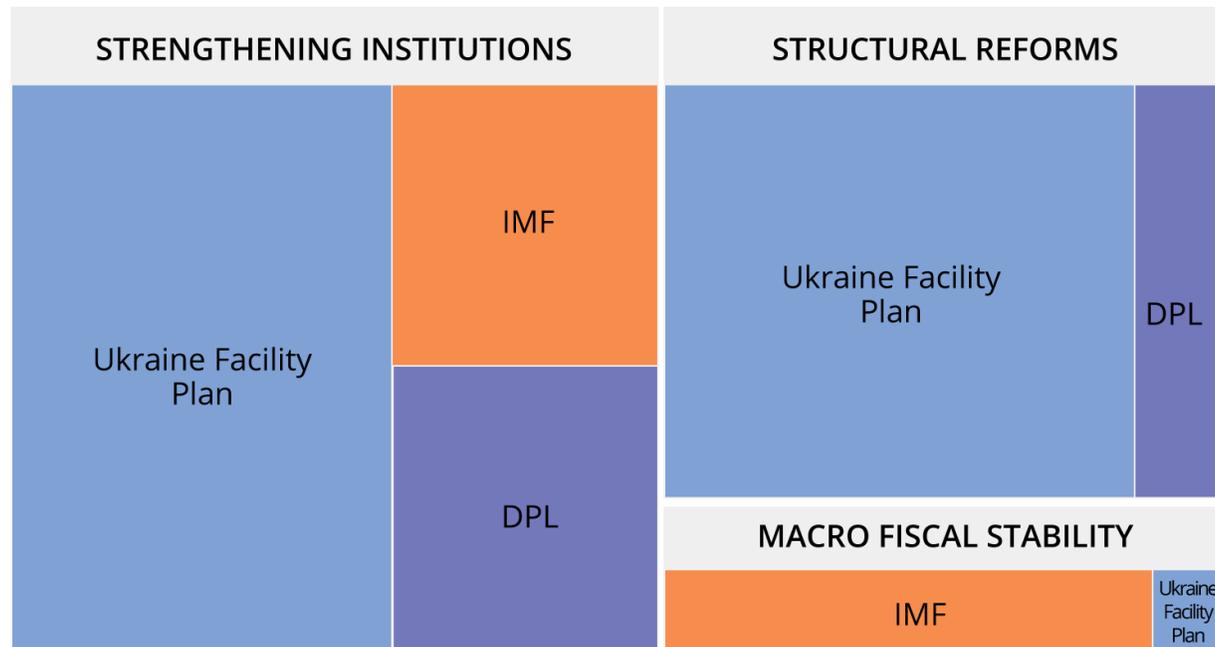
NON-FINANCIAL CONDITIONALITIES: EU ENLARGEMENT REPORT



OVER **100** RECOMMENDATIONS
ARE ENVISAGED BY **EU ENLARGEMENT
REPORT**

- **6 clusters**
- **33 chapters**

FINANCIAL CONDITIONALITIES: POLICY CATEGORIES



ca. **53%**

reforms in the category of **Strengthening institutions**

ca. **36%**

reforms in the category of **Structural reforms**

ca. **11%**

reforms aimed at achieving **Macro-Fiscal Stability**

