

THE RECOVERY SPENDING WATCHDOG

#18, May 2025

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Legal and regulatory framework



The new approaches to the State Strategy for Regional Development

The Ministry of Development has established a working group aimed at [updating](#) the methodology for strategic planning of regional development for 2028–2034. The government will use this methodology to develop a new State Strategy for Regional Development (SSR) for 2028–2034.

A step in the right direction is that, unlike the current regional development strategy, which was updated in 2024, the new strategy will consider the specific characteristics of different types of territories: western, central, frontline regions and temporarily occupied territories. The new approaches also consider the updated public investment management system.

According to the Ministry, 925 communities already have approved community development strategies, 418 are in the process of development, and 95 have not yet started work.

The presence of strategies is important for determining local investment plans and the potential for project funding.

In April, the government:

- Approved the [Action Plan for 2025-2026](#) for the implementation of the National Strategy for the Creation of a Barrier-Free Environment in Ukraine for the period up to 2030: 22 strategic objectives in six areas of accessibility (physical, digital, information, social and civic, educational, and economic).
- Introduced [changes to the National Strategy](#) for the Creation of a Barrier-Free Environment in Ukraine for the period up to 2030.

Clusters of apartment buildings for renovation

For the HOPE project, the Ministry of Development approved the [results of the selection of clusters](#) of multi-apartment buildings. The selection was made through DREAM. A total of 194 buildings in 5 communities were selected, covering 7,200 households:

- Mykolaiv: 21 clusters (54 buildings)
- Zaporizhzhia: 3 clusters (10 buildings)
- Izium: 10 clusters (22 buildings)
- Bucha: 17 clusters (79 buildings)
- Makariv: 8 clusters (29 buildings)

1. Receiving a list of all multi-apartment buildings



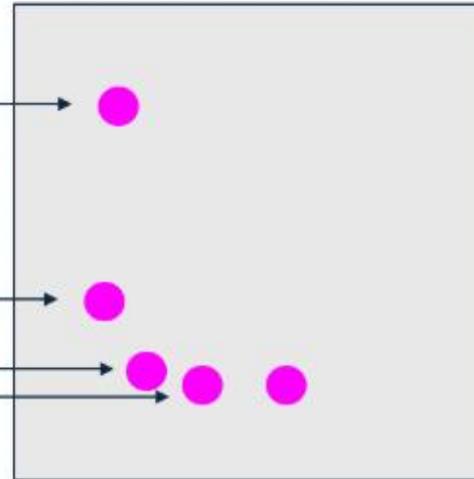
The first stage is the collection of data necessary for the assessment. This includes the locations of multi-apartment buildings and their number, which will be used in subsequent stages.

2. Selection of accepted multi-apartment buildings



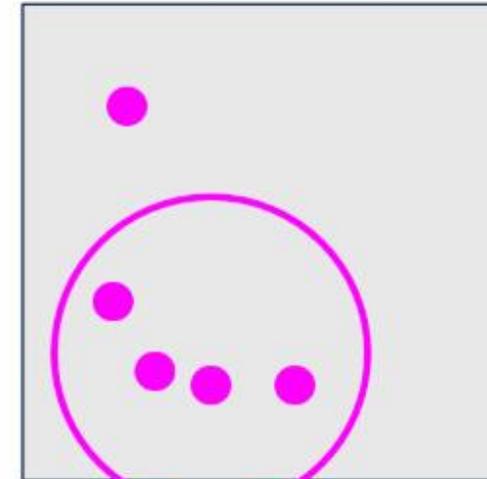
The second stage is the verification of eligibility criteria. This includes the orientation of the dwelling, safety, communications, land tenure and environmental impact.

3. Mapping of multi-apartment buildings



Apartment buildings are plotted on a map for better spatial analysis. Visualising them on a map is a crucial step for the next stages and is also essential for ensuring transparency in the process.

