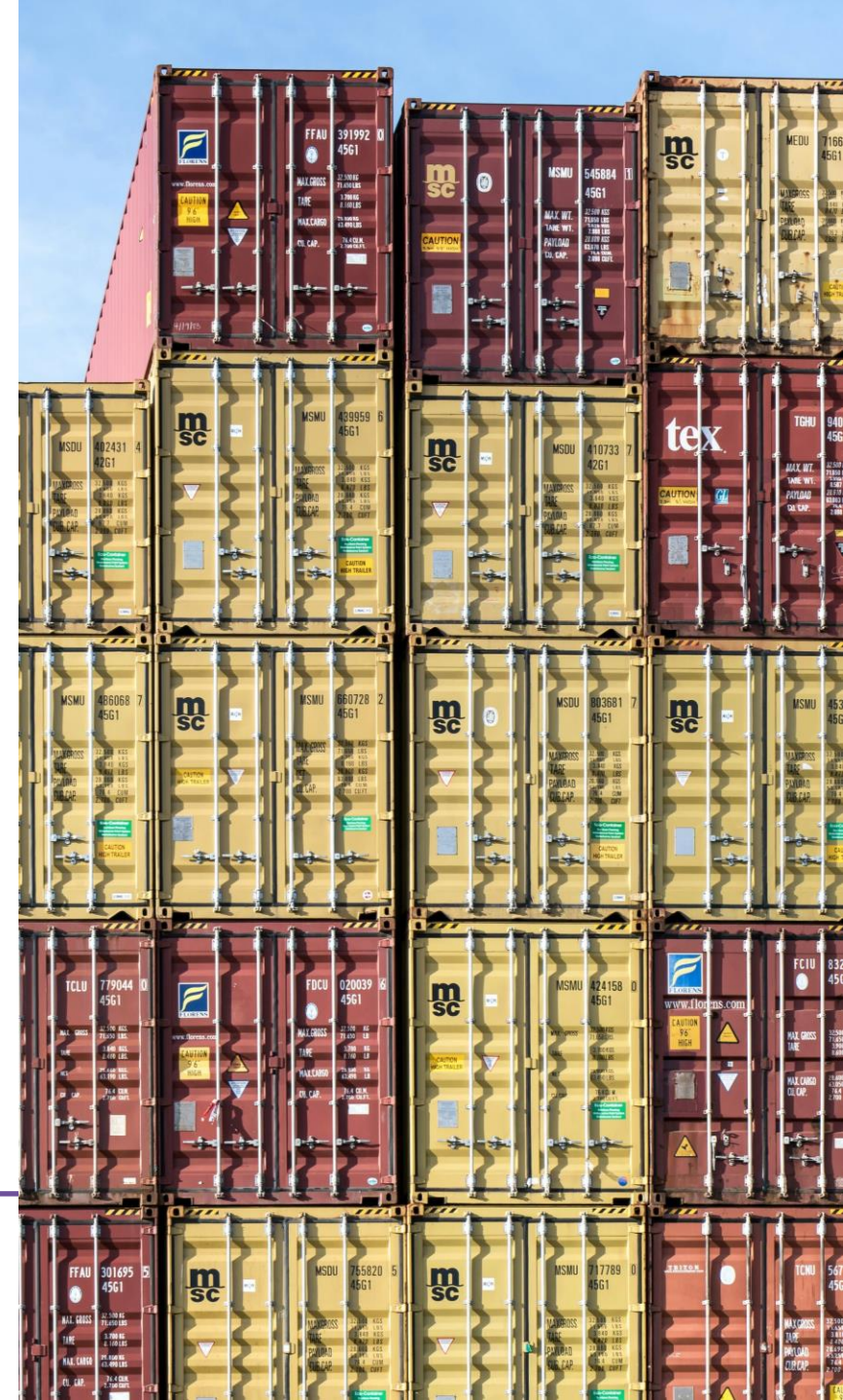


Public investment watchdog

#3, April 2026

brp.org.ua



Funded by
the European Union



CENTRE
FOR ECONOMIC
STRATEGY



INSTITUTE
FOR ECONOMIC RESEARCH
AND POLICY CONSULTING

TECHNOLOGY
OF PROGRESS



Executive summary

- The government will review sectoral strategies – these should include approaches to public investment management (PIM). However, it is not yet clear which strategies will be reviewed, and how. Best case scenario, the relevant methodology will be approved in May.
- The government launched programmes for project preparation (Project Preparation Facilities — PPFs). The idea is that they will allow for ideas to be transformed into structured projects, ready for financing by international standards.
- The EU is preparing to fundamentally change the principles of regional policy. In order to receive access to structural funds and financing for postwar reconstruction, Ukraine must learn to play by the rules set by the EU: to reform project selection, as well as procurement and planning of public investment.
- Since the beginning of 2026, the number and value of construction procurement contracts remain substantially lower than last year (35% lower by value and 22% lower by number in Q1 2026). This can mostly be explained by a retrenchment of government spending under the conditions of uncertainty regarding outside financing. The implementation of the public investment management reform may have also partially slowed capital spending: in previous years, budgetary allocation was sufficient to receive funds, but from 2026, all projects must be registered in the DREAM system, meet strategic priorities, and receive an affirmative decision according to relevant procedures. Since not all participants have prepared quality projects in a timely manner, their approval and consequently, funds allocation and project realisation are delayed.
- In March 2026, the main procurement areas were energy infrastructure restoration and protection, as well as road repair given their state after the difficult weather conditions this winter. The highest number of construction procurement initiators were recorded in the Kyiv, Dnipropetrovsk and Kharkiv regions.

