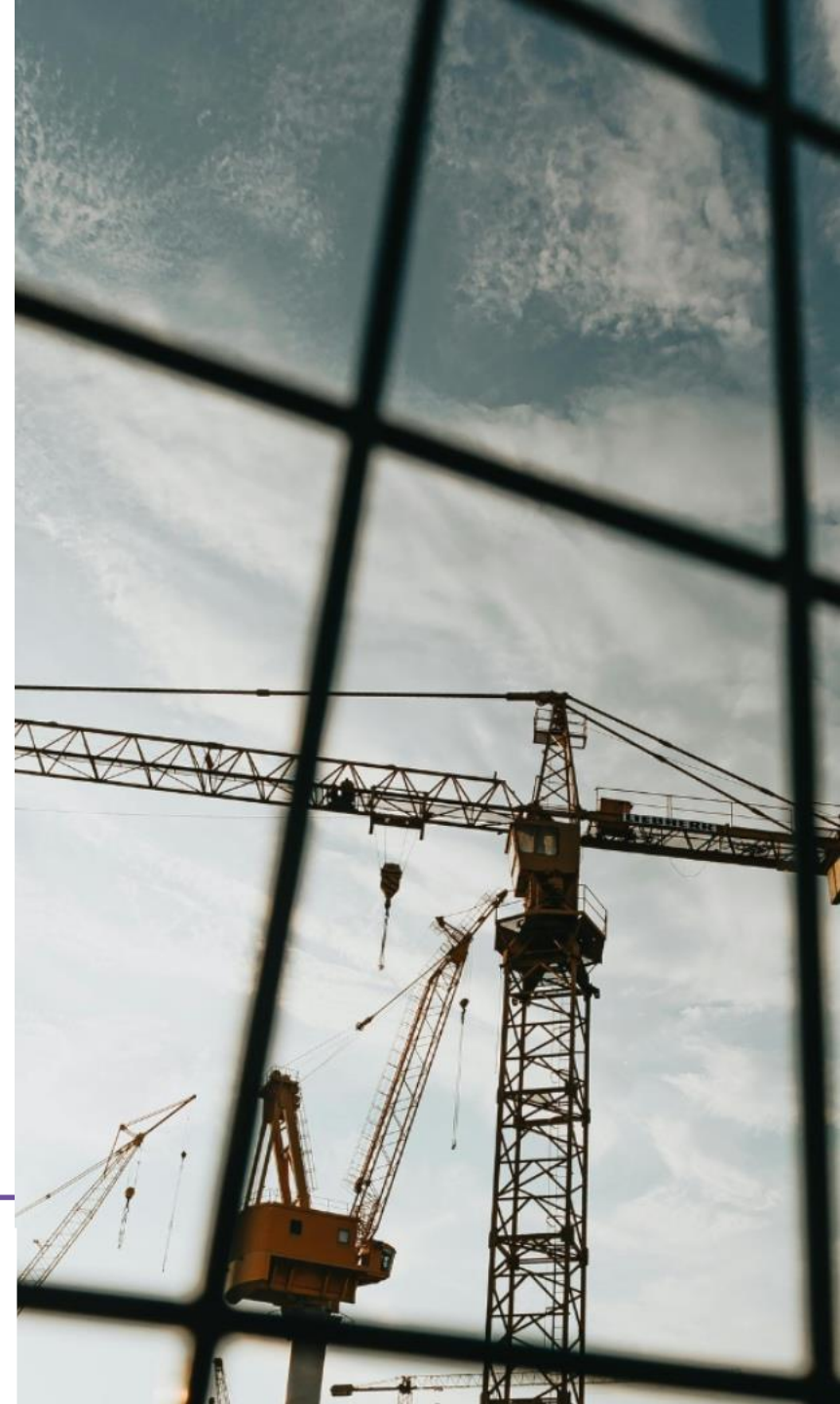


Public investment watchdog

#2, March 2026

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Executive summary

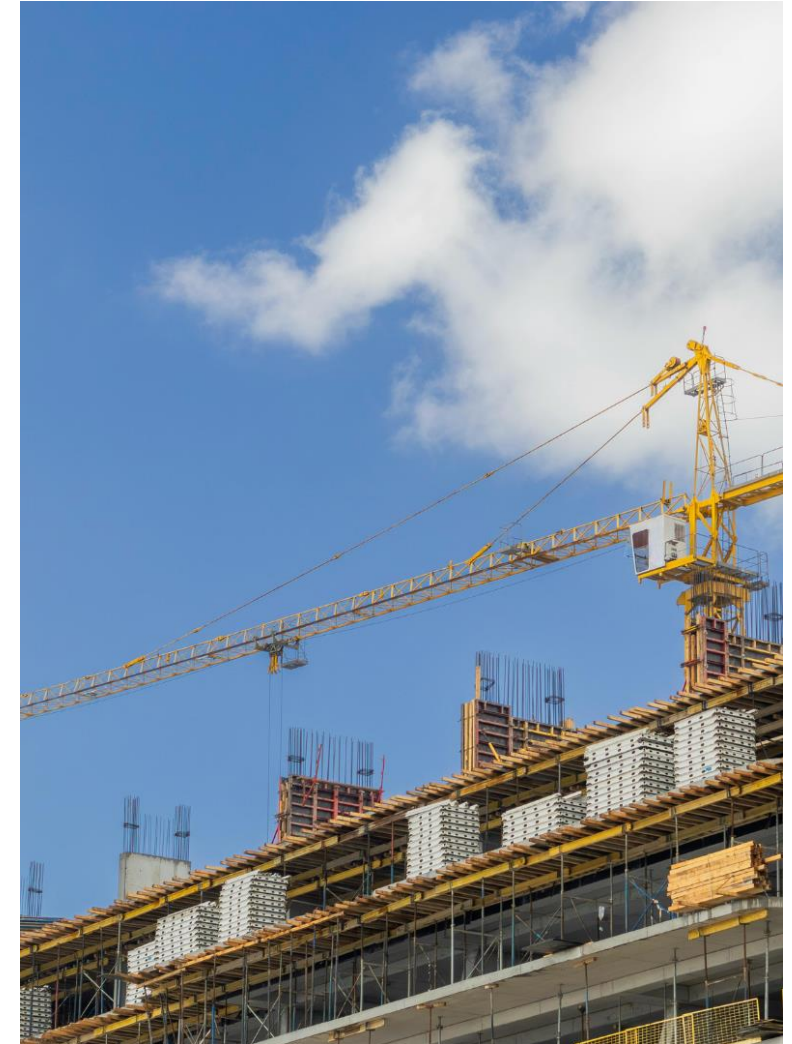
- The reform of the public investment management system is ongoing. To standardise the framework for developing sectoral strategies and define the purpose of this exercise, the government has adopted guidelines for their preparation. The document links each investment to a sectoral development plan (education, healthcare, energy, etc.) to prevent haphazard funding of public investments.
- As part of its regular quarterly review, the Strategic Investment Council has updated the State Investment Plan: 20 projects have been added. Priority is given to the energy sector, which is critical to the functioning of the economy and which suffered significantly from Russian drone and missile strikes in early 2026.
- The Ministry of Education and Science is allocating the subsidy for the New Ukrainian School (NUS) in line with new approaches to public finance management. Funding is available only to those communities where the Strategic Investment Programme (SIP) and the National Investment Plan (NIP) include relevant areas and public investment projects.
- In February 2026, the number and value of construction contracts, which indirectly reflect the implementation of public investment, were lower than last year. This likely reflects both cost-saving measures in the state and local budgets amid uncertainty regarding the receipt of international funding in 2026, and certain delays in launching new projects under