



National Securities and Stock
Exchange Commission

Sustainable Finance Roadmap 2025-2030



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1. KEY DRIVERS FOR DEVELOPING A SUSTAINABLE FINANCE ROADMAP

In addition to the loss of lives, widespread damage to the environment and resulting humanitarian crisis, the 2022 invasion of Ukraine by Russia has had a profoundly negative impact on the infrastructure and economy of Ukraine.

The Ukraine Third Rapid Damage and Needs Assessment Report (RDNA3)¹ estimates that, as of December 31, 2023, direct damage has reached almost US\$152 billion, with housing, transport, commerce and industry, agriculture, and energy the most affected sectors. At the same time, recovery and reconstruction needs are estimated at almost US\$486 billion, which is approximately 2.8 times the estimated nominal GDP of Ukraine for 2023.

Nevertheless, the Ukrainian economy – like the Ukrainian people – has proven resilient in the face of adversity. After a significant contraction in Gross Domestic Product (GDP) of 29.1% in 2022, Ukraine's economy returned to growth in 2023. More reliable electricity supply, an exceptional wheat harvest, and regular inflows of external assistance have allowed for growth at an estimated 4.8 % in 2023².

The GoU has, with support from partners, been leading early recovery and restoration efforts alongside an ambitious reform and modernization agenda, in line with Ukraine's European Union (EU) integration efforts.

At the same time, the RDNA3 identifies four (4) key actions³ that can improve the effectiveness of recovery and reconstruction:

- 1. Accelerating the reform agenda** including the framework under the Government's Ukraine Plan in order to foster economic growth, modernize the economy and institutions, and promote strengthening of public sector capacity at the local level, in alignment with the standards and policies of the EU.
- 2. Strengthening public sector capacity** to plan, prepare, and deliver recovery and reconstruction activities, through continuous improvements in systems.
- 3. Leverage opportunities for private investment**, including through an accelerated agenda of pro-competition reforms and deeper integration with the EU and international markets, by implementing reforms and public interventions that can boost private sector investment and enable the private sector to play a greater role in reconstruction.

1 Prepared by the World Bank (WB), the Government of Ukraine (GoU), the European Union (EU), the United Nations (UN).

2 RDNA3 at 33.

3 RDNA3 at 18.



- 4. Strengthening the capacity of local authorities** in strategic planning, project management, procurement, execution of investments, and stakeholder engagement as well as relevant technical skills to build modern, inclusive, and resilient communities that will thrive.

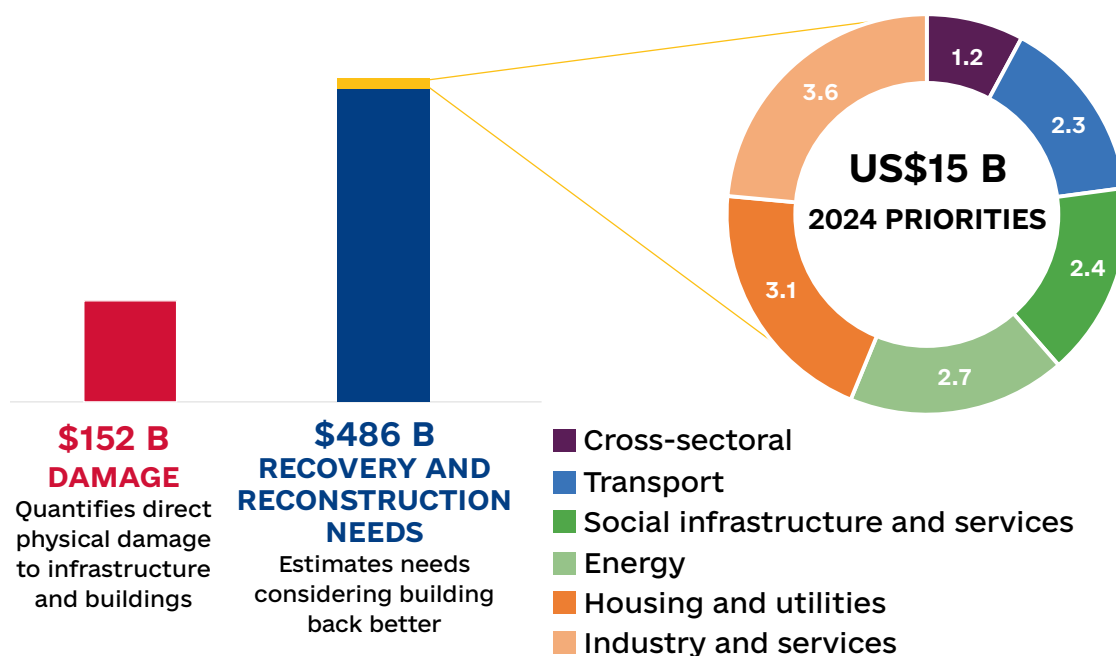
With the foregoing in mind, the National Securities and Stock Market Commission (NSSMC) has developed a **Sustainable Finance Roadmap** to meet the following:

- a) The need for the financial system to support sustainable recovery and rebuilding after the end of the war.
- b) The need to finance sustainable investments and meet the goals of the Paris Agreement.
- c) The need for a financial system and capital markets that are fair and provide opportunity for everyone.
- d) The need to align with European best practices and EU regulations and standards as part of the country's plan for accession to the EU.