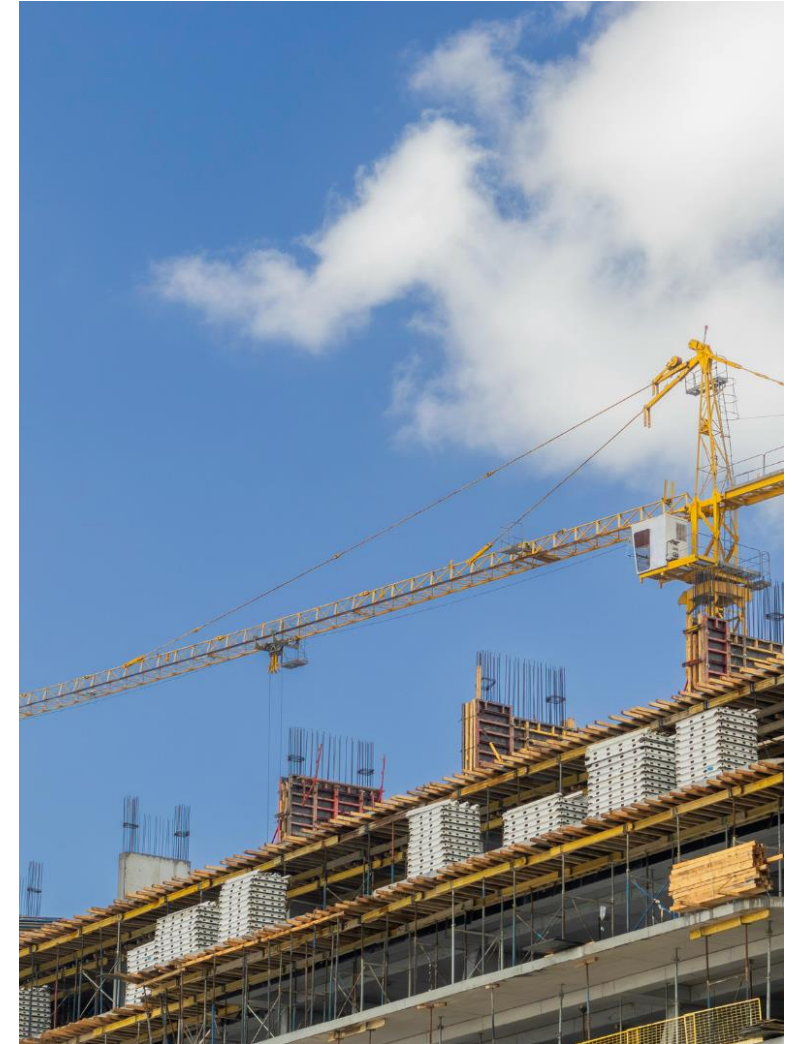
Contents

News regarding the reform of public investment management

Is Ukraine prepared to play by the EU's rules?

Analysis of reconstruction procurement

Appendix





Funded by
the European Union

News regarding the reform of public investment management



In May, ministries will begin updating sectoral strategies to account for PIM approaches



The Cabinet of Ministers of Ukraine is launching a review of sectoral strategies*. Within these, ministries must account for approaches to public investment management. These strategies were supposed to have been approved by the end of 2025 (as a structural beacon of the previous IMF Programme), but the deadline was postponed to the end of 2026.

For the strategies' review, ministries need to rely on methodological recommendations** that do not yet exist – in the best-case scenario, they will be developed in May. The strategic investment council must first determine which strategies specifically need to be reviewed in May. Following this, ministries can begin updating them. It is important to avoid delays at each stage of the process and for the ministries to understand the new approaches to public investment management.

New approaches are supposed to help improve the quality of strategic planning, coordination of state priorities with resources, as well as the performance of investment decisions.

*[Action plan on ensuring unified approaches](#) to the development, monitoring and results evaluation of the realisation of sectoral strategies, that are the foundation for the formation of proposals regarding public investment

** Methodological recommendations on the development, monitoring and results evaluation of sectoral strategies

Unified procedures for the selection of public investment projects will contribute to higher effectiveness



The Ministry of Economy is implementing unified procedures for the selection of public investment projects on the national, regional, and local levels, and is ensuring their coordination with the reconstruction priorities.

Key aspects for project realisation:

- **Digitalisation of processes:** Mandatory use of the DREAM ecosystem (until the launch of the Unified Information System, UIS) for the submittal, selection, and reporting of projects, which ensures full monitoring transparency.
- **Mechanism for support allocation:** Implementation of the “form for needs assessment” for the reception of technical support from international partners and IFIs during the documentation preparation stage.
- **Reporting system:** Implementation of mandatory monitoring of project preparation progress twice a year, which enables to quickly detect and remove barriers in their realisation.

The provision of the Order* that DREAM will function until the launch of the UIS **remains an open issue** since it creates uncertainty regarding the future role of DREAM. The distinction in the functions of UIS and DREAM as well as whether DREAM can be transformed into UIS also require clarification. Moreover, the body responsible for UIS is not selected, since the Cabinet of Ministers is still working on the concept of the responsible authority.

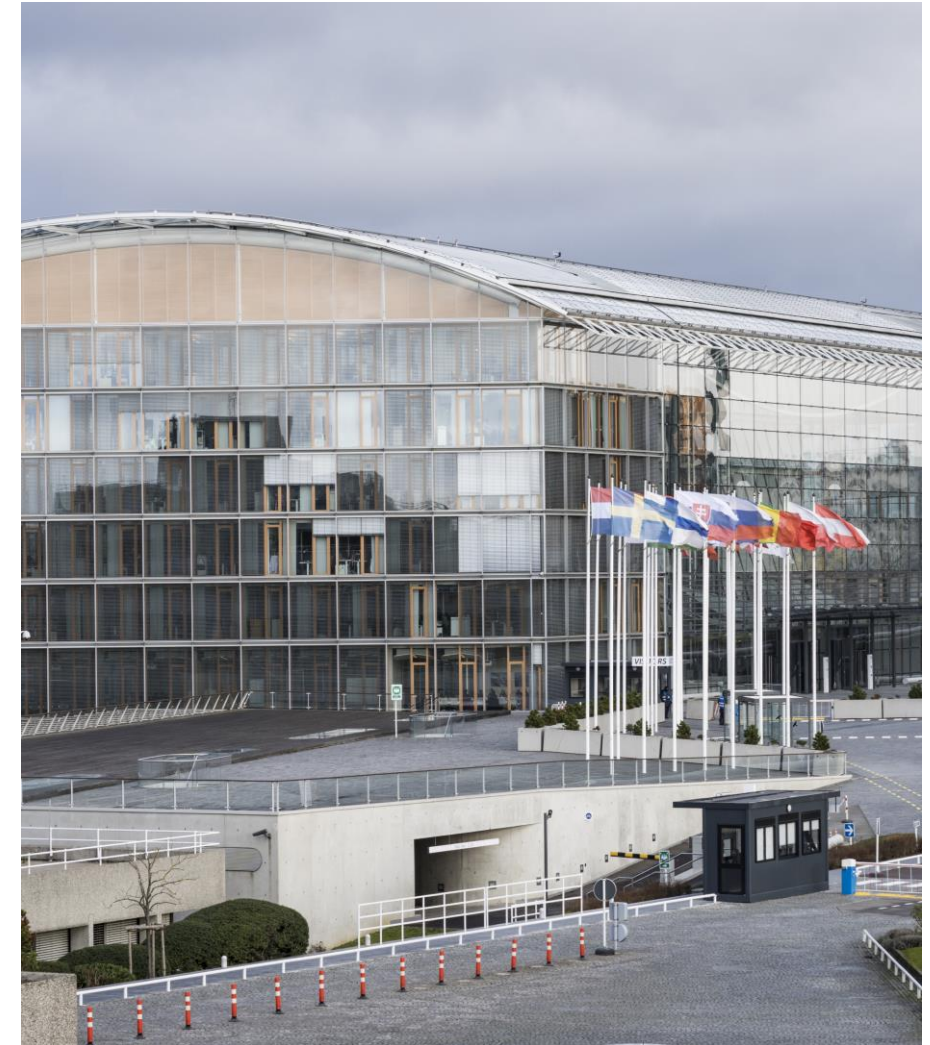
*Procedural recommendations, implementing new standards of organisation and monitoring of public investment, [Order №4901 dated 10 April 2026](#).