public investment management rules. The main procurement areas in February were energy infrastructure protection, repairs to schools and hospitals, and urban improvements. The highest number and value of construction procurement in January were recorded in the Kyiv, Dnipropetrovsk and Kharkiv regions.

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Steps towards reforming the public investment management system



The reform of the public investment management system is ongoing

- ✓ The government has approved [the Procedure](#) for the development, monitoring and evaluation of the results of implementing strategies that form the basis for investment proposals (Resolution No. 361 on sectoral strategies, 25 March). This is a key document linking every investment to a sectoral development plan (education, energy, etc.), thereby preventing haphazard funding. This means that from now on, no project can receive budgetary funding unless it aligns with a clear sectoral strategy (for example, in education or transport), thereby preventing the emergence of random projects.

The new resolution has finally linked three elements: sectoral strategy, the Medium-Term Investment Plan and the State Budget. This means that ministries are now obliged to demonstrate the effectiveness of each project by monitoring results, rather than simply reporting on 'funds utilised'.

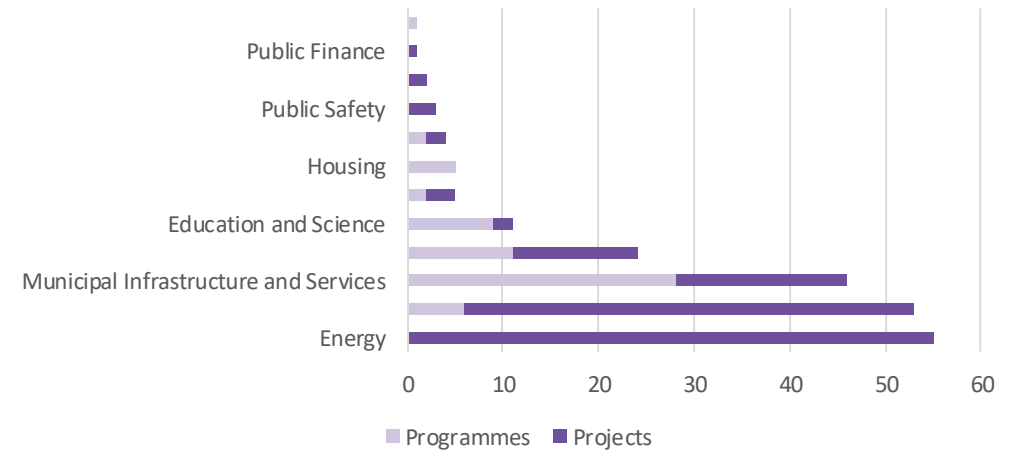
The procedure is in line with the commitments set out in the IMF Programme. By the end of 2026, the government must update sectoral strategies to incorporate new approaches to public investment management.