4. Cluster identification



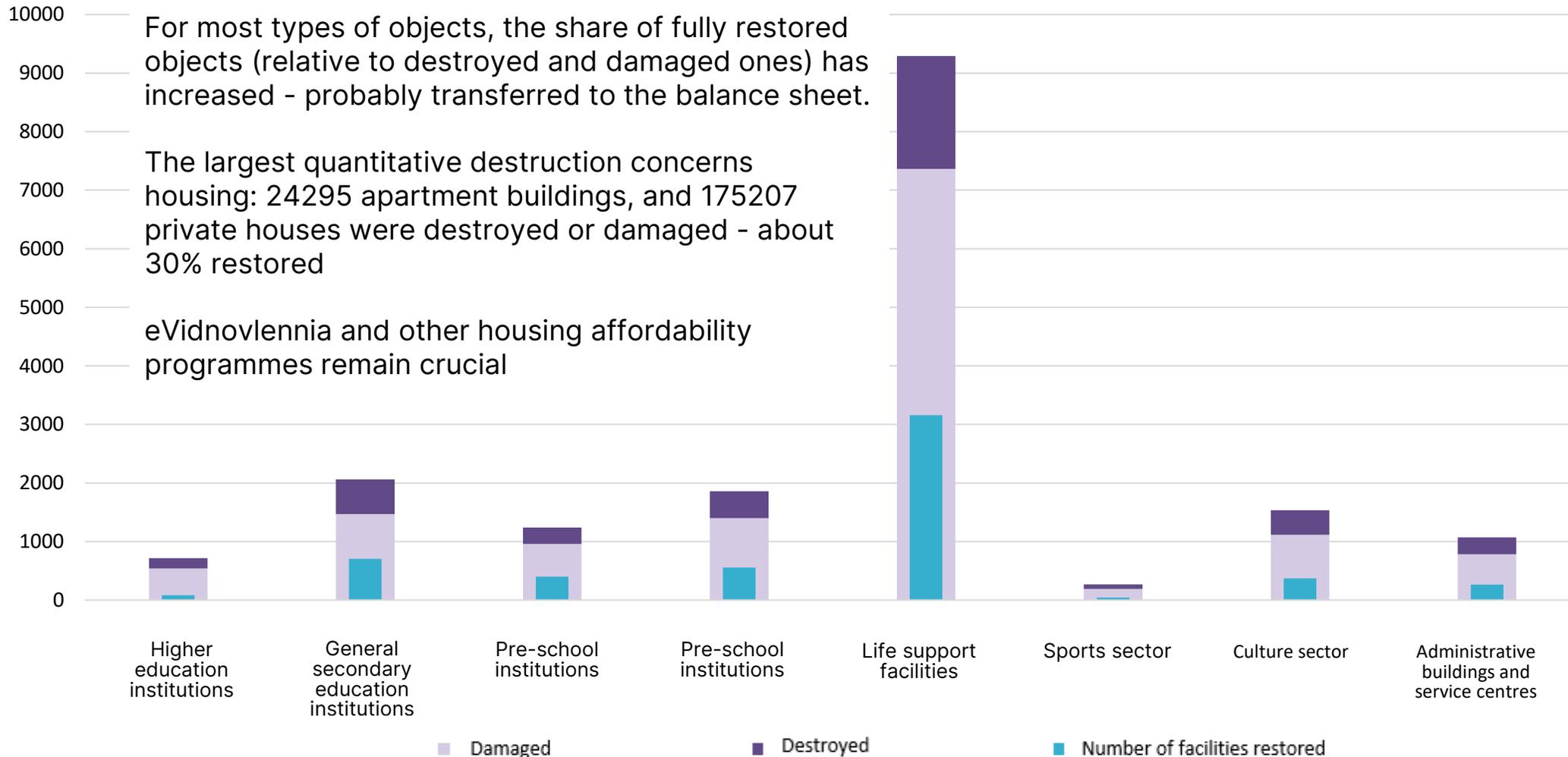
The next stage is identifying spatial clusters. A cluster is a group of buildings located close to each other. Clusters may be divided into smaller groups if there are physical barriers between buildings.