2. FINANCING NEEDS

The RDNA3 study estimates the cost of Ukraine's recovery and reconstruction needs at US\$486 billion (€440 billion) as of end-December 2023.

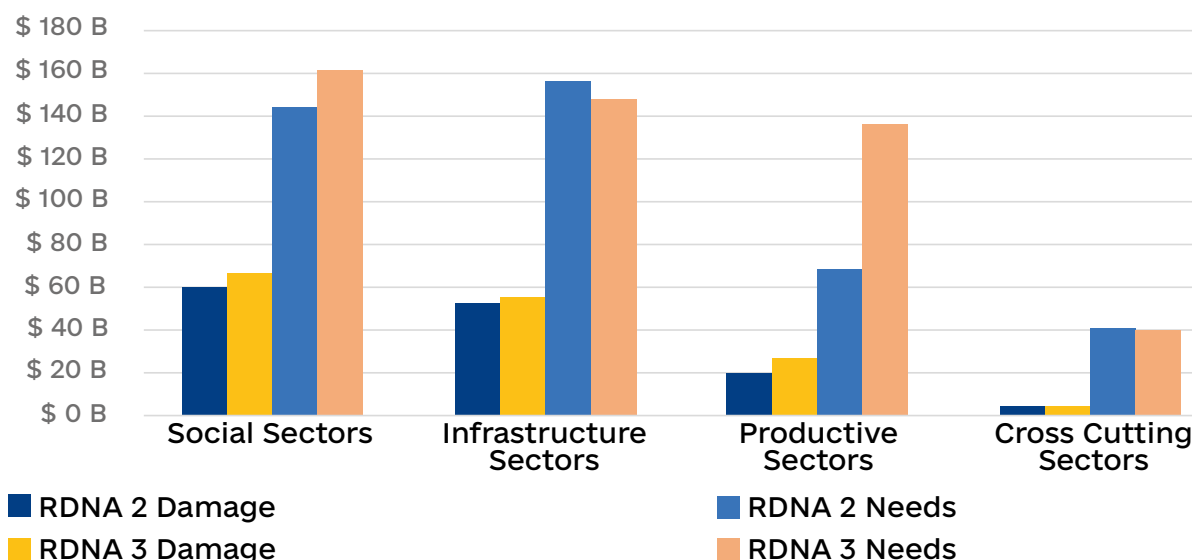
Fig. 1. RDNA3 key results: damage, needs, and 2024 financing priorities



Note: US\$15 billion reflects sectoral assessment and does not consider social protection needs already included in the budget.

Source: Assessment team.

Fig. 2. Comparison of damage and needs in RDNA3 and RDNA2 (billion US\$)

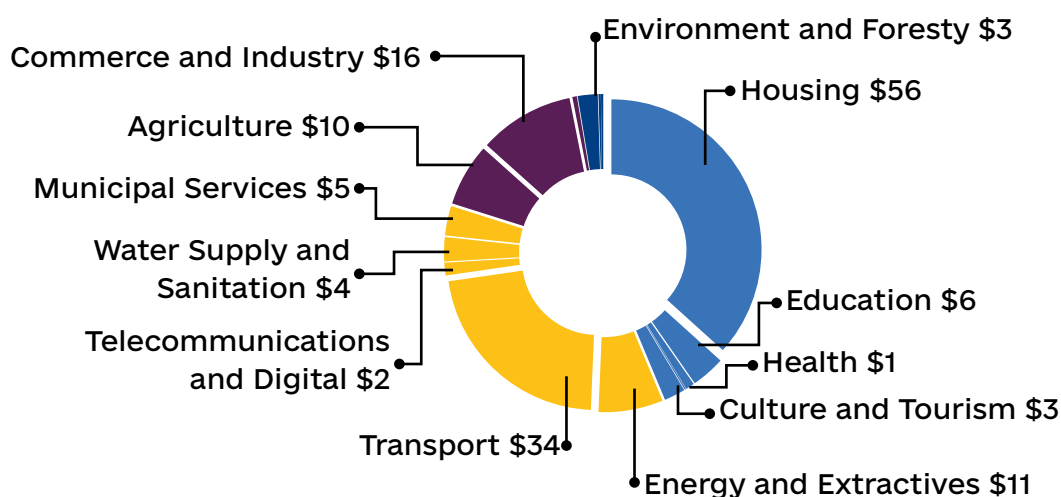


Note: y axis = US\$ billion; x axis = sectors under RDNA2 and RDNA3. RDNA2 damage covers the period February 24, 2022, to February 24, 2023, while RDNA3 damage covers the period February 24, 2022, to December 31, 2023. Needs are counted within a period of 10 years.

Source: Assessment team.

The same study estimates **total direct damage to buildings and infrastructure** across sectors at approximately **US\$152 billion**. The most affected sectors have been housing (almost US\$56 billion, or 37 percent of total damage), transport (almost US\$34 billion, or 22 percent), commerce and industry (almost US\$16 billion, or 10 percent), energy (almost US\$11 billion, or 7 percent) and agriculture (US\$10 billion, or 7 percent).⁴

Fig. 3. Total damage (Us\$ billion): Us\$152 billion



Note: Values are for the period between February 24, 2022, and December 31, 2023.