The state's Unified Project Portfolio (UPP) has been updated, and work is ongoing to update the local authorities' UPPs

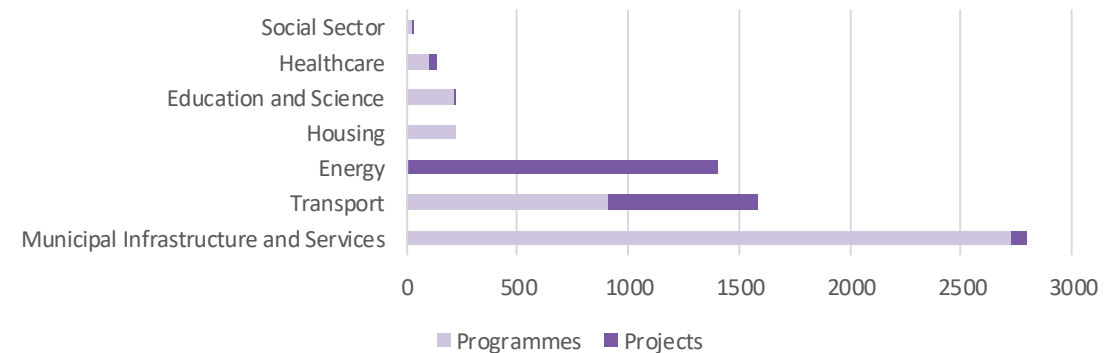


- ✓ In accordance with the rules governing public investment, the UPP is updated on a quarterly basis.
- ✓ In March, [the Strategic Investment Council added](#) 20 new projects (18 individual projects and 2 large-scale programmes) to the UPP. Energy becomes a priority in the updated UPP:
 - Energy: 8 projects worth 118.2 billion UAH;
 - Municipal infrastructure: 2 projects worth 4.6 billion UAH;
 - Transport: 3 projects worth 2.2 billion UAH;
 - Healthcare: 2 projects worth 2.2 billion UAH;
 - Education and science: 2 programmes worth 88.4 billion UAH;
 - Environment: 3 projects worth 153.8 million UAH.
- ✓ The UPP now comprises 146 projects and 64 programmes.