The government strengthens quality improvement mechanisms for the preparation of public investment projects

The government and the European Investment Bank (EIB) launch “Ukraine FIRST”, a special programme for advisory support in project preparation (Project Preparation Facilities, PPFs). PPFs are supposed to help initiators to transform infrastructural ideas into structured projects, ready for financing by international standards (bankable projects). The first pilot project will be the modernisation of the strategic motorway M15 (Odesa-Reni).

Ministries have already started* the practical phase of preparation by international standards of priority projects from the Single Project Pipeline (SPP). 6 strategic projects in the transport, energy, and municipal infrastructure sectors have already been assigned to the support programmes Ukraine Government PPF та Ukraine FIRST. 7 more projects (transport, environment, energy) will be up for review of PPF in the nearest future.

*According to the [decision of Inter-agency working group](#) (IAWG) dated 24 April 2026



DREAM platform statistics

Period	Number of investment directions, u.	Number of subsectors, u.	Financial necessity, UAH	Factual spending on realisation, UAH
As of end of February 2026 – local administrations	15 101	92	5,84 tn	3,24 tn
As of end of April 2026 – local administrations	15 995	92	6,10 tn	3,26 tn

As of end of April 2026, the following are available in the DREAM system :

Medium-term Plan of Priority Public Investment (MTP):

- ✓ 23 MTPs of RMA (regional military administrations)
- ✓ 1 015 MTPs of local administrations

Single Project Pipeline (SPP):

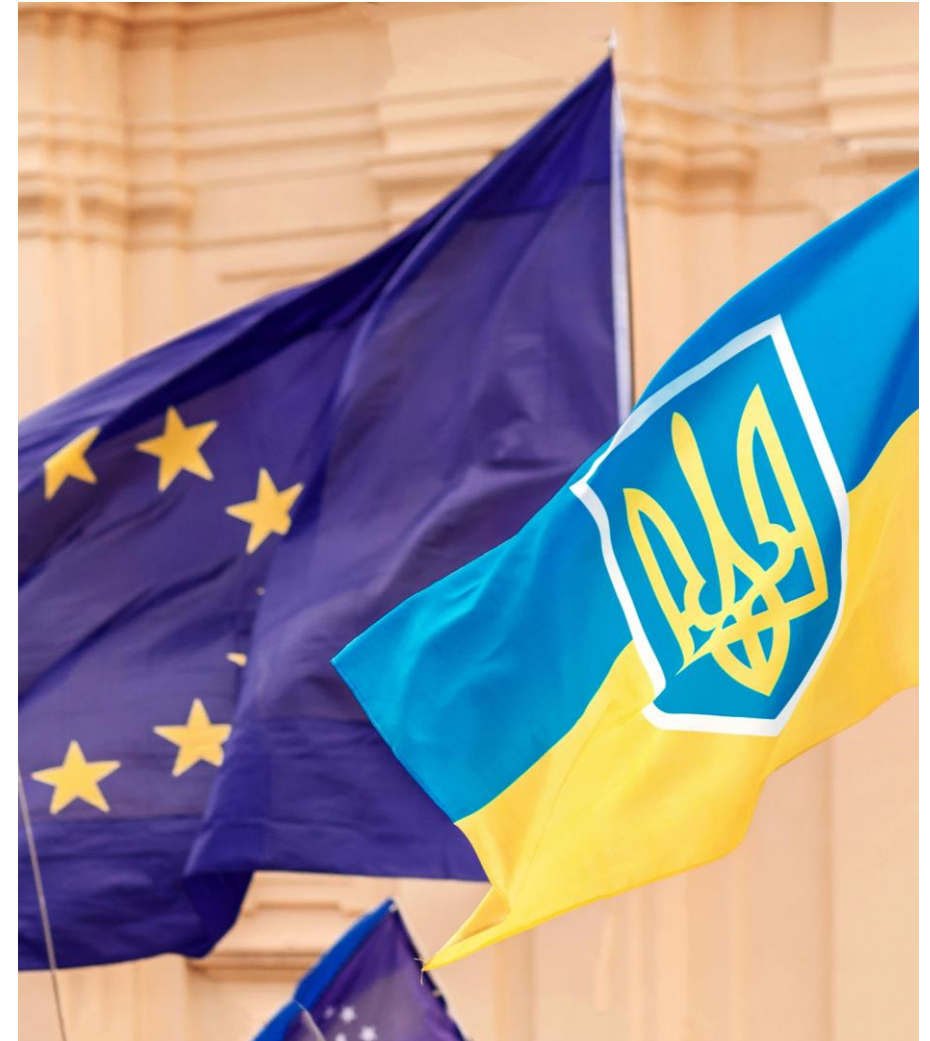
- ✓ 23 SPPs of RMA
- ✓ 989 SPPs of local administrations

- In March, local administrations made changes to their SPPs. Importantly, institutional capacity remains extremely unequal, with local administrations reporting a lack of staff and necessary knowledge to complete the difficult technical and economic justifications, specifically regarding financial modelling, spending and earning analysis, and assessment of the effect on the environment. There is no mechanism for the preparation of small projects through a simplified system.
- At the national level, there are 146 projects and 65 programmes in the SPP. At the 17th meeting of the Strategic investment council in April, the Ministry of Development's new programme "Restoration of public motorways of national importance" was included in the state's SPP (reminder that changes to the SPP can only be made once a quarter).



Funded by
the European Union

Is Ukraine prepared to play by the EU's rules?



The European Commission proposes to fundamentally change the approach to regional policy



Cohesion Funds are implemented through PIM, which is the main channel for EU investment in regions. The transition to the NRPP changes the logic of PIM: moving from decentralised programmes toward more centralised management through national plans.

~€1,76 tn EU Budget 2028–2034 (European Commission proposal, July 2025)	€771 tn For NRPP – National and Regional Partnership Plans, which are supposed to replace 4 programmes (including common agricultural policy and cohesion funds)	€100 tn May be mobilised for Ukraine in 2028-2034 beyond the budget ceiling	Negotiations The EU has not yet reached an agreement. Deadline: end of 2026
--	---	--	--

CAPACITY	€100 bn beyond the budget ceiling (excluding cohesion policy funds). Support for Ukraine is planned separately, through the “Global Europe” instrument.
RISK	The new model is more dependent on national priorities and reform completion, which reduces the predictability of financing for new members. Ukraine may receive less than new member states had received in the past.
NEW	National and regional partner plans instead of operation programmes mean stronger central government mandate. Better coordination needed at the national level.
UNKNOWN	EU Parliament rejected fund merger. Final structure is unknown. Negotiations are ongoing.