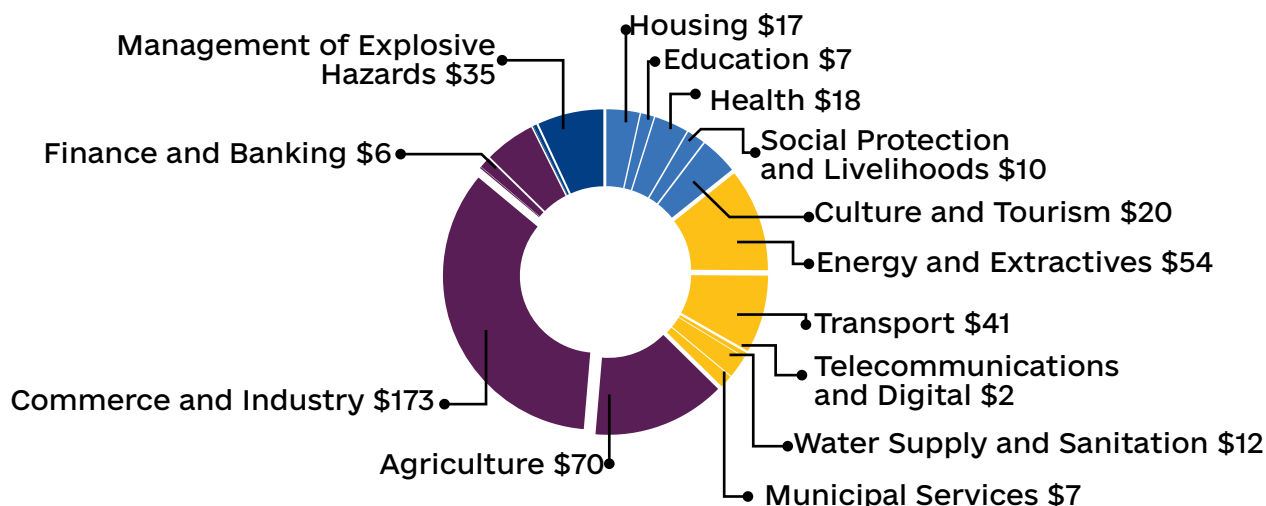
Source: Assessment team.

Aggregate economic, social, and other monetary losses are estimated at almost US\$499 billion. Loss is dominated by commerce and industry (over US\$173 billion, or 35 percent of the total loss), and in a lesser degree by agriculture (almost US\$70 billion, or 14 percent), energy and extractives (US\$54 billion, or 11 percent), transport (almost US\$41 billion, 8 percent), and explosive hazards management (almost US\$35 billion, or 7 percent). Five percent of total loss is attributed to the environment, natural resource management, and forestry sector, in large part linked to the Kakhovka Dam breach and inclusion of new types of losses (such as assessment of ecosystem service losses). The total loss figures do not include household income loss—estimated under the social protection and livelihoods sector and valued at over US\$60 billion—to avoid potential double-counting in relation to other sectors.⁵

⁴ RDNA3 at 30.

⁵ RDNA3 at 31-32.

Fig. 4. Total loss (Us\$ billion): Us\$499 billion

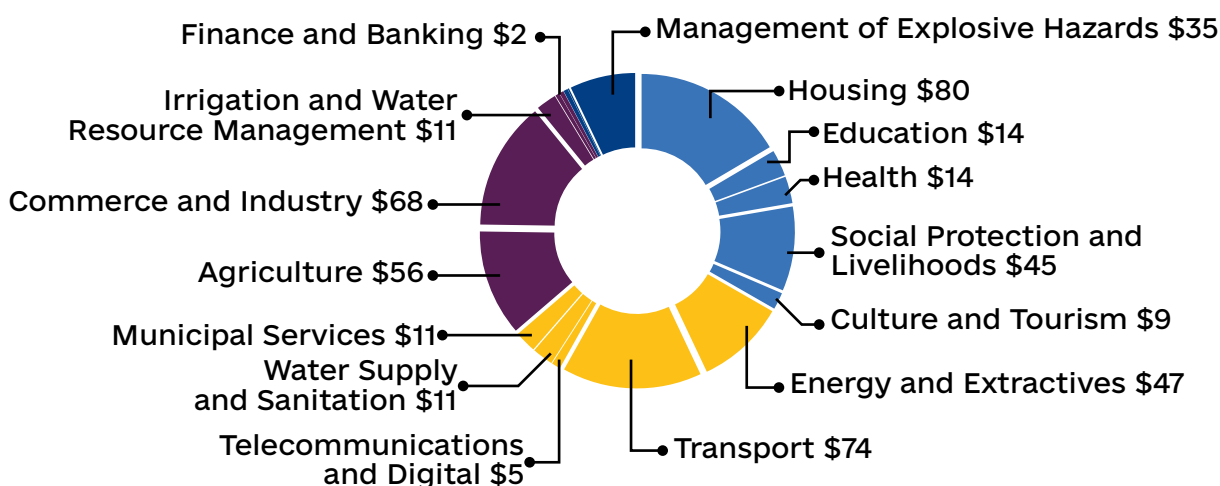


Note: Loss includes an additional 18 months beyond the 12 months between February 24, 2022, and December 31, 2023. Loss in social protection does not include loss of household income to avoid potential double-counting.

