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In its quarterly *Ukraine EU Accession Tracker*, KSE Institute comprehensively assesses progress across negotiation clusters, key events in the eurointegration process, and developments in EU partner countries.

Executive Snapshot

The last quarter—Q2 2026—was the most decisive for Ukraine’s EU accession since its candidacy was officially launched in June 2022. For several years, the process faced a visible obstacle in Viktor Orban’s government, with many delays directly traceable to Hungarian opposition. The first EU–Ukraine Accession Conference was held on 25 June 2024, but at that stage, Hungary had already slowed the process by linking progress to the rights of the Hungarian minority in Ukraine, especially in Zakarpattia. Over time, Budapest’s position broadened from minority rights-related demands into a broader political veto over Ukraine’s accession path, including resistance to opening negotiating clusters. That obstacle is now gone despite the fact that Prime Minister Magyar extracted certain concessions from Ukraine in the process. On 3 June 2026, Hungary lifted its veto after receiving assurances regarding minority rights, and on 15 June, the European Union formally opened the first negotiating cluster, *Fundamentals*, for Ukraine and Moldova. Around the same time, the financing architecture for Ukraine became significantly more certain as the €90 billion EU Ukraine Support Loan for 2026–27 was finalized by the Council of the EU on 23 April and ratified by the Verkhovna Rada on 28 May. In addition, the seventh reform-linked tranche of the Ukraine Facility was approved and disbursed.

Beyond external factors, there have also been substantial roadblocks on the Ukrainian side. With the accession process now moving forward—and potentially expanding to additional clusters soon—its pace will increasingly depend on Ukraine’s delivery. The National Programme for the Adoption of the EU Acquis was adopted on 1 April, which outlines every law the Rada must pass and every institution Ukraine must build, converting the screening reports into a concrete delivery plan that guides the process. There are also other commitments, namely the eleven priority laws flagged by Commissioner Kos under the so-called Kachka-Kos plan. Several laws remain unsigned or are held up in the Rada, including the core state-aid reform.

The progress over the last three months was possible due to an alignment of supportive factors that may not last long. In addition to the political change in Hungary, the Cypriot EU presidency’s willingness to move forward, and the absence of political transitions in the bloc’s largest members, all played a major role. But political headwinds may return as important elections approach in several EU countries, including France’s 2027 presidential election, which could bring a decisively anti-EU force to power. Sweden and Latvia vote even earlier—in fall 2026—during a cost-of-living squeeze that makes enlargement an easy political talking point.

The EU is entering its busiest political stretch of the decade, and enlargement has to compete for attention with other priorities. The Commission wants close to €2 trillion for the Union’s 2028–34 budget, the Parliament advocates for even more, and the countries that contribute the most, led by Germany, are resisting. Ukraine is supposed to receive macrofinancial support worth €100 billion from the EU budget, according to the Commission’s proposal. A deal is expected by the end of 2026, but it may slip into 2027. That could push the question of who pays for a larger Union squarely into the 2027 French election campaign. This is not the only challenge the EU is facing: the Iran war’s economic ripple effects are weighing on the continent’s economy and driving up inflation, while tensions between Europe and the United States are far from going away.

The responsibility for what has been left undone so far does not rest solely with Ukraine. The EU itself has not yet settled on the final framework Ukraine is being asked to deliver into, including the size of the 2028–34 budget, which will shape the Union. Furthermore, discussions over gradual integration, as

demonstrated by the recent Franco-German push, illustrate that not only the timing of Ukraine’s accession but also the nature of intermittent steps remain unsettled. Much of the relevant *acquis* is still evolving; thus, Ukraine and its businesses are not aligning with the EU as it exists today but with the EU as it will presumably exist by the end of the decade—a moving target that does not always come with clear guidance. Some of the missed benchmarks, too, reflect conditions Ukraine does not control—above all, a full-scale war—while reform deadlines themselves make little allowance for that. Accession is a shared undertaking: both Ukraine and the EU have a genuine interest in seeing it through—and a responsibility to do their parts.

Progress across the six clusters was real but consistently fell short of ambitions. The reason lies less in any single cluster than in two constraints that cut across all of them. The first is parliamentary: a wartime Rada operating with a reduced and stretched membership has found it increasingly hard to assemble majorities for contested reforms, and its legislative output on EU-linked laws has slowed noticeably. The second is that the outstanding reforms are not technical, but measures that redistribute power or touch vested interests, such as state aid control, the independence of regulators, and the enforcement of the anti-corruption framework. As a result, they are stalled during the first reading or get stuck in committee, while cleaner bills pass. The table below shows a clear pattern: tangible progress in every cluster, but more structural measures are awaiting signature, stuck in parliamentary proceedings, or established without the legislator’s involvement.