How to increase the chances of financing from EU funds?

PIM element in the EU	The conditions in Ukraine	The key challenge
Construction Products Regulation (CPR)	A new regulatory framework introduced through changes to the Budget Code and Cabinet of Ministers resolutions on PIM	The framework is not yet fully development
Electronic system management	Mandatory use of DREAM for the whole investment cycle and monitoring	Technical difficulties working with DREAM, which is still being updated
Partnership principle	Involvement of the civil society is declared as important for strategizing and monitoring	Mechanism of mandatory public consultations postponed until the period after martial law
Enabling conditions	Selection through the Single project pipeline (SPP) based on prioritisation points	Low quality of PIP and their justifications, whereas prioritisation does not always work
DNSH principle (“do no significant harm”)	Basic environmental screening is expected	Lack of necessary knowledge and skills in local authorities, and a lack of specific instructions and methodology.
Institutional architecture	SIC and Interdepartmental Commission established; the role of key ministries (Finance, Economy, Development) established	Lack of relevant specialists in sectoral ministries, local authorities, and a conflict of interest
Financial corrections and auditing	Fiscal oversight by the Ministry of Finance and audits by the State Audit Service are provided for throughout the entire cycle	No comprehensive correction mechanism (automatic sanctions for violations) based on the logic of EU funds
Multiannual Financial Framework (MFF, 7 years)	Medium-term budgeting (3 years) is in place; project funding remains dependent on annual decisions	Issues with long-term project financing; risk of delays and incomplete investments
Flexibility utilising funding	The budget mainly annual, funding transfer between years is limited	Lack of flexibility; risk of losing financing or ineffective utilisation; incomplete projects

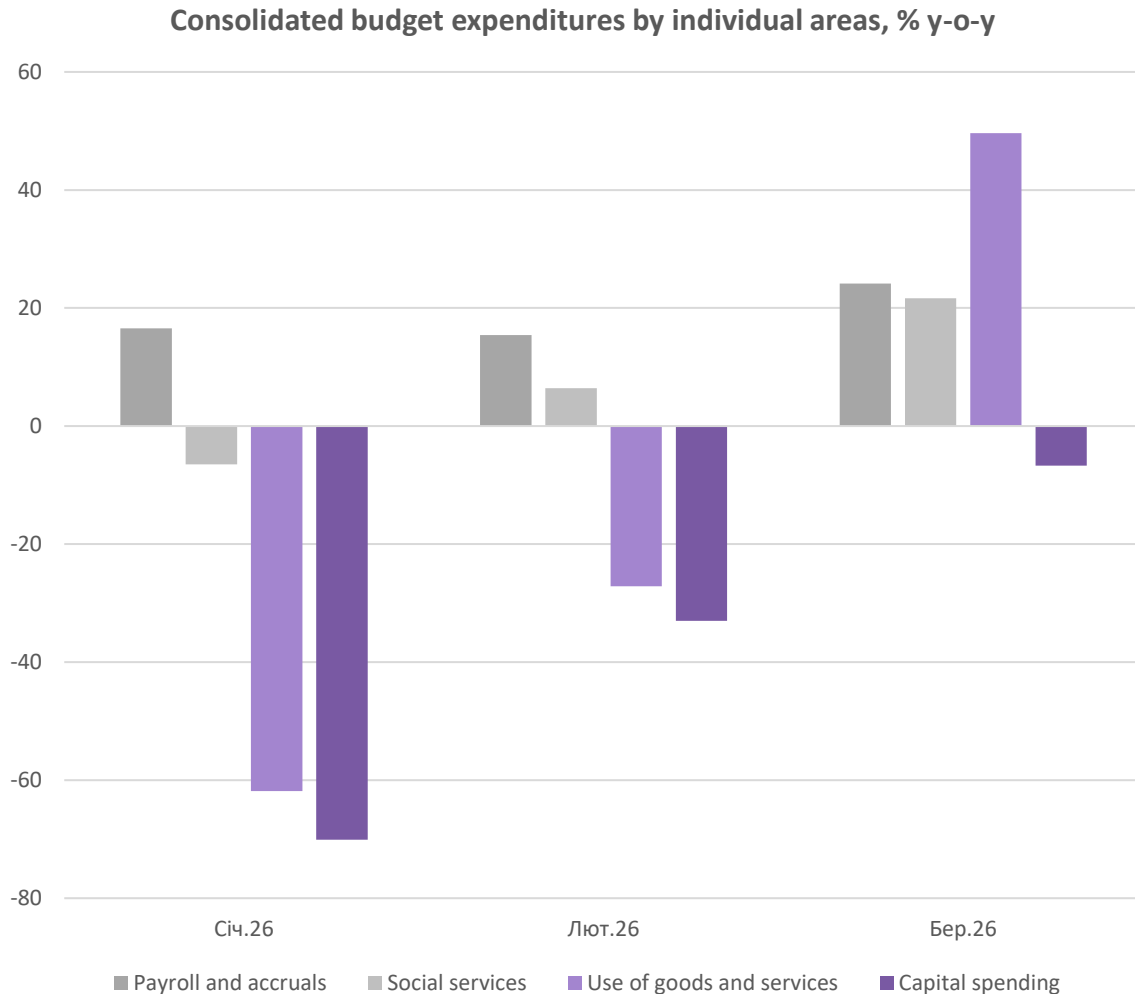


Funded by
the European Union

Reconstruction procurement as of March 2026*



Given problems with external financing, the value of reconstruction procurement* projects fell by a third