Number of projects and programmes of the UPP of the state



Approximate cost of the state's UPP projects and programmes, billions UAH



Allocation of the New Ukrainian School grant under the new rules in 2026

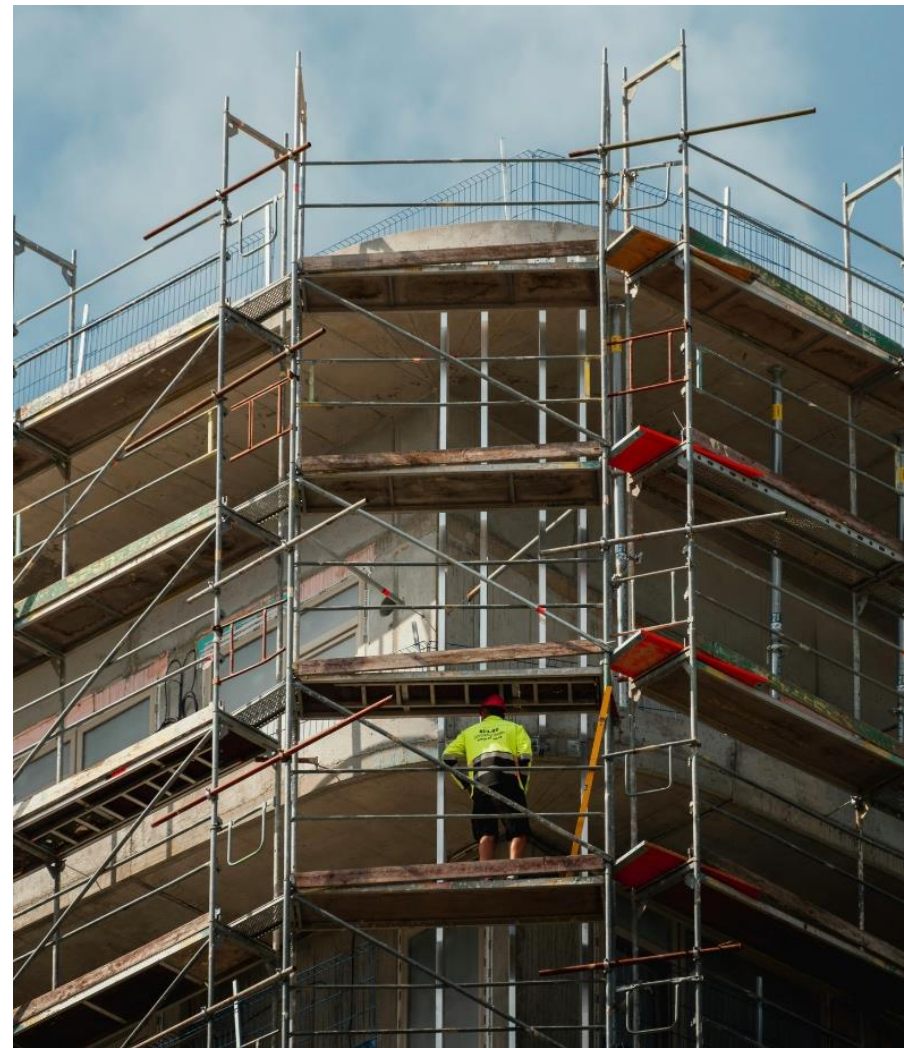


- ✓ In 2026, the Ukrainian Government will allocate 3 billion hryvnias in subsidies to implement the 'New Ukrainian School' (NUS) reform, funding the modernisation of educational facilities, the procurement of equipment and teacher training.
- ✓ **Funding priorities:** The purchase of modern teaching aids, multimedia and computer equipment for classrooms, furniture, as well as the implementation of projects in the field of pre-school education and the purchase of school buses.
- ✓ **Distribution specifics:** Funds are allocated under new rules, whereby NUS expenditure is treated as public investment, and local authorities are required to provide co-financing. All relevant projects must be registered on **DREAM**.
- ✓ [Regional](#) and Kyiv City State Administrations (currently military administrations) draw up lists of public investment projects planned for funding through the subvention and conduct a preliminary review of such projects for compliance with the areas, criteria, and funding volumes.
- ✓ The Ministry of Education and Science of Ukraine conducts a sectoral assessment of projects for compliance with the main areas of public investment. Subject to confirmation of compliance, the Ministry ensures the inclusion of such projects in the state's sectoral project portfolio and provides further support for their implementation within the framework of the Programme.
- ✓ To participate in the allocation of the subvention, communities were required to have relevant projects in their UPPs that correspond to their Strategic Development Plans.
 - At the same time, a number of local authorities have not identified the relevant areas in their Strategic Development Plans (SDPs) and are therefore not eligible for the allocation of the grant at present (SDPs can only be updated once a year – the next review is scheduled for July–August 2026)
 - A number of local authorities have not included the relevant public investment projects in their UPPs, but can add them right now during the regular quarterly update of the UPPs.



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Analysis of Reconstruction Procurement as of February 2026*

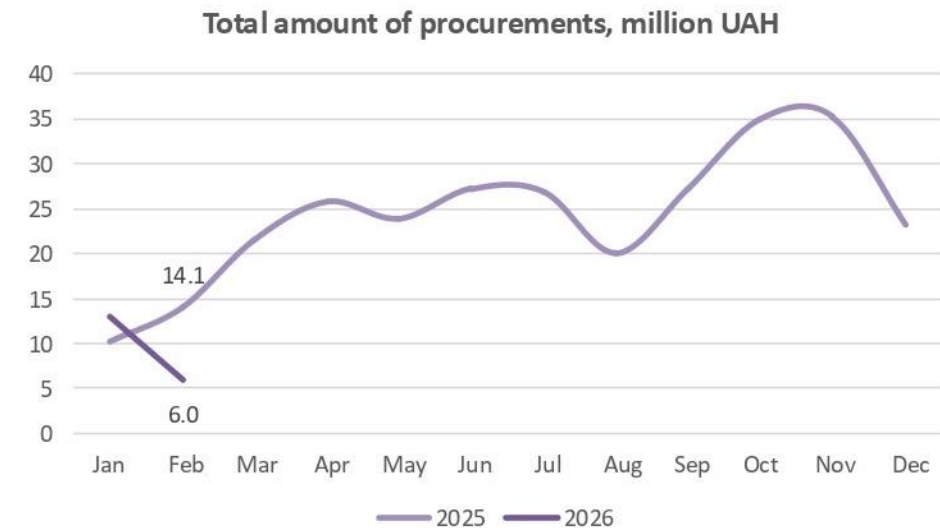


*operative data, subject to specification

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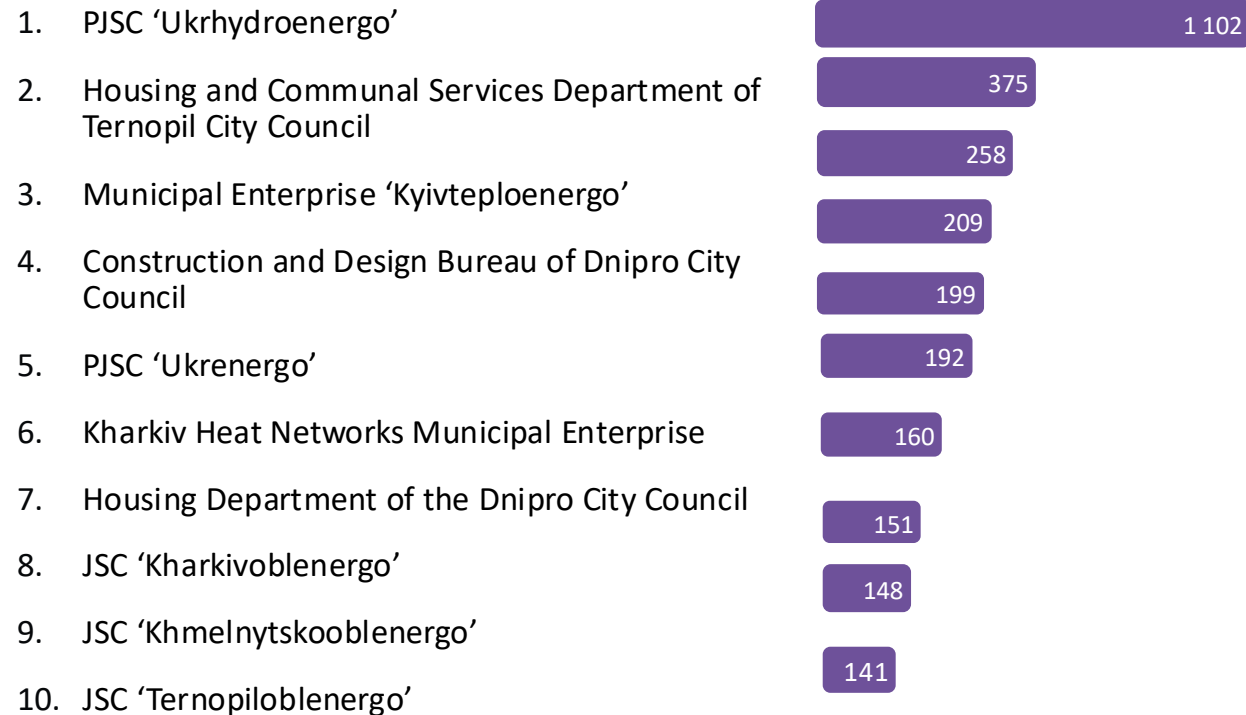
The amount of construction procurement* has fallen by a third, whilst their total value dropped by almost 60% compared with February 2025