Cluster	Key developments
Cluster I: Fundamentals	It shows the clearest procedural progress, as it formally opened on June 15. The Rada passed a public procurement law transposing the EU Directive 2014/24 (awaiting signature as of June 9). Work under the Rule of Law Roadmap also continued, with the EU noting progress in anti-corruption institutions; however, several obligations are overdue: the reform of judges’ declarations (due Q2 2025) remains unfulfilled in the EC’s May 2026 assessment. Most of the eleven priority laws outlined by Kos in the EC’s letter are here, and as the first cluster to open and the last to close, EU expectations of it are the highest.
Cluster II: Internal Market	The advances were mainly through preparatory or secondary measures, but not through the core reforms – progress at the edges. Two state-aid resolutions were adopted: on passenger-transport services of general economic interest, and on the criteria for R&D state aid. The commercial-secrets bill was published for public consultation, but it has not yet been registered with the Rada. But the central commitment about the full restoration of state-aid control by the Antimonopoly Committee, due by Q3 2025, was missed, and the draft is back at repeated first reading. In addition, the EU still expects laws on trade secrets, copyright, and industrial property rights, as well as the IP Strategy for 2025-2030
Cluster III: Competitiveness & Inclusive Growth	It has some concrete progress, although a number of outputs are not yet complete legislatively. The Employment Strategy 2030 was approved in January; the DAC7 digital-platform tax information law was adopted in full and is awaiting signature; and a new Customs Code was approved by the government. The draft Labour Code was registered, included in the parliamentary agenda, and recommended for first reading, but as of June, it was still awaiting consideration. Several other reforms remain at first reading or awaiting signature, such as a simplified insolvency procedure for micro- and small enterprises.

Cluster	Key developments
Cluster IV: Green Agenda & Sustainable Connectivity	The progress was uneven, but strongest in energy. The Electricity Integration Package was adopted and signed, creating the legal basis for market coupling, cross-border electricity exchanges, and cooperation with European regulators. However, full market coupling depends on network codes, and the Energy Commission flagged current price caps as non-compliant and questioned NEURC's independence. With regard to transport, the railway safety and interoperability law passed the Rada but still awaits signature and includes a three-year transition period. As for climate, MRV emissions reporting was restored, and ETS is being prepared, although the system remains narrower than the EU ETS. The district-heating law, one of the eleven priorities, still awaits second reading.
Cluster V: Resources, Agriculture & Cohesion	Real but mostly institutional progress. Alignment in agriculture was mainly driven by the Agriculture and Rural Development Strategy 2030, LEADER, geographical indications, and the State Agrarian Register. Nearly all 2025 farm support now flows through the State Agrarian Register, so the reform is already operational, unlike the core CAP-style systems, including the paying agency, IACS, FSDN, and LPIS. SPS progress continued through TRACES, e-Phyto, and plant-health legislation, with the latter not taking effect until 2028.
Cluster VI: External Relations	A strong starting position, held steady. Ukraine maintained a very high alignment with the EU's foreign and security policy, including synchronizing sanctions packages and continuing defense cooperation. However, new deliveries were limited: in Chapter 30, Ukraine still needs to align its FDI screening, dual-use goods, and bilateral trade agreements with future EU membership requirements, the sanctions evasion is not yet criminalized, Rome Statute-related alignment remains incomplete, and several arms-control steps, including the Arms Trade Treaty and the national small arms and light weapons strategy, remain to be aligned. However, these gaps are technical and narrow.

The months ahead will test whether June's momentum converts into delivery. The immediate priority is to prepare for the opening of the remaining clusters under the Irish presidency, where one to three could open as early as mid-July, while documenting progress on the Cluster 1 benchmarks (especially the highly anticipated rule-of-law steps under Chapters 23 and 24). They will form the evidence base for the future assessment, guiding member states' decisions. In parallel, Ukraine must clear the outstanding priority laws, with state-aid control (No. 14345), NEURC independence (No. 14282), and district heating (No. 14067) the most sensitive and roughly €4 billion tied to these measures. The revised Ukraine Plan must also be reconciled with Ukraine Facility benchmarks to keep future tranches on track. The common thread is that each of these is subject to the same constraint: parliament's ability to pass contested reforms while the external window stays open.

A window of opportunity has opened, but it may be narrow. The door to membership has opened just as the EU turns inward, toward its own budgets and political dynamics. For Ukraine, the lesson is simple: partners willing to move forward today may have less room to do so tomorrow, and as much progress as possible should be made to create momentum that is difficult to reverse.

Q2 Developments on EU Accession: Ukraine

For Ukraine, the story is about its own institutions as external roadblocks waned. The headline events arrived in quick succession. On 17 March, Ukraine received the full benchmark package for all six clusters; on 1 April, the Cabinet approved the National Programme for the Adaptation of Legislation, a document Deputy

PM Taras Kachka has described as exceeding a thousand pages and specifying which laws the Rada must pass and which institutions must be built. On 28 May, the Rada ratified the €90 billion EU USL; and in early June, the two events that will define the year took place—Hungary lifted its veto on 3–4 June, and Cluster 1 opened on 15 June. As Deputy PM Kachka put it at the intergovernmental conference, opening the clusters does not create new requirements; it triggers the mechanism for delivering reforms already prepared.