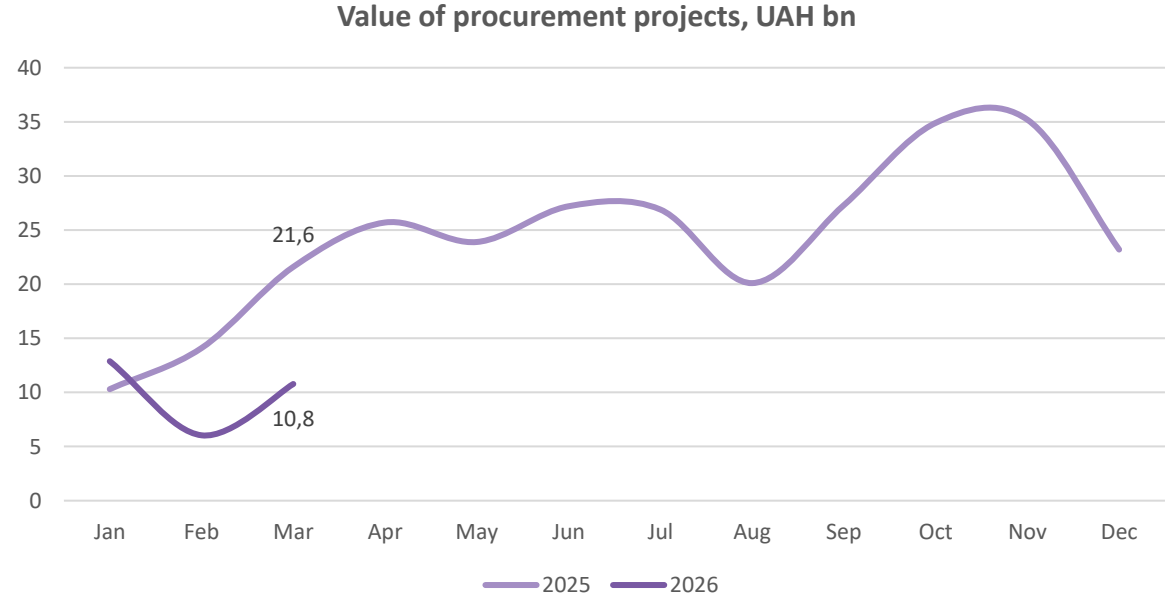
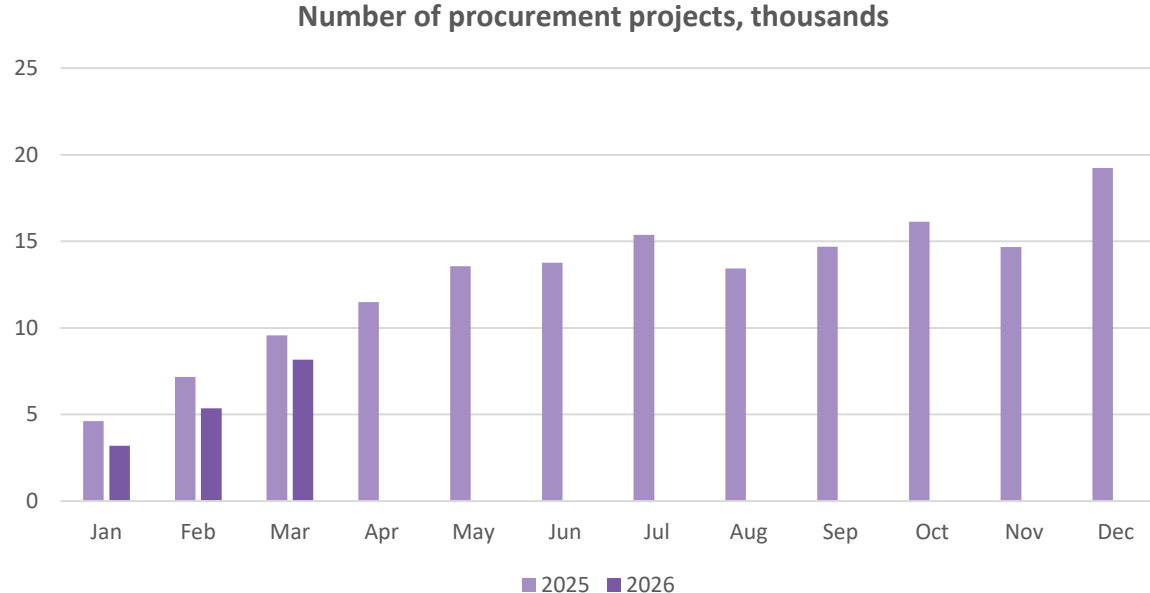


- Lower value of construction procurement projects this year (by -35% y-o-y Q1) are associated with modest government spending caused by problems with external financing. The decrease in capital spending in January-February, which did not recover in April, was greater than the decrease in current spending.
- Lower value of construction procurement projects can also be explained by the start of the PIM reform implementation, where administering capital spending became objectively more difficult. Before, budgetary allocation was sufficient to receive funding, but from 2026, all projects must be included in the DREAM system, meet strategic priorities, and receive an affirmative decision according to relevant procedures for public investment project preparation.
- The schedule for planning of public investment is very strict: a number of local administrations missed initial project submission deadlines in 2025. The sectoral strategies' update is also delayed, which leaves local administrations without the necessary strategic markers.

In March, the number and value of construction procurement projects* remained smaller than last year



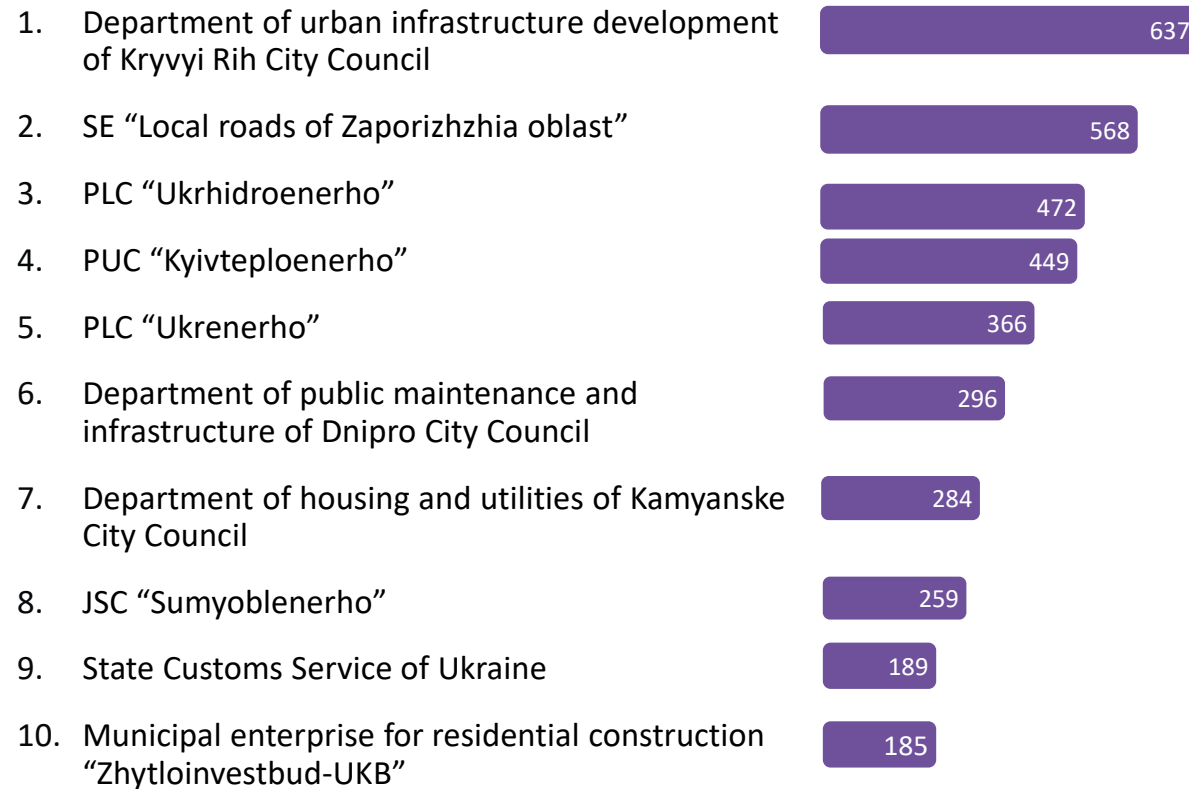
- The vast majority of procurement projects announces in March 2026 are already completed. Of these, there are 8 thousand (88%). 5% are still ongoing, 6% have not taken place, 2% are cancelled.
- The number of procurement projects in March is 15% lower than March of last year, and the value is 50% lower y-o-y. the largest completed project of March 2026 is a road repair project in Kryvyi Rih, to the sum of UAH 0,6 bn. The work is being carried out by Vestashliakhbud Ltd.
- The largest organiser in March 2026 was the Department of urban infrastructure development of Kryvyi Rih City Council, involved in the organisation of the above-mentioned project. The second largest organiser was SE “Local roads of Zaporizhzhia oblast”, involved in 5 project to the total of UAH 0,6 bn, including construction of defensive structures.