Source: Assessment team.

The total estimated recovery and reconstruction needs is almost US\$486 billion. These costs – estimated within a period of 10 years – include measures required for lower energy intensity and more resilient, inclusive, and modern standards, as well as surge pricing commonly observed when large spatial areas are reconstructed), global inflationary pressures, and higher insurance premiums.⁶

Fig. 5. Total recovery and reconstruction needs (Us\$486 billion)



Note: Needs relate to total estimated needs covering the period 2024–2033. Where data was available, needs met were deducted.

Source: Assessment team.

⁶ RDNA3 at 33-34.

Broadly, the Government has organized discussions on recovery and reconstruction around six (6) priority sectors:

1. **Energy**, including restoration and repair of transmission and distribution lines and restoration and decentralization of generation capacity, such as through the development of renewables and protection of the power grid.
2. **Transport**, with a strong focus on internal and cross-border connectivity, including repair and reconstruction of road, rail, bridges, ports, border crossings, and postal services.
3. **Housing and utilities**, including routine repair and capital reconstruction of housing; as well as reconstruction and service restoration of central heating, energy efficiency, water supply and sanitation services, and waste management services.
4. **Social infrastructure and services**, including repair, reconstruction, and service restoration of schools and health facilities, as well as social and cultural infrastructure and services (e.g. municipal services, social protection, and culture and tourism, respectively).
5. **Industry and services**, encompassing the main support to the private sector, including industry and commerce, agribusiness, and irrigation, with a focus on de-risking investment and trade.
6. **Cross-sectoral priorities**, including demining explosives hazards, telecommunications, digital and cybersecurity, emergency response and civil protection, and democracy, justice, and human rights.

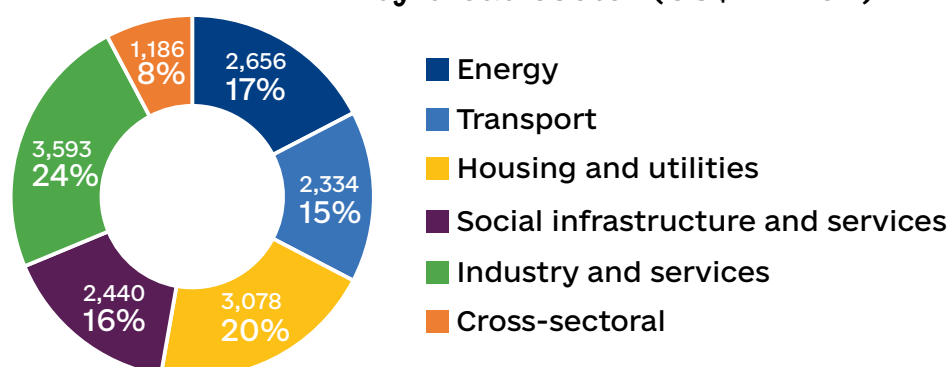
Fig. 6. Estimated distribution of RDNA3 priorities by expenditure type (US\$ million)



Note: SOE = state-owned enterprise.

Source: Assessment team, based on data in sector templates prepared by GoU line ministries and coordinated by the MCTID.

Fig. 7. Distribution of RDNA3 priority public expenditures by broad sector (US\$ million)



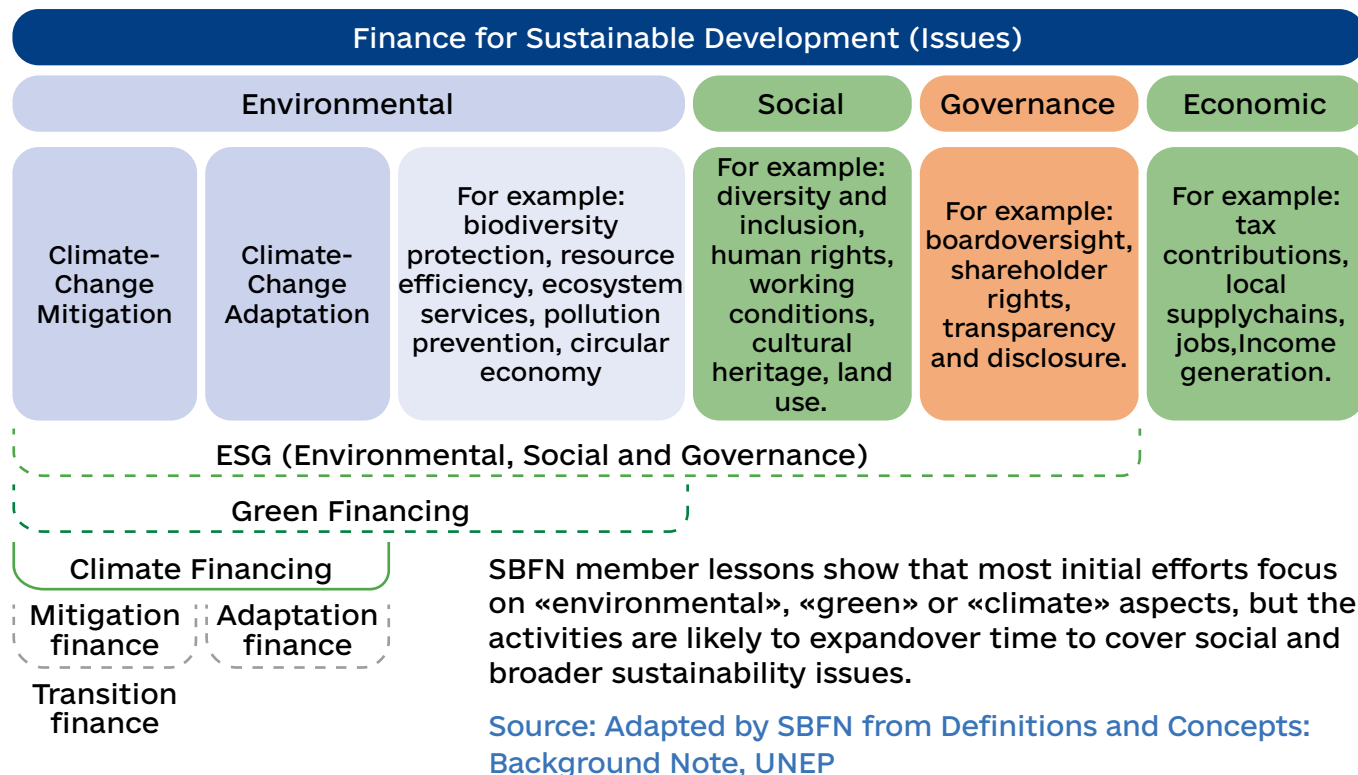
Source: Assessment team, based on data in sector templates prepared by GoU line ministries and coordinated by the MCTID.