- The vast majority of procurements announced in February 2026 have already been completed – 5,000 (85%). A further 8% are still ongoing, 6% have not taken place, and 1% have been cancelled.
- The number of procurements in February 2026 is 30% lower than a year ago, and the total value is 57% lower y-o-y. Traditionally, procurement is somewhat limited at the start of the year and increases in the following months. At the same time, this may reflect both savings in state and local budgets amid uncertainty regarding the receipt of international funding in 2026. It also showcases certain delays in the launch of new projects under public investment management rules.
- The largest completed procurement in February 2026 was the project to construct a protective structure for the transformer at the Kremenchuk HPP, worth 1 billion UAH. The work is being carried out by Adamant Construction Company LLC.
- The largest contracting authority in February 2026 was PJSC 'Ukrhydroenergo', involved in organising procurement for 10 projects totalling 1.1 billion UAH. The Housing and Communal Services Department of the Ternopil City Council was the second-largest contracting authority, with a total value of 0.4 billion UAH, notably for the purpose of renovating areas in the city of Ternopil.



The largest developers accounted for half of the completed construction projects* in February

Top 10 organisers (in millions of UAH)



Share of the top 10 in total procurements

49%

Top 10 contractors (in millions of UAH)



Share of the top 10 in total procurements

39%

Energy, social infrastructure and urban development – key procurement contracts* for February



No	Procurement subject	Organiser	Winner	Procurement value, million UAH
1	Construction of a protective structure for the transformer at the Kremenchuk Hydroelectric Power Station	Prikarpattiaoblenergo JSC	Adamant Construction Company Ltd	998
2	Routine repair of road surfaces and urban improvements in Ternopil	Housing and Communal Services Department of Ternopil City Council	Techno-Bud-Centre Ltd	302
3	Reconstruction of the hospital's therapeutic wing in Dnipro	Construction and Design Bureau of Dnipro City Council	Starbudcontract Ltd	209
4	Construction of a kindergarten in the village of Hatne	Hatne Village Council (Kyiv Oblast)	Bud Project Construction Company Ltd	126
5	Electrical installation works during the reconstruction of a substation in Khmelnytskyi	JSC 'Khmelnytskooblenergo'	Energygroup LLC	104
6	Restoration of the structural and electrical engineering components at the reconstruction site at the Eastern TUOM substation	PJSC 'NPC 'Ukrenergo'	Horos LLC	100
7	Connection of a solar power plant (SPP) in Zakarpattia Oblast	PJSC 'Zakarpattiaoblenergo'	Energo-Bud-Montazh LLC	80
8	Reconstruction of a heat supply facility in Kharkiv	Municipal Enterprise 'Kharkiv Heat Networks'	Slobozhanska Construction Company Sargon LLC	70
9	Reconstruction of the 'Hlyboka' substation (electrical installation works and installation of metering systems), Chernivtsi Oblast	JSC 'Chernivtsioblenergo'	Production Enterprise Elektroservice LLC	62
10	Major refurbishment of a school in Kryvyi Rih	Department of Construction and Architecture of the Dnipropetrovsk Regional State Administration	Spetsbudmontazh-21 Private Enterprise	60

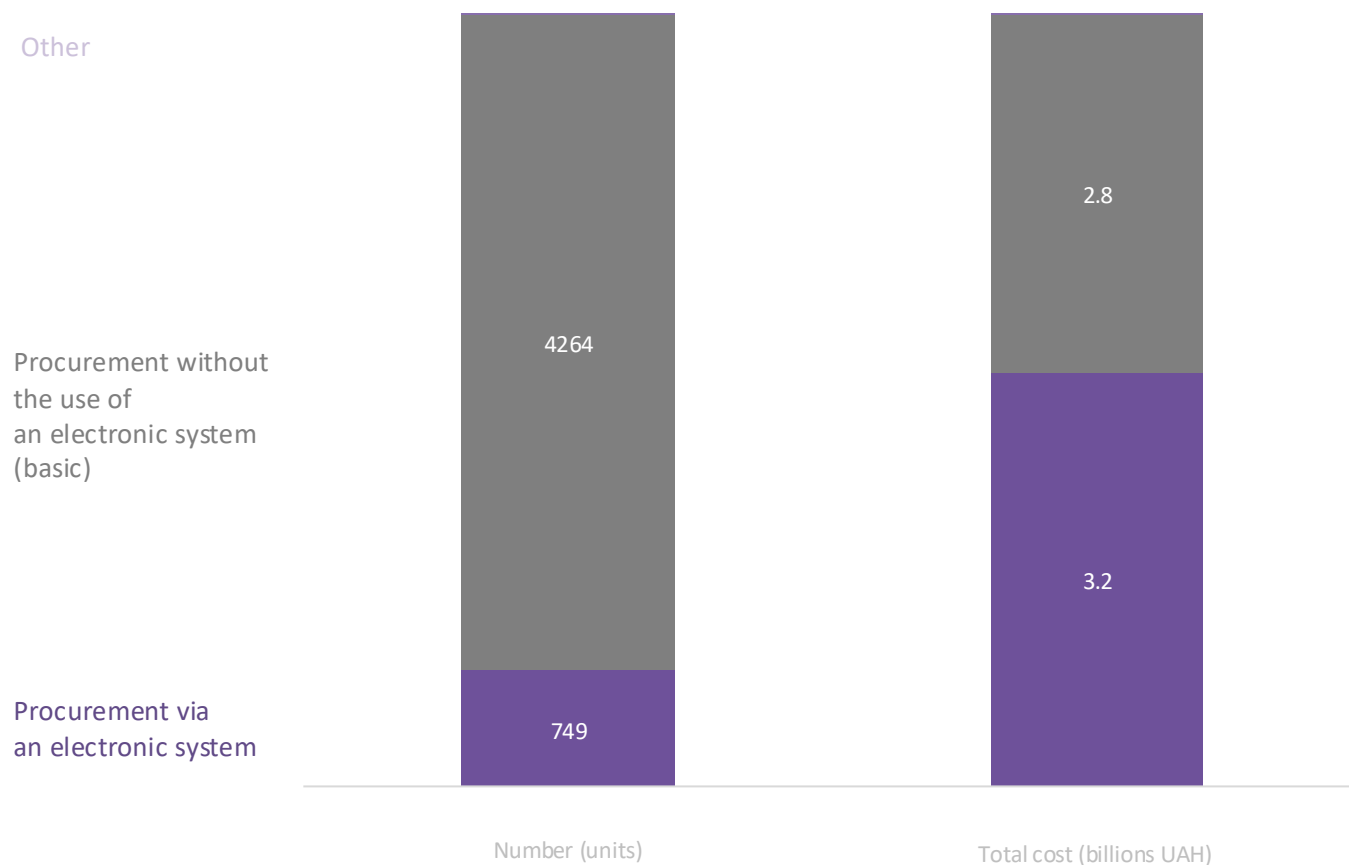
Source: [Bi Prozorro](https://bi.prozorro.org.ua)