The quarter’s consequential developments:

Date	Event	Why it matters
17 Mar	Benchmarks received for all six clusters	Ukraine also received the set of conditions for clusters 3, 4, and 5, and the full set of accession benchmarks is now on the table.
17 Mar	Kachka: chapters could close in 2026	Kyiv set out its ambition to close some chapters in 2026 and draft an Accession Treaty in 2027, conditional on clusters opening by mid-year.
1 Apr	National Programme for legislative adaptation	The Cabinet approved the program, aligning national law with the EU acquis, consisting of ~1,600 legal acts, structured by cluster and chapter, based on the screening reports.
28 May	Ratification of the €90bn support package	The Rada ratified the loan and memorandum; 2026 support reaches up to €45bn, of which the defense component is up to €28.3bn.
3-4 Jun	Hungary lifts its veto after the minority rights deal	Budapest withdrew its block after a bilateral deal expanding the educational, cultural, and political rights of the ~100,000 ethnic Hungarians in Transcarpathia.
5 Jun	€6.6bn unblocked from the European Peace Facility	Hungary also lifted its block on €6.6bn from the EPF, funds that may go to Ukraine’s air defense — making the June breakthrough financial as well as procedural.
8 Jun	Kos visit regarding the reform and the benchmarks delivery process	During Commissioner Kos’s Kyiv visit, both sides framed accession as now turning on implementation; the next six months were called “critically important.”
11 Jun	Ukraine approved the second update of the Ukraine Plan	The government strengthened the EU-integration dimension of the Ukraine Facility program.
11 Jun	Parliament declares its support for EI	The Verkhovna Rada adopted a resolution supporting Ukraine’s accession negotiations with the European Union.
15 Jun	First negotiating cluster opened	The EU formally opened Cluster 1, Fundamentals, for Ukraine and Moldova at the intergovernmental conference in Luxembourg under the Cypriot presidency.
18-19 Jun	EU leaders’ summit, Brussels	EU leaders gathered in Brussels, with Zelensky addressing them shortly after the cluster opening; the summit reaffirmed the momentum of enlargement and tied it to continued reform delivery.

The engine that enabled substantial progress in Q2 was the "frontloading" strategy devised by the Danish presidency and the Commission in December 2025. Substantive negotiations on Clusters 1, 2, and 6 took place informally before the veto was lifted; thus, once the blockade fell, opening could follow almost immediately. It was a deliberate way to make progress under the radar and then formalize it quickly at the right moment, and it is the main reason June’s breakthrough translated into a cluster opening within days.

The veto itself fell for a simple reason: Orbán lost power. However, the new Magyar government, after years of Hungary's policy on Ukraine's accession, could not act without a deal to present to the domestic audience. Thus, the Transcarpathia minority-rights agreement that accompanied the unblocking is better understood as giving Magyar's government a tangible win to show to its own electorate. As a result, Hungary's agreement to the first cluster's opening did not trigger strong opposition, despite several years of Viktor Orbán's anti-Ukrainian rhetoric. In that sense, everyone got what they needed.

The Kachka–Kos plan defined the path for Q2. Agreed in December 2025 between Commissioner Marta Kos and Deputy PM Taras Kachka, it is a targeted ten-point reform agenda in the areas of rule of law and anti-corruption, to be delivered throughout 2026. Its origin provides important context: Kos has said publicly that the plan exists because trust among partners had been damaged—thus, it functions less as a technical checklist than as Ukraine's central credibility test. It covers strengthening the independence of NABU and SAPO and expanding their jurisdiction; a new Anti-Corruption Strategy and Program; reform of the State Bureau of Investigation; and changes to how the Prosecutor General and senior prosecutors are selected, drawing on Venice Commission practice.

Delivery has been slow so far. Independent monitoring early in the quarter assessed the progress to be low, with the Guardian citing an EU assessment of roughly 15% completion on June 14. The "Membership Check" initiative, which combines the expertise from eight organizations specializing in EU Accession, gave a score of 9 out of a possible 100 points, with a quarter of the year already used. The most sensitive issue is the Government's version of the Anti-Corruption Strategy for 2026–2030, submitted to parliament on 15 May: commentators, including European Pravda, noted the draft omitted an important provision granting NABU and SAPO the power to act against MPs without the Prosecutor General's prior approval, a step the EU benchmarks treat as mandatory. The episode echoes the July 2025 controversy over NABU/SAPO independence, which Kos at the time called a "serious step back." The government maintains that its anti-corruption commitments remain fully in force.

The European Council has stated that progress under Cluster 1 "will determine the overall pace of the negotiations." Because the Kachka–Kos plan sits at the heart of that cluster, slow or contested delivery does not just delay one file, but it sets the speed limit for the entire process. Since damaged trust was the reason the plan was created, any perceived rollback carries an outsized political cost in member-state capitals.

Beneath the eleven priority laws flagged by Commissioner Kos lies a consistent pattern: the cleaner bills passed; the ones that redistribute power did not. Many laws are also part of the Ukraine Facility, with roughly €4 billion tied to them; their adoption, Kos noted, would both advance membership and unlock external financing. The quarter's record, cluster by cluster, explains why the headline grades sit where they do.