3. ROLE OF SUSTAINABLE FINANCE

The NSSMC believes that sustainable finance can play a pivotal role in mobilizing private capital – from inside and outside Ukraine – to enable a sustainable and resilient post-conflict recovery, accelerate the adoption of international best practices, align the nation’s capital markets more closely with the EU in preparation for full accession.

The Sustainable Banking and Finance Network (SBFN)⁷ defines **sustainable finance** as policies, regulations, and practices by regulators, supervisors, industry associations, and financial institutions (FIs): (1) to reduce and manage environmental, social, and governance (ESG) risks from financial sector activities—including climate change and nature-related risks; and (2) to encourage the flow of capital to assets, projects, sectors and businesses that have environmental and social benefits—including climate-change mitigation and adaptation.

⁷ Established in 2012, SBFN is a voluntary community of financial sector regulators, central banks, ministries of finance, ministries of environment, and industry associations from emerging markets committed to advancing sustainable finance for national development priorities, financial market deepening, and stability. (<https://www.sbfnetwork.org/>)



The International Capital Market Association (ICMA) defines **sustainable finance** as “climate, green and social finance while also adding wider considerations concerning the longer-term economic sustainability of the organizations that are being funded, as well as the role and stability of the overall financial system in which they operate.”

Moreover, as noted by the NBU,⁸ Regulation 2020/852 of the European Parliament and of the Council on the establishment of a **framework to facilitate sustainable investment**⁹ sets out six environmental objectives and four principles of sustainable economic activity:

Екологічні цілі:

1. Climate change mitigation.
2. Adaptation to climate change.
3. Sustainable use and protection of water and marine resources.
4. Transition to a circular economy.
5. Pollution prevention and control.
6. Protection and restoration of biodiversity and ecosystems.

⁸ Sustainable Finance Development Policy 2025.

⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

Principles of Sustainable Economic Activity:

1. The activity contributes substantially to one or more of the six environmental objectives.
2. The activity does not significantly harm any of the environmental objectives.
3. The activity is carried out in compliance with the minimum social safeguards.
4. The activity adheres to technical criteria.

4. UKRAINE'S SUSTAINABLE FINANCE JOURNEY

Since 2020, Ukraine has made significant progress in greening both its financial system and its real economy. Some highlights in the development of Sustainable Finance in the country are as follows:

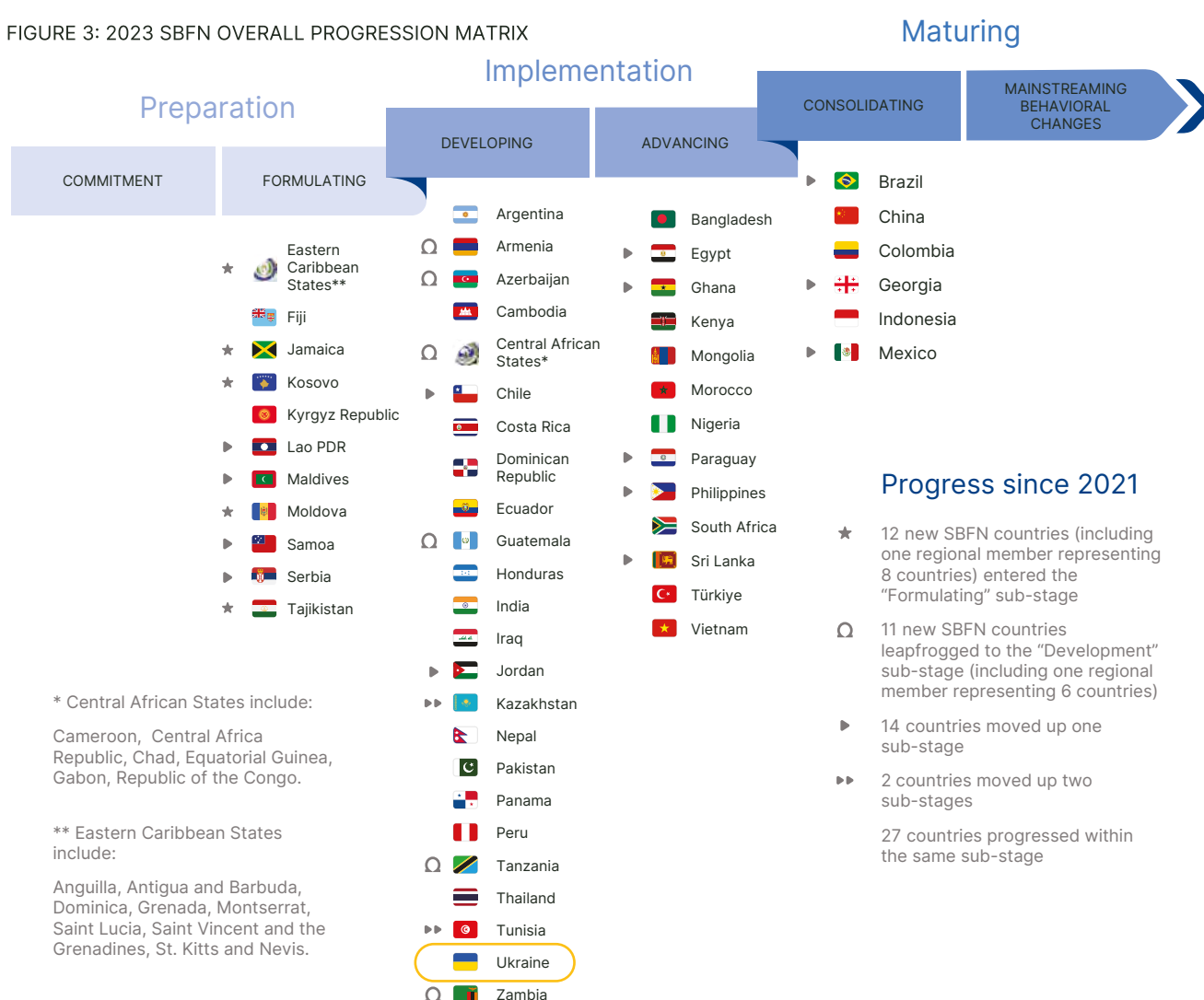
Year	Milestone
2020	NSSMC joins SBFN
	National Bank of Ukraine (NBU) joins SBFN
	SSMC issues the Corporate Governance Code
2021	NSSMC issues the Recommendations on the Implementation or Financing of Environmental Projects through the Issuance of Green Bonds
	NSSMC adopts the Environmental, Social, and Governance (ESG) Supplement to the Corporate Governance Code (CG Code) to support companies in implementing the sustainability provisions of the CG Code
	NBU launches Ukraine's Sustainable Finance Development Policy 2025
	NBU approves an amendment to reflect the ESG and sustainable finance aspects in its Corporate Governance Regulation for Banks
	NBU and NSSMC hold a coordinating discussion on developing Ukraine's national sustainable finance framework, facilitated by SBFN and IFC
2023	NSSMC is developing the ESG Scorecard, and ESG Disclosure Guidelines
	The Government of Ukraine approves its Energy Strategy 2050, which sets clear decarbonization targets and aligns with the EU Clean Energy Package, as well as improving market liquidity and supporting investments in renewable energy. ¹⁰

¹⁰ RDNA3 at 49.

Year	Milestone
2024	NSSMC issues the Recommendations on selection of environmental projects for their full or partial financing and/or refinancing with proceeds from placement of green bonds.
	NSSMC issues the Recommendations for preparing environmental impact reports for environmental projects that are fully or partially financed and/or refinanced with funds raised from the placement of green bonds.

In a 2023 benchmarking of sustainable finance progress by SBFN¹¹, Ukraine's over-all progress was found to be in the Developing stage of the Implementation Phase and on pace with SBFN peers.

FIGURE 3: 2023 SBFN OVERALL PROGRESSION MATRIX



11 <https://www.sbfnetwork.org/wp-content/uploads/2024/04/SBFN-Global-Progress-Brief-April-2024.pdf>