*procurement for construction work and routine maintenance

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In February, procurements* made via the electronic system accounted for the majority of total value

Usage of the electronic system in January 2026

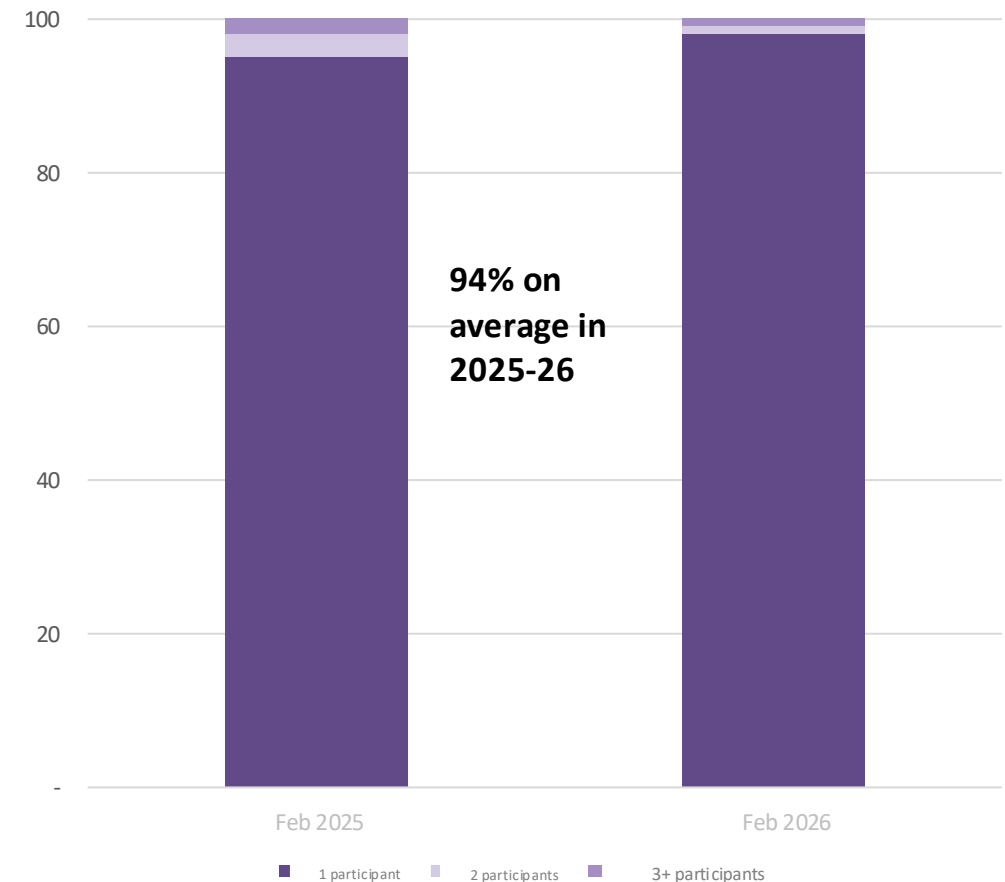


- The electronic system was used for only 749 completed procurements (15% of all completed procurements) worth 3.2 billion UAH (54% of all procurements) in January 2026.
- 85% of completed procurements in February took place outside the electronic system, accounting for 46% of the total value.