In Fundamentals, the Rada adopted the new Public Procurement Law No. 4888-IX, formerly draft law No. 11520, aimed at aligning Ukraine's procurement framework with EU Directive 2014/24/EU. The law was signed by the President on June 23, 2026. But several obligations carry over: the reform of judges' integrity declarations was due in Q2 2025 and is still flagged as unfulfilled in the Commission's May assessment, and much of the quarter's progress was spent catching up on past deadlines rather than delivering on time. In the Internal Market, the government adopted two state-aid resolutions (passenger-transport SGEI criteria and R&D&I aid) and published a trade-secrets draft for consultation, but the core commitment—restoring full state-aid control to the Antimonopoly Committee, due Q3 2025—was missed; Draft Law No. 14345 was registered only in late December 2025 and is back at repeated first reading. The EU also still expects laws on trade secrets, copyright, and industrial property, as well as an IP Strategy for 2025–2030.

In Competitiveness, the Employment Strategy 2030 was approved in January, and the draft Labour Code—replacing the 1971 framework and transposing several EU directives and ILO conventions—was

registered and recommended for first reading, though it still awaits consideration; the DAC7 tax-information law was adopted in full in June, and the government approved a new Customs Code in May (a key Chapter 29 step). A simplified insolvency framework for small businesses, due in Q1 2026, is recommended for first reading but has not yet been adopted. In Green & Connectivity, the Electricity Integration Package (No. 12087-d) was adopted and signed, creating the legal basis for market coupling—but the Commission notes full coupling depends on implementation and network codes, and the Energy Community Secretariat flags current price caps as non-compliant and questions NEURC’s independence. The railway safety law passed but awaits signature and carries a three-year transition; MRV emissions reporting was restored but remains narrower than the EU ETS; and the district-heating law (No. 14067), one of the eleven priorities, still awaits second reading.

In Resources & Agriculture, the State Agrarian Register strengthened—the Q1 Facility step on channeling support through it was fulfilled, with nearly all 2025 central support flowing through SAR—but the core CAP-style systems (paying agency, IACS, FSDN, LPIS) are not operational, and the plant-health law enters into force only in 2028 and needs around eighty implementing acts. In External Relations, Ukraine maintained very high CFSP alignment, including synchronizing EU sanctions packages, while the open items (FDI screening, dual-use goods, criminalizing sanctions evasion, Rome Statute alignment, Arms Trade Treaty ratification) are technical but real.

Draft law	Reform	Status
No. 14005	Enforcement & digitalization of court decisions	Adopted & signed
No. 12087-d	Electricity Integration Package	Adopted & signed
No. 14030	Deregulation of businesses	Adopted & signed
No. 13165-2	Declarations of the integrity of judges	Adopted, awaiting signature
No. 14174	Railway safety & interoperability	Adopted, awaiting signature
No. 14271	Permitting procedures for renewables	Preparing for the second reading
No. 13478-1	Restoration of civil service competitions	Preparing for the second reading
No. 14067	District (centralized) heat supply	Awaiting second reading
No. 12117*	Public service obligations (industrial parks)	Awaiting second reading
No. 14282	Independence of NEURC (regulator)	On committee review
No. 14345	Restoration of state-aid control	Repeated first reading

Eleven priority laws (Kos letter / Ukraine Plan), ~€4bn at risk. Shading: green — adopted & signed; blue — awaiting signature; amber — second reading; red — first reading or earlier.

* Originally, the Kos’ letter referred to Law No. 4020 (On companies that shall not be privatized), and the public service obligations articles were included in the draft law No. 12117 via amendments

Beyond the Rada, the executive carried out a set of Ukraine Plan benchmarks due this quarter. The record is mixed: two were caught up after earlier slippage, two are in progress, and several—notably the SOE supervisory-board appointments and the budget-reporting steps—remain outstanding.

The financing architecture structure was enriched this quarter, and its center of gravity is moving. Until recently, the structure rested mainly on two pillars: the Ukraine Facility and the ERA mechanism financed by proceeds from immobilized Russian assets. Both were delivered again this quarter: the Facility’s seventh tranche of nearly €2.8bn was approved on 28 May and disbursed on 8 June, lifting cumulative Ukraine Plan support to €29.5bn (almost 77% of the Facility’s first pillar), and the ERA initial \$50bn is mostly depleted. Going

forward, though, the architecture centers increasingly on the €90bn EU Ukraine Support Loan (finalized 23 April) and its division into a macro-financial assistance track and a Ukraine Facility track: of the €45bn accessible in 2026, €8.35bn is MFA, €8.35bn runs through the Facility, and €28.3bn is for defense, with budget support paid in tranches of €3.2/3.7/1.45bn and the former conditional on benchmarks, closely tied to IMF ones, particularly submitting draft tax legislation (digital-platform tax, parcel VAT). Ukraine received the first installment of €3.2 billion under the Ukraine Support Loan program from the European Union on June 25. The IMF's new four-year EFF (\$8.1bn, approved 26 February) entered its first review this quarter and increasingly sets the conditionality alongside it; the Energy Support Fund added ~€1bn over the winter. The common thread is conditionality: every further tranche depends on reform delivery—against Facility benchmarks or IMF program targets—which is what makes the legislative bottleneck a financing risk.

On defense, partners are shifting from transfers to procurement. Germany allocated €4.2bn in March–April, the UK €1.3bn, and Norway €600m; the February Ramstein pledged \$38bn for 2026. The financing of joint production with the Ukrainian industry is the structural change that directly affects defense-industrial alignment within future clusters.