The largest procurement* project in March was road repair in Kryvyi Rih, carried out by Vestashliakhbud Ltd.



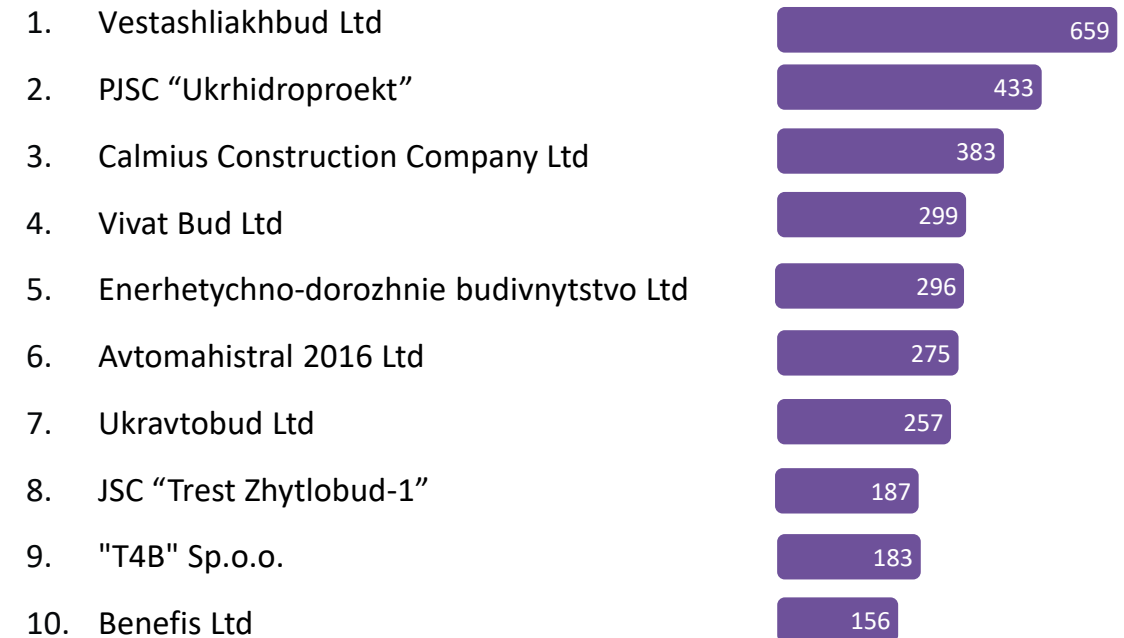
Top 10 organisers (UAH mln)



Share of top 10 in total procurement projects

34%

Top 10 contractors (UAH mln)



Share of top 10 in total procurement projects

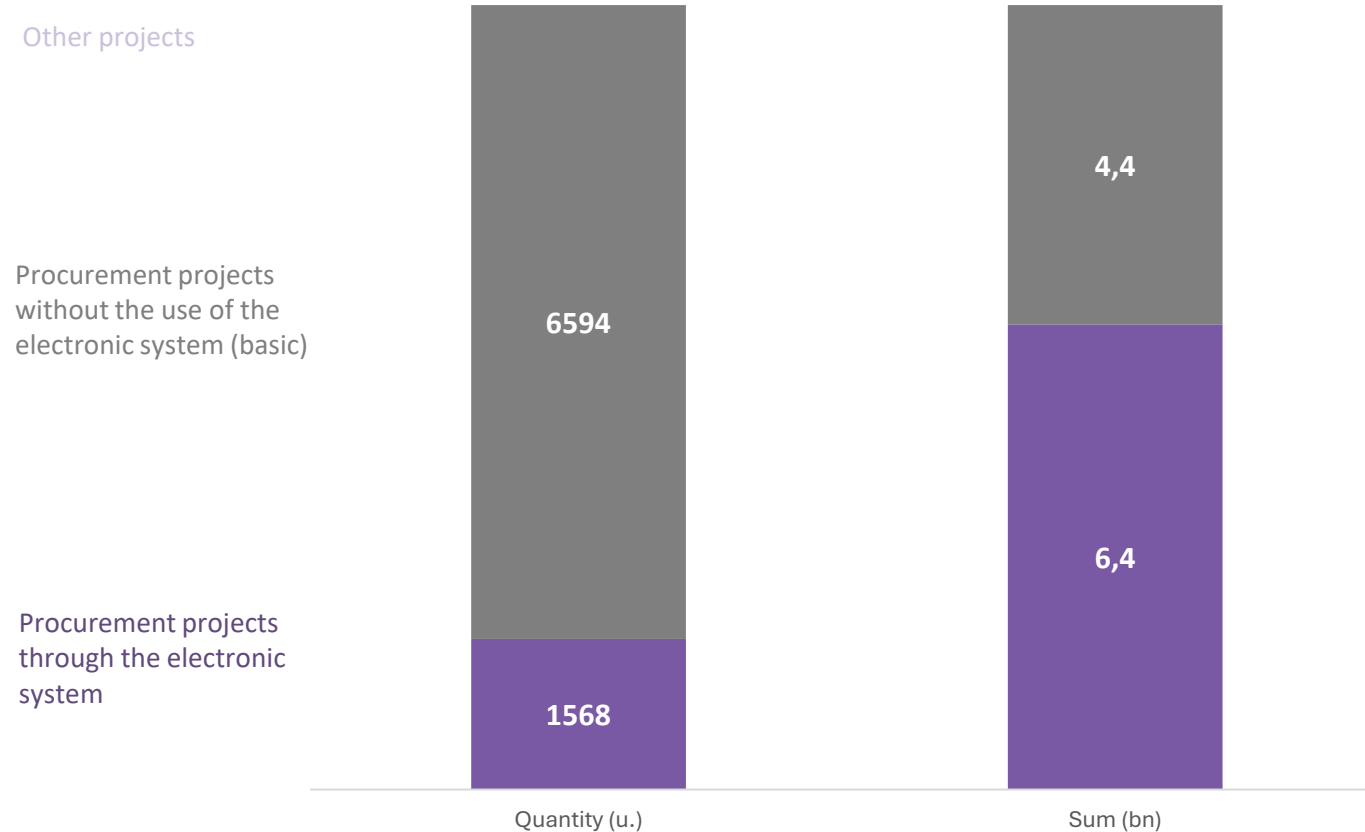
29%

Priority in largest procurement* projects in March was defence of energy infrastructure