The vast majority of procurements* are single-supplier ones

- **In February, almost all procurement contracts were awarded to a single bidder** (98% of all completed contracts, accounting for 94.7% of the total procurement value). This is higher than the average for 2025–26.
- **The use of the electronic system improves competition: in January–February 2026**, the share of completed construction procurements involving a single participant accounted for 85.5% of the number of procurements and 79.3% of the total procurement value.
- **Competition significantly improves prices: in February, there were 3 procurements involving 5 bidders** (the cost of procurements fell by 26% compared to the expected cost) and 9 procurements involving 4 bidders (the cost of procurements fell by an average of 18% from the expected cost).

Proportion of procurements by number of participants, %



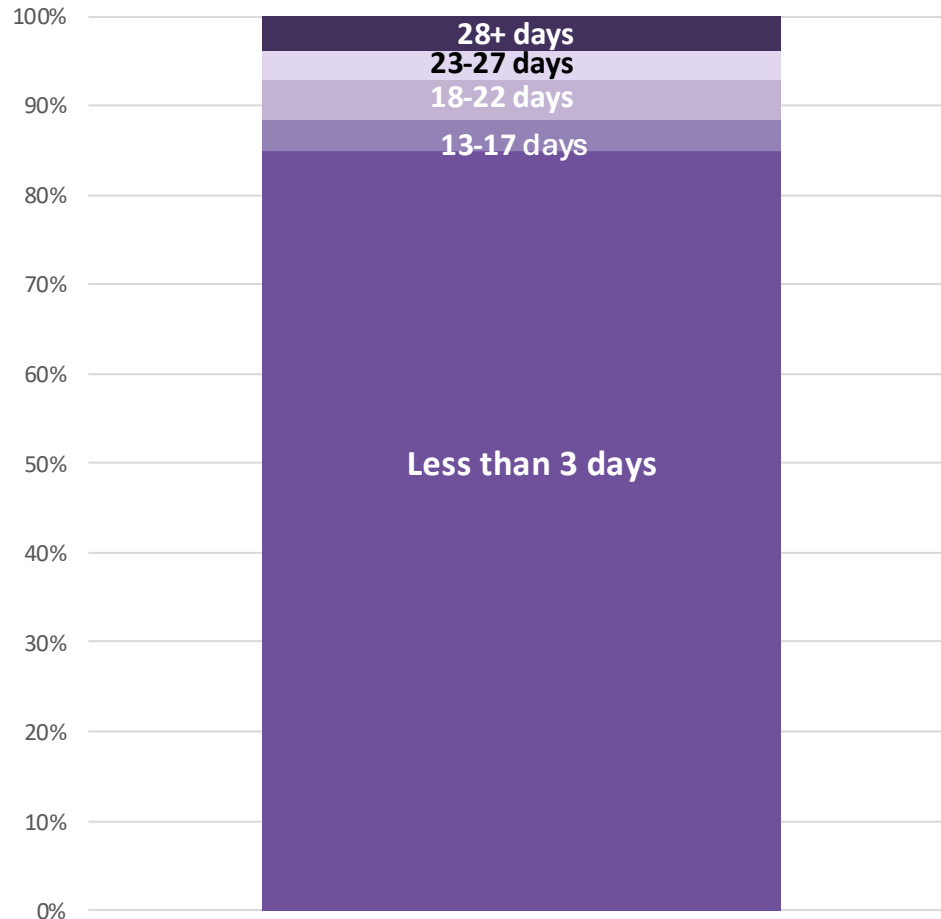
In the procurements* with the highest number of participants the price fell significantly



No	Procurement object	Organiser	Winner	Cost, in millions of UAH (expected/actual)		Bidders
All procurements						
1	Routine road maintenance on Shevchenko Street in Boyarka, Kyiv Oblast	Boyarske Main Housing and Utilities Production Municipal Enterprise of the Boyarka City Council	TMP Transbud Ltd	2.2 / 1.6	(-29%)	10
2	Routine road maintenance on Nezalezhnosti Street in Boyarka, Kyiv Oblast	Boyarske Main Housing and Utilities Production Municipal Enterprise of the Boyarka City Council	Prometey Sole Trader	1.3 / 1.0	(-26%)	9
3	Routine road maintenance on Hrushevsky Street in Boyarka, Kyiv Oblast	Boyarske Main Housing and Utilities Production Municipal Enterprise of the Boyarka City Council	Prometey Sole Trader	0.8 / 0.5	(-34%)	9
Procurements amounting for more than 20 million UAH						
1	Routine maintenance of insulation in the heating networks of JSC ‘KTC’	JSC ‘Kryvyi Rih Heating Plant’	Miralex Ltd	25.2 / 21.1	(-16%)	4
2	Refurbishment of the power supply system at the administrative building, Kyiv	State Special Communications Service of Ukraine	PCB-PROJECT Sole Trader	27.2 / 25.7	(-5%)	3
3	Refurbishment of the substation, Ternopil	JSC ‘Ternopiloblenergo’	Climate Technologies and Systems Automation Ltd	51.9 / 50.0	(-4%)	2