Q2 Developments on EU Accession: European Union

The same quarter that unblocked Ukraine also revealed how much harder the rest of the road may become. The single most important EU development was the removal of the Hungarian veto and the opening of Cluster 1, but it arrived amid a 2026–27 electoral cycle that may influence the politics of enlargement, an unresolved fight over the 2028–34 budget, and an externally generated energy shock—the Iran war—that is feeding directly into the bloc's cost-of-living politics. Each of these narrows, rather than widens, the space in which enlargement decisions get made.

What was said	What it means	Why it matters
<i>"All member states agreed to open the first cluster" — Costa & von der Leyen, 12 June</i>	The procedural unlock is complete; unanimity was reached.	Momentum now exists to open Clusters 2, 3, and 6 under the Irish presidency — if Ukraine delivers.
<i>The eleven priority laws "are part of the Ukraine Plan" — Kos</i>	Conditionality is now reform-specific, not generic.	Each unfinished law is now both an accession step and a financing condition — delivery risk is concentrated.
<i>"Associate membership" proposal — Merz, May</i>	A gradual-integration model: institutional access without full rights.	Offers Ukraine early integration but normalizes a longer path to voting rights and budget access.

After years of half-steps, the case for carrying Ukraine's accession through to full membership has hardened into the only credible endpoint. In May, German Chancellor Friedrich Merz proposed an "associate membership" that would go beyond the existing Association Agreement—giving Ukraine access to EU institutions, including the European Council and Parliament, without voting rights or budget access. The German motive was pragmatic: with full accession stalled by the reforms still required and by political disagreement amongst members, Germany wanted something tangible to show now. President Zelensky rejected it all the same, on grounds that were substantive: a seat without a vote would leave Ukraine voiceless inside the very institutions shaping its security and reconstruction, and a status built on political agreement rather than treaty is legally fragile—reversible with any change of government, and at risk of hardening into a permanent "waiting room." Similar proposals have come repeatedly from the EU—from Macron's 2022 European Political Community to the recent Franco-German "associate membership" and "integrated state

status" models—while Kyiv has refused each in turn. Crucially, this is not opposition to gradual integration as such: Ukraine joined the Single Market Programme in 2023 and deepened single-market access through the revised Deep and Comprehensive Free Trade Area in 2025. The result is clear: full membership after the completion of the entire accession process is the only remaining option.

Ahead of the EU–Western Balkans and EU–Moldova summits, France and Germany then circulated a non-paper urging the Union to “inject a new dynamism” into enlargement through two tracks: a process-oriented approach that simplifies methodology and cuts over-formalized hurdles, and a “toolbox” of reversible building blocks of gradual integration—twice-yearly joint Commission–Parliament meetings, joint parliamentary committees, and sectoral integration into the Single Market. Crucially, the paper insists that the aim of full membership “remains unaffected” and that the Council should open all relevant clusters. For Ukraine, this offers tangible early integration; the risk is that reversible building blocks harden into a substitute for the real thing.

During its EU Presidency in the first half of 2026, Cyprus focused heavily on strategic European autonomy under the motto “An Autonomous Union. Open to the World,” placing the long-term EU budget at the center of its key priorities. On the budget, the primary horizontal objective is to aggressively advance negotiations on the Multiannual Financial Framework (MFF) for 2028–2034 to ensure the Union can properly finance its defense, security, and future enlargement goals. Under the Cypriot chair, member states agreed in June 2026 to open the first negotiating cluster on fundamentals with Ukraine—the first such move in years—alongside progress on Moldova and a deal on the €90 billion Ukraine Support Loan for 2026–27.

Elections and potential political changes are the deeper constraint. Hungary’s veto fell only because a pro-European government replaced Orbán. Magyar is explicit that Hungary still opposes accelerated entry, but unlike the previous veto, it is quite close to the EU’s official position and allows Ukraine to proceed with the European integration reform track. Sweden (September) and Latvia (October) vote next, both into a cost-of-living squeeze that makes enlargement spending an easy target for populist campaigns. The biggest risk is France: the Eurosceptic National Rally leads the polls to succeed Emmanuel Macron in April 2027. Brussels openly worries that a National Rally presidency could arrive before Ukraine has made sufficient progress on EU-integration reforms, strengthened anti-corruption safeguards, and embedded the institutional checks needed to make the accession process resilient and generate sufficient positive momentum. This could slow or even block membership, and realistic options to prevent it are extremely limited.

Montenegro is a useful benchmark for Ukraine as it is the EU’s most advanced candidate. It has opened all 33 negotiating chapters and closed 16, aims to close the rest by the end of 2026, and could join as early as 2028 — the first new member since Croatia in 2013. In April, the EU approved a working group to begin drafting its Accession Treaty. However, Montenegro opened its first chapters back in 2012; the long road reflects almost three decades of dominance by a single party, the Democratic Party of Socialists, which governed near-continuously from 1991 to 2023 and let the reforms at the heart of accession—judicial independence, anti-corruption, democratic institutions under Chapters 23 and 24—stall, as successive Commission reports noted. Momentum returned only with political change: a transition that began in 2020 and a new centrist, pro-European government in 2023, which produced a positive Interim Benchmark Assessment in June 2024 and the rapid progress since. For Ukraine, the takeaway is twofold: opening a cluster is the start of a long process, not its end, and political will, more than technical readiness, sets the pace.