No	Procurement content	Organiser	Contractor	Procurement value, UAH mln
1	Current street and road repair, Kryvyi Rih	Department of urban infrastructure development of Kryvyi Rih City Council	Vestashliakhbud Ltd	637
2	Restoration of Dnipro HPP-2	PLC "Ukrhydroenerho"	PJSC "Ukrhidroproekt"	342
3	Current street and road repair, Dnipro	Department of public maintenance and infrastructure of Dnipro City Council	Avtomahistral 2016 Ltd	235
4	Construction of a defensive structure for a power unit	SE "Local roads of Zaporizhzhia oblast"	Calmius Construction Company Ltd	192
5	Construction of a defensive structure for a substation	SE "Local roads of Zaporizhzhia oblast"	Calmius Construction Company Ltd	191
6	Reconstruction of a substation with instalment of a physical protection	SE "Local roads of Zaporizhzhia oblast"	Vivat Bud Ltd	185
7	Construction of a pedestrian crossing at the Ukraine-Poland border	State Customs Service of Ukraine	"T4B" Sp.o.o.	183
8	Construction of a fallout shelter for a lyceum in Pavlohrad	Lyceum № 17 of Pavlohrad City Council	PE "Spetsbudmontazh 21"	147
9	Capital repair of a multi-apartment residential building damaged by the actions of the RF in Kyiv	Municipal enterprise for residential construction "Zhytloinvestbud-UKB"	Askon Constuction Company Ltd	145
10	Reconstruction of PUC "Kyivteploenerho" property	PUC "Kyivteploenerho"	Nikoprohresbud Ltd	142

In March, procurement* projects using the electronic system were greater by value, but not by number

Use of the electronic system in March 2026

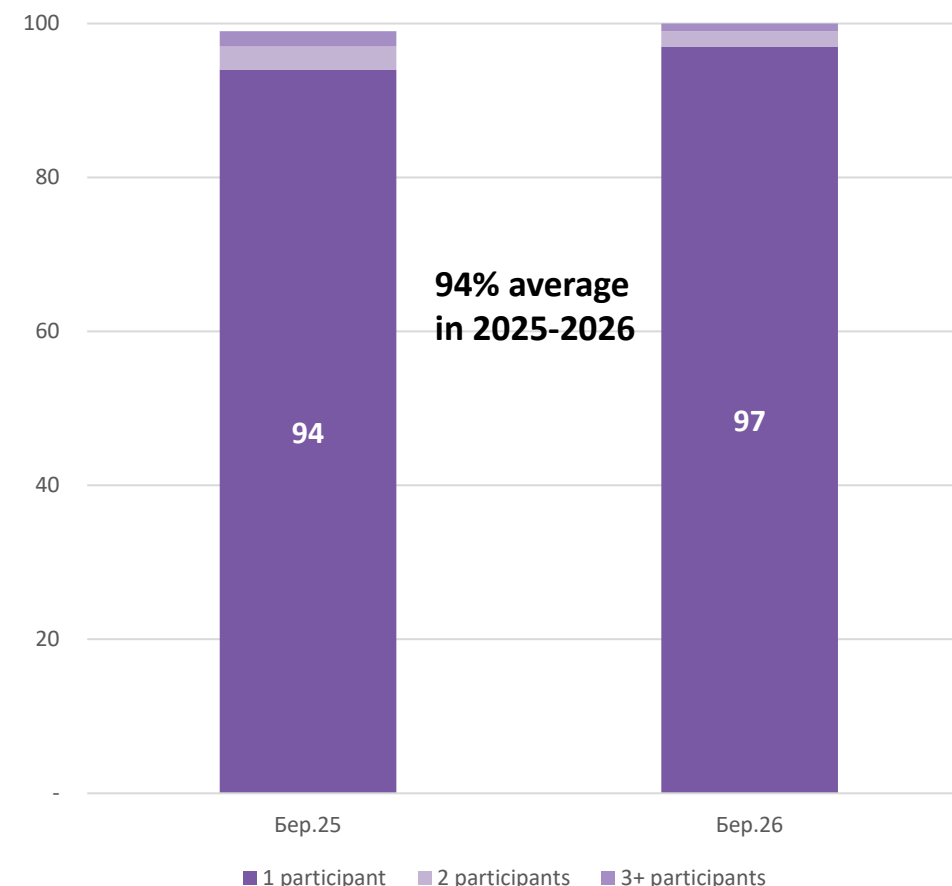


- The electronic system was used for 1,5 thousand completed procurement projects (19% of total completed projects) to the sum of UAH 6,4 bn (59% of total) in March 2026.
- 81% of all completed procurement projects in March did not use the electronic system to the total of 41% of total value.

The share of procurement* project with a single participants grew

- In March, the share of projects with a single participants remained high (97% of all completed procurement projects for the value share of 94,1%)
- Among those using the electronic system, the share of completed construction procurement projects with a single participant constituted 84,9% of total number and 90% of total value (Appendix 1).
- On the other hand, in January-March 2026, the share of procurement projects, using the electronic system, with a single participant constituted 82,5% of the total number and 80,4% of the total value.
- In February, there were 3 projects with 8 participants (the value of the projects reduced by 43% compared to expected value) and 5 projects with 6 participants (the value of the projects reduced on average by 57% compared to the expected value).