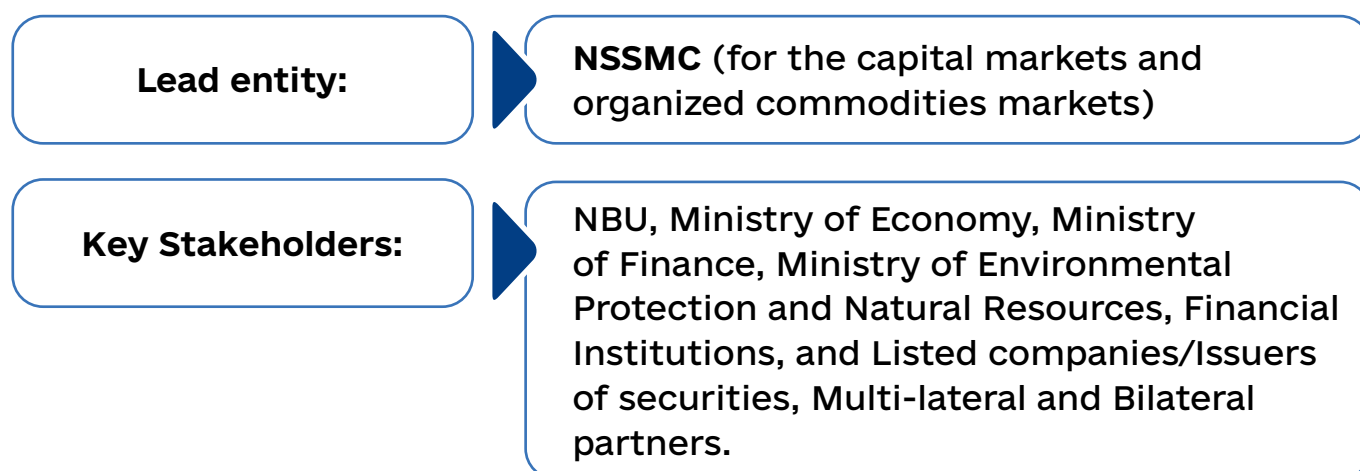
More specifically, measured against the three pillars of the SBFN Measurement Framework: ESG Integration, Climate and Nature-related Risk Management, and Financing Sustainability, Ukraine was found to be in the Formulating stage with respect to Climate and Nature-related Risk Management and in the Developing Stage with respect to ESG Integration and Financing Sustainability.

5. ROADMAP OBJECTIVES

The NSSMC's Sustainable Finance Roadmap is intended to promote the emergence of sustainable finance in furtherance of the over-all national policy for sustainability and sustainable development of Ukraine by:

- a) Encouraging investors and issuers take into account **environmental, social and governance (ESG)** concerns;
- b) Providing a **predictable and stable regulatory framework**; and
- c) **Preparing the market for transitioning** to sustainable finance.

6. LEAD ENTITY AND KEY STAKEHOLDERS





7. ROADMAP SCOPE

- This roadmap covers the capital market sector and organized commodities markets (agriculture) supervised by the NSSMC and will be implemented in phases.
- It sets out the list of planned actions by the NSSMC regarding the sustainable finance development.
- It summarizes the initiatives that the NSSMC intends to implement in the near future with the corresponding timeframe.
- The roadmap shall be reviewed and adjusted periodically in line with the market's evolution.

8. KEY SECTORS FOR SUSTAINABLE INVESTMENT

In its Private Sector Opportunities for a Green and Resilient Reconstruction in Ukraine Synthesis Report (PSO Synthesis Report), the World Bank (WB) and International Finance Corporation (IFC) point out that a rapid and sustainable recovery will require strategically mobilizing scarce public resources to crowd in private investment. Moreover, this process must focus not only on the reconstruction of existing value chains, but also on the development of new industries and infrastructure that reflect Ukraine's deepening integration with European and transatlantic markets. At the same time, the right policies, incentives and risk management tools could make private financing available to support a green and resilient reconstruction.¹²

Moreover, the PSO Synthesis Report points to investment opportunities in selected sectors going beyond the recovery needs identified in the previous Rapid Damage and Needs Assessment (RDNA) Reports. These investment opportunities include development of additional capacities needed for the green transition of Ukraine and supporting the country's goal to integrate fully into the European and global supply chains, specifically by increasing trade (export) and modernizing domestic production.

The same report indicates that effective implementation of reforms and interventions could increase total opportunities offered by Ukraine's green and resilient reconstruction from \$172 billion to \$412 billion for private financing from 2023-2033.

Some key sectors with significant private sector opportunities are summarized in the table below:

¹² PSO Synthesis Report (Oct 2023) at vi.

Ukraine's RDNA2 needs and projected private sector financing opportunities 2023-2033 (US\$ billions in 2023 prices)¹³

Sectors	Private sector opportunities under the Reform and Intervention Scenario	
	Addressing RDNA Needs	Other Opportunities
1) Energy and Extractives	35.6	131.7
1.1) Electricity generation	25.0	72.1
1.2) Energy storage	1.5	7.0
1.3) Electricity transmission	0.3	3.0
1.4) Electricity distribution	3.1	0.7
1.5) District heating	1.7	14.2
1.6) Extractives	4.0	34.7
2) Transportation	6.6	40.6
2.1) Road transport	5.1	14.9
2.2) Rail		1.8
2.3) Maritime and inland waterway	0.1	8.2
2.4) Airports	0.4	0.4
2.5) Urban transport, including sharing services	1.1	14.4
2.6) Intermodal transport and logistics		0.9
3) Agriculture	29.7	4.9
4) Social Sectors (housing)	30.2	60.4
5) Water and sanitation		0.3

9. KEY PILLARS

The Sustainable Finance Roadmap consists of four main pillars:

- **Pillar I:** Capacity Building
- **Pillar II:** ESG Risk Management
- **Pillar III:** Encouraging Sustainable Finance Flows
- **Pillar IV:** Transparency and Market discipline

and summarized in the diagram below:

¹³ PSO Synthesis Report (Oct 2023) at xii to xiii.