Country	Event	Risk to enlargement	Possible Ukrainian response
Hungary	Magyar (Tisza) ousted Orbán; took office on 9 May	Low	Consolidate the minority-rights deal; avoid reopening it.
Sweden	General election, September	Low-to-medium: fiscal restraint on EU spending	Frame enlargement as security, not cost.
Latvia	Saeima election, October	Low: broad pro-Ukraine consensus	Maintain; leverage as an ally voice.
France	Presidential election, April 2027	High if National Rally wins	Deepen ties now; reduce dependence on a single Franco-German axis.

The third force narrowing the EU’s room this quarter was external and economic, but its consequences are political. The closure of the Strait of Hormuz in early March following the US-Israeli attacks on Iran triggered what the IEA called the largest supply disruption in the history of the global oil market: Brent surged past \$120 a barrel, and QatarEnergy declared force majeure on LNG exports. The cost was transmitted almost immediately into European household budgets—gas prices rose roughly 70%, and oil 60% across Europe—and the Commission warned that eurozone inflation could exceed 3% this year if Brent held near \$100, with growth as much as 0.4 points below its earlier 1.4% forecast. For most member-state governments, that is a sharp reversal of the disinflation they had been campaigning on. While there is now hope that the worst is over, inflationary effects will linger for some time as markets normalize in the coming months.

The translation into politics is direct. Incumbents heading into the Swedish (September) and Latvian (October) elections now face a fresh cost-of-living squeeze, and in France, an inflation re-acceleration plays straight into the National Rally’s purchasing-power narrative ahead of 2027. Energy-driven inflation has historically correlated tightly with incumbent losses across the bloc, and the Commission’s own framing—that prices will not return to normal soon, even if peace came tomorrow—implies the political cost will outlast the conflict. The effect on enlargement is indirect but real: a bloc whose voters are absorbing an energy-price shock is a bloc less inclined to take on the budgetary commitments a larger Union implies, which feeds the same fiscal caution already visible in the budget fight and the gradual-integration debate above.

There is a second-order consequence worth flagging. The operation was launched with little allied consultation, and as EU foreign-policy chief Kaja Kallas put it, Europe is an ally of the US, but few in Brussels understand Washington’s strategic objectives. Europeans were not at the table when the decision was taken, yet they are being asked to carry both security risk and economic fallout. Whatever its longer-term effect on transatlantic relations, in the near term, it deepens the inward turn: an EU preoccupied with its own energy bills, its own budget, and its own exposure has less bandwidth for enlargement, exactly as Ukraine’s door opens.

Forward Look

The next quarter will be decisive: this is the period when the momentum generated in June will either be translated into tangible progress or gradually lost. On 1 July, Ireland assumes the Presidency of the Council of the EU and has already signaled its willingness to advance Ukraine’s accession process by opening additional negotiating clusters. The key question is whether Ukraine can demonstrate sufficient domestic progress to justify further movement in the negotiations.

The main short-term priorities for Ukraine are as follows:

First, prepare for the opening of the remaining five negotiating clusters so that accession negotiations cover all 35 chapters of the EU acquis. Mid-July, with 14 July often mentioned as a possible target date, is currently being considered within the EU as a potential timeframe for such a decision.

Second, continue implementing and documenting progress on the benchmarks under Cluster 1, with particular attention to the interim steps in Chapters 23, Judiciary and Fundamental Rights, and 24, Justice, Freedom and Security. Progress achieved in these areas will form the evidence base for the future Interim Benchmark Assessment Report (IBAR), which will play a key role in Member States' decisions on advancing negotiations.

Third, ensure the timely implementation of the Ukraine Plan after the anticipated second revision. This is important both for demonstrating Ukraine's ability to sustain its EU integration commitments and for minimizing fiscal risks while securing the financing expected under the Ukraine Facility by the end of the year. Since the beginning of the year, state budget revenues have underperformed the approved plan, partly reflecting delays in implementing reform commitments and in updating the Ukraine Plan.

Fourth, launch the preparatory phase to shape Ukraine's positions for the future Accession Treaty in parallel with the implementation of the negotiating benchmarks. At the technical level, this work has already begun and includes the preparation of negotiating positions across individual chapters of the EU acquis, assessment of progress under the National Programme for the Adoption of the EU Acquis, and initial work on future benchmarks for closing negotiating clusters.

Fifth, maintain political consensus in the Verkhovna Rada on EU integration legislation. Although Parliament does not formally enter recess during martial law, its legislative capacity depends largely on the political willingness to support complex reforms and key legislative initiatives. Nevertheless, the summer period still provides an opportunity to adopt the legislation necessary to sustain progress in the accession process.