Most procurements* are processed fairly quickly, usually within 3 days

Proportion of construction procurement by duration (in days), %

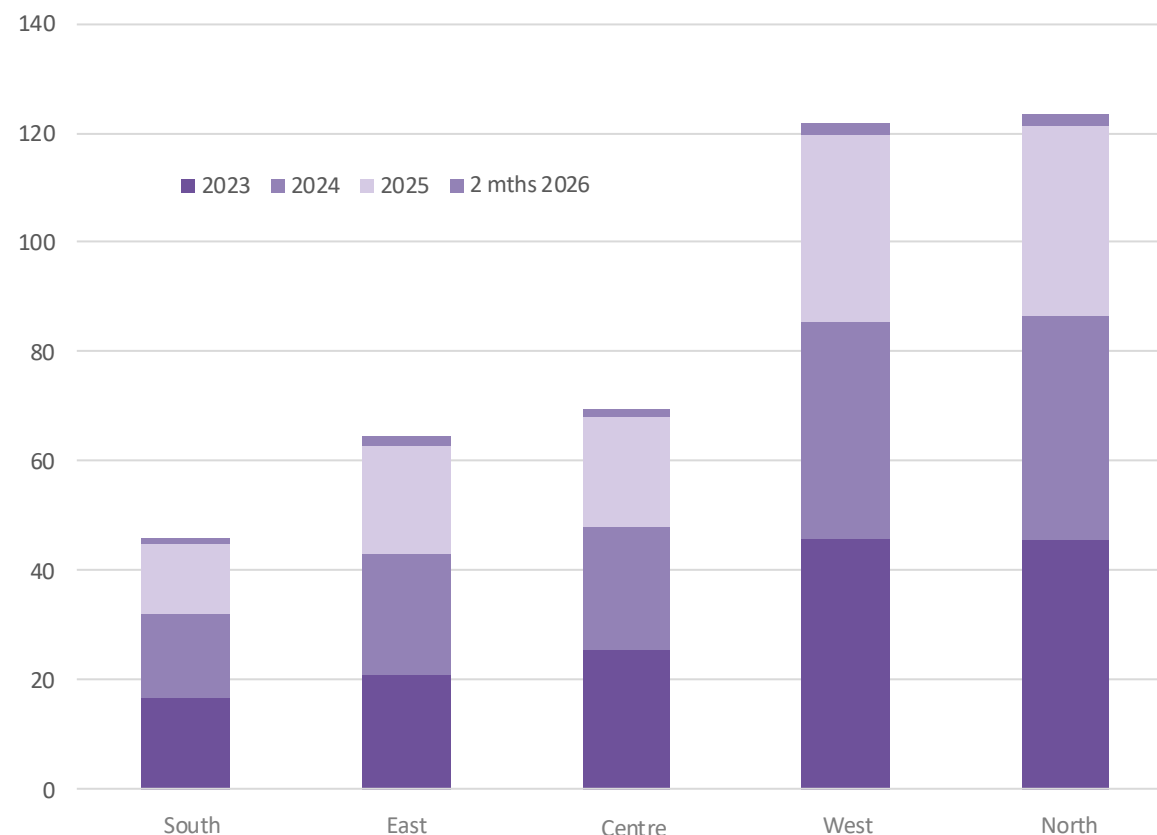


- In February, around 85% of construction procurement tenders lasted less than three days from the announcement of the procurement to the signing of the contract. Whilst this is insufficient to ensure a high level of competition in the tenders, the reduced procurement timeframe is in line with the simplified procedure in place during the period of martial law.

Procurements* in frontline regions are virtually non-existent

- The highest number of completed construction procurement contracts in February was recorded in the Kyiv, Dnipropetrovsk and Kharkiv regions (38% of all completed construction procurement contracts). The lowest number was recorded in the Kherson and Donetsk regions. There were no construction procurement contracts in the Luhansk region in February. Overall, the northern and western regions have dominated in terms of the number of procurements in recent years due to the effects of the war.
- The largest procurements by value also took place in the Kyiv, Dnipropetrovsk and Kharkiv regions (55% of the total value of all completed construction procurements). The smallest procurements by value took place in the Kherson, Khmelnytskyi and Chernihiv regions (0.7%).
- In frontline regions, procurement is concentrated in a small number of individual projects. For instance, more than half of the total value of procurement in Zaporizhzhia Oblast is concentrated in the construction of a radiation shelter for an educational institution in the city of Zaporizhzhia, funded by the Ukraine Facility. In the Donetsk region, more than half of the value of construction procurement is concentrated in two projects, specifically the construction of a ventilation shaft at the 'Novodonetsk' mine – the only mine currently operating in the government-controlled part of the Donetsk region.

Number of construction procurements by macro-regions**, thousands



** South: Autonomous Republic of Crimea, Zaporizhzhia, Mykolaiv, Odesa and Kherson regions

North: Zhytomyr, Kyiv (including the city of Kyiv), Sumy and Chernihiv regions

West: Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytskyi and Chernivtsi regions

East: Dnipropetrovsk, Donetsk, Luhansk and Kharkiv regions

Centre: Vinnytsia, Kirovohrad, Poltava and Cherkasy regions



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Annex

Annex 1. Procurements* using the electronic system

Number of participants in January	Number and % of purchases in January–February		Amount (billion) and % of purchases in January–February		Number and % of purchases in January		Amount (billion) and % of purchases in January	
1 participant	1177	85.5	11.2	79.3	658	87.7	2.9	90.1
2 participants	140	10.2	1.7	12.1	63	8.4	0.2	7.0
3 participants	30	2.2	1.0	7.1	14	1.9	0.05	1.4
4 participants	17	1.2	0.05	0.3	9	1.2	0.04	1.2
5 participants	8	0.6	0.2	1.1	3	0.4	0.0	0.1
6 participants	1	0.1	0.0	0.0	0	0.0	0.0	0.0
7-17 participants	4	0.3	0.01	0.0	3	0.4	0.0	0.1
Total number of completed procurement procedures using the electronic system	1377	100.0	14.1	100.0	750	100.0	3.2	100.0

Thank you for your attention!

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