10. ROADMAP AND MEASURES

To meet the objectives of (a) encouraging investors and issuers to take into account environmental, social and governance (ESG) concerns (b) providing a predictable and stable regulatory framework; and (c) preparing the market for transitioning to a sustainable finance paradigm, the NSSMC envisions undertaking the following specific measures across the Four Pillars within the short, medium and long-term.

The NSSMC will encourage companies to move towards sustainable financing and will support issuers on this path in every way. On the way to implementing the planned measures, the NSSMC will provide ongoing information support and training; consider opportunities to simplify regulatory procedures for issuers wishing to issue “sustainable” instruments; develop tools to measure ESG progress (e.g., recognition/awards).

In order to implement the measures provided for in the Roadmap, the NSSMC plans to involve International Organizations and Communities in order to obtain additional technical donor assistance.

11. ROADMAP AND MEASURES

Nº	ACTIVITY	TARGET (INDICATOR)	RESPONSIBLE ENTITY/IES	TIMELINE
PILLAR I: Capacity Building				
1.1	Establish a Sustainable Finance Working Group	Formation of the Working Group	NSSMC	Short-term
1.2	Conduct a Sustainable Finance needs and opportunity assessment	Report on the assessment of the needs and possibilities of sustainable financing	NSSMC	Short-term
1.3	Create an Information Hub	Creation of Information Hub	NSSMC	Short-term
1.4	Provide and Facilitate Trainings and Workshops for Stakeholders	Trainings and Workshops for Stakeholders are facilitated and provided	NSSMC	On a regular basis
1.5	Conduct Research on Sustainable Finance Topics	Report on Sustainable Finance Topics	NSSMC	Medium-term
1.6	Introduce Sustainable Finance as part of the required knowledge of capital markets professionals	Sustainable Finance becomes part of the required knowledge of capital markets professionals	NSSMC	Medium-term
1.7	Adopt EU Taxonomy on Environmentally Sustainable Economic Activity (capacity building) / Establish a Ukrainian Green Taxonomy	Adoption of Taxonomy on Environmentally Sustainable Economic Activity (capacity building)	NSSMC	Long-term
PILLAR II: ESG Risk Management				
2.1	Introduce environmental and social aspects into risk management	Environmental and social aspects are introduced into risk management	NSSMC	Medium-term
2.2	Introduce ESG Disclosure Guidelines	Adoption of ESG Disclosure Guidelines	NSSMC	Medium-term



Nº	ACTIVITY	TARGET (INDICATOR)	RESPONSIBLE ENTITY/IES	TIMELINE
2.3	Introduce ESG Scorecard	Adoption of ESG Scorecard	NSSMC	Medium-term
2.4	Developing tools to counter greenwashing, regulations regarding verifiers/2nd party opinions	Introduced tools to counter greenwashing; Adopted regulations regarding verifiers/2nd party opinions	NSSMC	Medium-term
2.5	Digitalization of ESG risk management		NSSMC	Long-term
2.6	IFRS/ISSB S1 and S2 reporting standards, ESRs	Adoption of sustainable development disclosure	NSSMC	Long-term
PILLAR III: Сталі фінансові потоки				
3.1	Adopt a shared definition of green projects/assets	Adoption of shared definition of green projects/assets	NSSMC	Medium-term
3.2	Develop/review/enhance Sustainable Finance Guidelines	Adoption of Sustainable Finance Guidelines	NSSMC	Medium-term
3.3	Explore Options for Incentives and Regulations to Stimulate Sustainable Finance Flows		NSSMC	Medium-term
3.4	Introducing social bonds and sustainability bonds	Adoption of Social Bond and Sustainability Bond Guidelines	NSSMC, MoF	Long-term
3.5	Ensuring the development of municipal bonds, including green and social bonds		NSSMC, MoF	Medium-term



Nº	ACTIVITY	TARGET (INDICATOR)	RESPONSIBLE ENTITY/IES	TIMELINE
3.6	Set up ad-hoc investment vehicles to encourage issuance of GSS Bonds		NSSMC, MoF	Long-term
PILLAR IV: Прозорість і ринкова дисципліна				
4.1	Create a Sustainable Disclosures Hub	Formation of Sustainable Disclosures Hub on the basis of Financial Reporting System Hub	NSSMC	Short-term
4.2	Develop Guidance on ESG Reporting and Disclosure	Adoption of ESG Disclosure Guidelines	NSSMC	Medium-term
4.3	Develop Guidance on ESG Reporting and Disclosure/ Sustainability Reporting	Adoption of Recommendations on ESG Reporting and Disclosure/ Sustainability Reporting	NSSMC	Medium-term
4.4	Introduce ESG Scorecard	Adoption of ESG Scorecard	NSSMC	Medium-term
4.5	Develop ESG progress measurement tools (e.g. recognition/ awards)	Introducing ESG progress measurement tools	NSSMC	Medium-term
4.6	Developing tools to counter greenwashing	Introducing tools to counter greenwashing	NSSMC	Medium-term
4.7	IFRS/ISSB S1 and S2 reporting standards, ESRS	Adoption of sustainable development disclosure	NSSMC	Long-term