Ukraine's EU track in 2026 is not concentrated in a single reform package but is spread across several tracks. The 10-point Kachka-Kos plan is especially focused on anti-corruption and rule-of-law reforms, which are crucial for Cluster 1. The Anti-Corruption Strategy 2026–30 is still pending adoption, so it carries a high risk, particularly given that the two options currently on the table—from the Verkhovna Rada committee and the Cabinet of Ministers—differ in how well they meet the EU's requirements, with the government's version omitting key provisions on SAPO independence and merit-based selection of top prosecutors. Separately, the 11 priority laws outlined in Kos' letter constitute a legislative and funding-linked package, the implementation of which is incomplete (5 out of 11 laws have been adopted). Adoption of these laws at the autumn Rada session will serve as an important benchmark. The most sensitive items in this track include state-aid control, NEURC independence, and district heating reform. State-aid control remains at low readiness because draft law No. 14345 has not yet cleared the next reading window, while NEURC independence is also problematic, as draft law No. 14282 is still moving from committee to first reading. District heating reform is somewhat more advanced, as draft law No. 14067 has reached the second-reading stage, but it is still not fully secured.

Several other pending reforms fall under the broader EU acquis track, where the agenda is set for implementation in Q3–Q4 2026. These reforms are relevant as conditions for opening Clusters 2, 3, and 6, with the risks tied to this track being moderate: while some preparatory work has already been done, delays around the July–autumn negotiation window could still weaken Ukraine's position, especially if they coincide with slow progress on anti-corruption.

The Ukraine Plan's key milestones for Q2 and Q3 are shown in the table below. However, it will be revised, and amendments will apply retroactively. Once the updated Ukraine Plan is approved, the schedule and the deadlines for key milestones might change. Nonetheless, the key reforms themselves will likely remain relevant.

Milestone	Key obligation	Deadline / status
Court-enforcement IT system	Make the upgraded enforcement IT system operational — asset tracking, account freezing, and debt recovery.	Q2 2026
Anti-Corruption Strategy & Programme	Adopt and publish the new Anti-Corruption Strategy and State Programme for the post-2025 period (see Kachka–Kos, overleaf).	Q2 2026 — in progress
SOE supervisory boards	Appoint independent-majority supervisory boards for at least 15 key state-owned enterprises.	Q2 2026
Employment Strategy	Adopt the Cabinet order approving the Population Employment Strategy.	Q2 2026 — caught up
Education / healthcare / housing financing	Submit interim reports evidencing budgeted spend (€300m education, €200m healthcare, €200m housing for veterans and IDPs in 2024–25).	Q2 2026
Subnational allocation under Pillar I	Show at least 5% of non-repayable Pillar I support went to subnational recovery and modernization.	Q2 2026
Gas & electricity liberalization roadmap	Adopt a post-martial-law liberalization roadmap with a timeline and vulnerable-consumer protections.	Q2 2026 — in progress
Integrated Electronic Identification System	Bring into force the legal act establishing the system.	Q2 2026 — caught up
Merit-based civil-service selection	Restore merit-based selection for vacant positions in categories A, B, and C.	Q3
Prosecutorial disciplinary system	Strengthen the prosecutors' disciplinary system and the Qualification & Disciplinary Commission.	Q3
Corporatization of key SOEs	Corporatize at least 15 key SOEs as joint-stock companies or LLCs (with a law on consolidated SOE management).	Q3
Energy-efficiency standards	Adopt minimum energy-efficiency levels for buildings and products under EU ecodesign / energy-labeling rules.	Q3
Renewable-energy permitting	Bring into force legislation shortening renewables permitting in line with EU rules.	Q3

Taken together, the successful delivery of these priorities will determine whether Ukraine can maintain the current pace of accession negotiations and move from the opening of negotiating clusters towards their substantive implementation and eventual closure.

The next quarter's calendar is front-loaded with events that will show whether June's momentum carries over. The Irish presidency's opening weeks are the pivot; the June summits and defense meetings set the immediate tone; and two slower processes running through the autumn will quietly shape Ukraine's runway.

- 1 July — Irish presidency of the Council begins; signaled appetite to open further clusters.
- July (TBC) — expected opening window for Clusters 2, 3, and/or 6.
- September — Swedish general election; October — Latvian Saeima election; both feed the debate over the costs of enlargement.
- Through H2 — progression of the Franco-German “gradual integration” non-paper and the 2028–2034 MFF budget negotiations.

On 1 July, Ireland takes over the EU Council presidency for the second half of 2026, under the motto "Strength with unity," with a program built on three pillars: competitiveness, values, and security. For Ukraine, two threads matter most. The first is competitiveness: Ireland has made the "One Europe, One Market" roadmap a core priority, focusing on simplifying rules, deepening the Single Market, accelerating the clean-energy transition, and driving digital transformation — the agenda into which Ukraine's own market alignment ultimately feeds. The second is the long-term budget: advancing the 2028–34 MFF to the point where EU leaders can take decisions this year is set to be one of the presidency's most demanding tasks, and it is the file that will determine how a larger Union is financed. On enlargement, Ireland backs a merit-based process and has placed continued support for Ukraine (loans, sanctions against Russia, help with the EU accession track) among its cross-cutting priorities, signaling continuity with the momentum built under Cyprus.

The risks below are interconnected, and the thread running through them is timing: each is manageable alone, but dangerous if they coincide while the external window is still open

Risk	Direction	Note
Kachka–Kos / anti-corruption credibility	High	A perceived NABU/SAPO rollback or stalled plan damages trust with capitals just as clusters open.
EU electoral turn against enlargement	Rising	France (2027) and, to some extent, Sweden (Sept), Latvia (Oct) narrow the political space; the MFF fight compounds it.
Domestic legislative slippage	High	The hardest priority laws stall through the autumn session.
Energy-price shock persistence	Medium	Iran-driven inflation outlasts the conflict, feeding anti-enlargement politics.