Share of procurement projects by no of participants, %



In procurement projects* with the highest number of participants, the price significantly fell

No	Procurement content	Organiser	Contractor	Value, UAH mn expected/current		Participants
All procurement projects						
1	Routine road repair on Sadova St in Boyarka, Kyiv oblast	Municipal enterprise for residential construction of Boyarka City Council	SBMU “Pidriad” Ltd.	2,6 / 1,7	(-34%)	9
2	Routine road repair on Bilohorodska St in Boyarka, Kyiv oblast	Municipal enterprise for residential construction of Boyarka City Council	Puhaychuk Diana	5,2 / 3,0	(-42%)	8
3	Routine road repair on S. Petliury St in Boyarka, Kyiv oblast	Municipal enterprise for residential construction of Boyarka City Council	Puhaychuk Diana	2,3 / 1,3	(-44%)	8
Procurement projects, valued above UAH 20 mln						
1	Intermediate repair of a boiler unit	“Cherkaske Khimvolokno”	Donbasteploelectromont azh Ltd.	49,0 / 47,1	(-4%)	4
2	Routine repairs of a CUNTU dormitory for the settlement of IDPs in Kropyvnytskyi	Municipal Capital Construction Authority	BTK “Mira” Ltd.	38,2 / 32,1	(-16%)	2
3	Routine public motorway repair in Volyn oblast	Department of urban infrastructure development of Volyn oblast administration	Velt Capital Ltd.	31,3 / 30,6	(-2%)	2
Source: Bi Prozorro				*procurement for construction work and current repairs		brp.org.ua

The majority of procurement* tenders are finalised very quickly, in less than 3 days

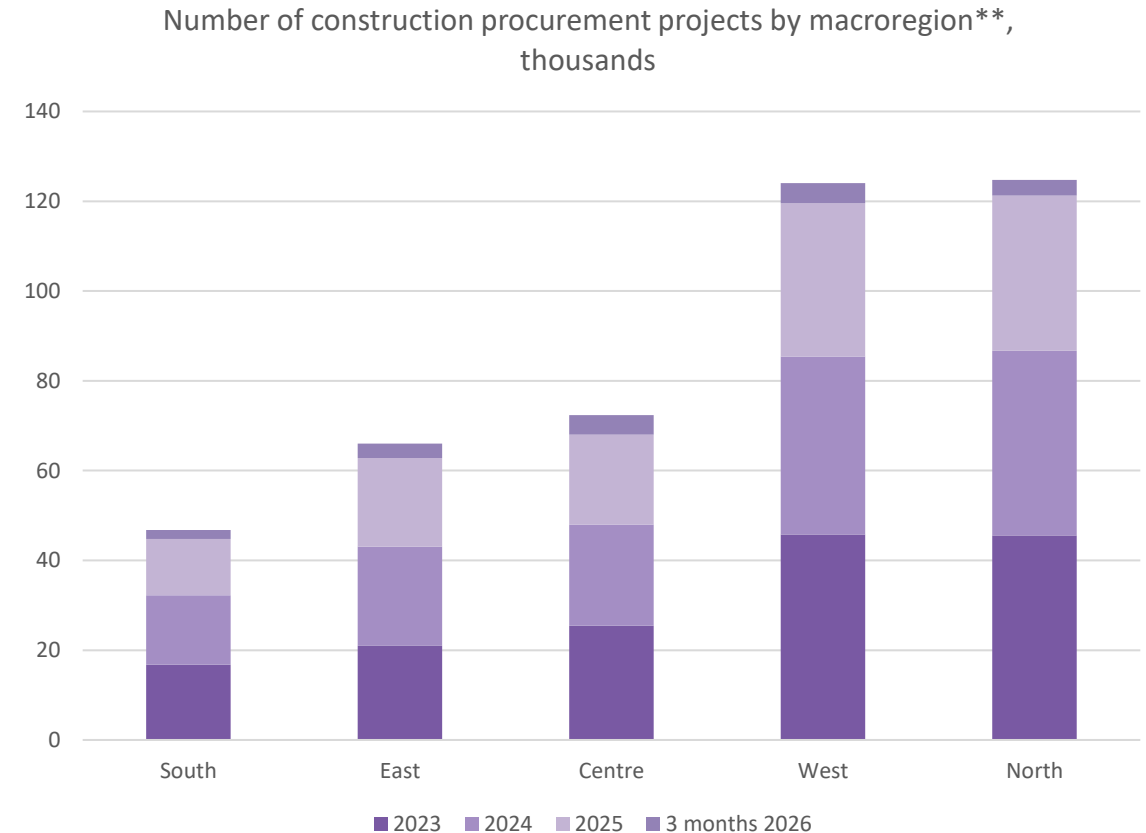
Proportion of construction procurement by duration, %



- In March, approximately 80% of tenders lasted less than 3 days. At the same time, 90% lasted less than 22 days.
- The share of tenders lasting more than 28% increased slightly in March as compared to February 2026 – from 4% to 6%.

Procurement* projects in frontline regions are virtually non-existent

- The largest number of completed construction procurement projects in March occurred in Kyiv, Dnipropetrovsk, and Kharkiv oblasts. Projects from these regions constituted less than 42% of all completed construction procurement projects. The smallest number were in Luhansk, Donetsk, and Kherson oblasts.
- The only procurement project with an organiser registered in Luhansk oblast in March was the repair of a rented building in Kyiv oblast, which currently hosts the Siverskodonetsk City Municipal Multidisciplinary Hospital.
- In Donetsk oblast, the majority of construction procurement projects concentrated in repair and equipping of housing for IDPs in other regions and the reconstruction of damaged buildings in Kramatorsk.
- In Zaporizhzhia oblast, apart from public maintenance, a large proportion of construction procurement projects also targeted reconstruction following Russian shelling.
- In Kherson oblast, the majority were procurement projects in construction and repair of defensive structures.



** South: Autonomous Republic of Crimea, Zaporizhzhia, Mykolaiv, Odesa and Kherson oblasts
North: Zhytomyr, Kyiv (including the city of Kyiv), Sumy and Chernihiv oblasts
West: Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytskyi and Chernivtsi oblasts
East: Dnipropetrovsk, Donetsk, Luhansk and Kharkiv oblasts
Centre: Vinnytsia, Kirovohrad, Poltava and Cherkasy oblasts



Funded by
the European Union

Appendix

Appendix 1. Procurement* projects using the electronic system

Number of participants	Number and % of projects in January–March		Value (UAH bn) and % of projects in January–March		Number and % of projects in March		Value (UAH bn) and % of projects in March	
1 participant	2715	82,5	20,2	80,4	1331	84,9	5,8	90,0
2 participants	375	11,4	3,2	12,6	156	9,9	0,4	7,0
3 participants	93	2,8	1,3	5,4	47	3,0	0,1	1,7
4 participants	48	1,5	0,1	0,6	16	1,0	0,06	1,0
5 participants	27	0,8	0,2	0,7	7	0,0	0,0	0,0
6 participants	10	0,3	0,0	0,2	5	0,0	0,0	0,0
7-17 participants	12	0,4	0,0	0,0	5	0,0	0,0	0,0
Total number of completed procurement projects using the electronic system	3291	100,0	25,1	100,0	1568	100,0	6,4	100,0

Thank you for your attention!

The “Public Investment Watchdog” Project



brp.org.ua