Expert Opinion: “Threat or Catalyst? Ukraine's Agricultural Integration”

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Though occasionally misperceived as a threat to the EU, Ukraine's agri-food sector actually represents a powerful developmental boost for the European Union. The sector is a vital pillar of Ukraine's economy, particularly during the war, when the economy's strength is existential. Consequently, it's quite developed. Thus, achieving a successful, win-win integration strategy will require careful, nuanced navigation. Here, we present the most important arguments to clarify the complexities of integrating the Ukrainian agricultural sector.

Accession is a moving regulatory target, and that uncertainty carries a real cost. Upon accession, Ukraine will enter a European Union whose regulatory landscape is still evolving—and, because agricultural capital deployment requires decade-long planning horizons, wartime conditions impose even greater compliance costs due to structural uncertainty about future rules. When future regulations are ambiguous, private capital deployment inevitably slows. This dynamic is most visible in Ukraine's highly competitive poultry sector, where producers are forced to make capital-intensive decisions today without a clear roadmap on which animal welfare standards—such as the contested future of cage systems—the EU will ultimately mandate. Because Ukrainian agribusiness relies almost entirely on private capital, this ambiguity heightens financial risk and stalls modernization. Unlike previous enlargements, which offered candidates mostly static compliance targets, ongoing internal EU debates amid political turbulence and the development of the growth vector under geopolitical changes risk turning accession into a costly, moving target.

Sustainable integration depends less on any single sectoral rule than on the quality of governance beneath it. Institutional quality, regulatory capacity, and the rule of law ultimately dictate the success of convergence far more than compliance with any individual standard. Ukraine's dairy sector exemplifies the

critical gap between farm-level progress and full value-chain integration: despite severe wartime constraints, Ukrainian dairy farms have rapidly improved raw milk quality, lifting the share of EU-compliant output from 15% to over 50% of total raw milk sold for processing. Securing a stable export-market niche, however, requires technologically advanced processing to capture the full value of products—and these long-term processing investments are currently stifled by damaged infrastructure, wartime risk, and macroeconomic instability. As the Central European enlargements demonstrated, cultivating an environment where long-term investment is viable requires not just financial aid, but the structural predictability rooted in sound institutions.

Placing the full cost of convergence on Ukrainian producers is both economically inefficient and politically hazardous. Shifting the immense financial burden of technical, economic, and SPS convergence onto the private sector risks eroding its competitiveness and slowing growth, ultimately requiring even costlier interventions later. Previous integration rounds mitigated transition costs through dedicated, sector-specific pre-accession funds, such as SAPARD and IPARD, which explicitly underwrote farm modernization. Ukraine, by contrast, is attempting structural alignment in the midst of an existential war: capital is being decimated by destroyed energy grids and attacked ports, while domestic budgets are consumed by defense needs. Current aid tools, such as the Ukraine Facility and the €90 billion USL, are designed for broad macroeconomic stabilization and lack the targeted, sector-specific focus that comprehensive agricultural upgrades require.

This financial strain is compounded by an unprecedented asymmetry in the political economy. Lacking viable geopolitical alternatives, Ukraine possesses limited negotiating leverage, which often silences necessary domestic debates over how the future benefits of EU membership will be distributed. Yet Ukraine is not merely a prospective member state; it is a global agricultural heavyweight. Consider a 500-hectare grain producer in Chernihiv generating roughly €400,000 in annual revenue. This enterprise competes directly with agricultural giants from Russia, Brazil, and the US to supply affordable food to import-reliant markets in Mali, Burkina Faso, Egypt, and India. For such a producer, the economic logic of adopting stringent, high-cost EU rules—which will initially lower both productivity and profit—is not self-evident. Without a clearly defined economic payoff, the strategic calculation of what is gained from integration can quickly become a question of what is lost.

Beyond compliance costs, a competitive Ukrainian sector gives Europe the momentum to close its own productivity gaps. EU enlargement is not simply about SPS standards and animal welfare; it is a systemic catalyst that compels member states to address their documented productivity deficits. Evidence from even large-scale German arable farms suggests they could maintain current output while reducing inputs by a tenth, and a thirty-seven percent productivity gap has been documented between average Polish farms and best-practice producers. Integrating a highly competitive Ukrainian agricultural sector provides the momentum needed to push European farms to raise productivity and close internal efficiency gaps—ultimately delivering better, cheaper food to European families.

To unlock this mutual potential, Ukraine proposes a merit-based path that is economically rational, politically defensible, and fiscally neutral—a gradual transition from a logic of partnership to one of future membership. Ukrainian producers demonstrating full compliance with European standards—on-field pesticide management, traceability, and animal welfare—should be granted permanent, predictable access to the single market ahead of de jure accession. This would give Ukrainian agribusiness the return on capital needed to self-finance modernization without over-relying on public subsidies. Concurrently, it would lower costs for European processors, incentivize productivity gains among current EU farmers, and fortify a globally integrated European agri-food system capable of projecting influence into geopolitically volatile regions.