Recovery progress and funding



As before, recovery is not keeping pace with the destruction - the rate of destruction has increased over the month, but the rate of recovery has also increased

Number of damaged, destroyed and restored facilities



eVidnovlennia: compensation for the cost of repairing damaged housing and purchasing new housing to replace destroyed housing continues

According to [data from the Ministry of Development](#), in the two years since the launch of the eVidnovlennia programme:

- Almost 100,000 families have received compensation from the state for damaged or destroyed homes
- 9.8 billion hryvnia has been allocated to help families repair damaged homes (of which 8.9 billion hryvnia has already been transferred to applicants)
- 17,400 housing certificates (for the purchase of new housing to replace destroyed housing) worth over UAH 25 billion have been generated
- Almost 1,000 applications have been received for payments for the construction of new homes on their own land
- At the same time, demand remains high: a total of 138,000 applications have been submitted for damaged property and over 43,000 for destroyed property (as of mid-April 2025) – but the number of applications is growing daily due to Russian shelling
- [The average compensation](#) for destroyed housing is 1.5 million hryvnia; the average payment for reconstruction on one's own land is 2.2 million hryvnia

To improve housing availability, the Ministry of Development is also continuing negotiations with the EIB on a social housing financing programme.

Communities have begun the process of inventorying housing in accordance with the law adopted in 2024: this involves searching for housing that is not privately owned and could be converted into social housing

The available volumes and financing instruments are gradually increasing

International partners will allocate [\\$200 million US\\$](#) to frontline communities as part of the second phase of the Partnership for a Resilient Ukraine programme (a multilateral donor programme funded by the governments of Canada, Estonia, Finland, Norway, Sweden, Switzerland and the United Kingdom) for 2025-2027.

The first phase of the programme ran from 2021 to 2024:

- Total funding of \$114 million
- 577 projects implemented in 127 communities, with 2 million people receiving assistance
- Access to basic services restored: healthcare, education, electricity and clean water

Belgium will provide Ukraine with [€150 million](#) in technical assistance under the BE-Relieve Ukraine project in 2025-2028 for:

- Modernisation of energy infrastructure: introduction of decentralised heating and electricity supply systems, transfer of mobile boiler rooms and generators.
- Healthcare and social protection: reconstruction of medical facilities, rehabilitation programmes, inclusive services.
- Education and employment: upgrading school and vocational training infrastructure, holding forums to enhance interaction between business and education.
- Support for European integration: facilitating the implementation of reforms and strengthening ties with Belgian partners.

The available funding volumes and instruments are gradually increasing

On 24 April, the Ministry of Development announced the start of [selection of sub-projects](#) for grants of up to €300,000 for the thermal modernisation of hospitals, which will be financed by the EIB. The grants are an additional component of financing to the EIB loan. Therefore, applications can be submitted by communities that have already signed agreements with the Ministry of Development and the EIB

Important:

- The grant is only available for thermal modernisation of inpatient hospitals
- The facility must not exceed 10,000 m²
- The grant amount cannot exceed 50% of the loan amount, but cannot exceed €300,000

In April, the government allocated additional funding for frontline communities:

In April, the CMU approved a decision to allocate \$84 million from the World Bank (WB) to continue the Housing Repair for People's Rights and Opportunities (HOPE) project, of which \$33 million will be used to cover minor repairs for more than 18,000 families, and \$49.5 million will be used to cover medium repairs for more than 6,000 families.

Meanwhile, the disbursement of funds remains very slow



The use of state budget funds for programmes of the Ministry of Development and the Recovery Agency for programmes related to reconstruction and restoration remains quite low

According to the State Treasury:

- The Agency's expenditures for the first three months of 2025 amounted to only 9% of the annual plan (UAH 4.7 billion)

- The Ministry of Development's total expenditures, which include subsidies to local authorities for financing reconstruction projects, amounted to only 1% of the annual plan (UAH 204 million).

Such low expenditures compared to annual plans are significantly affected by procedures: tenders must be announced, purchases must be made, and work must begin.

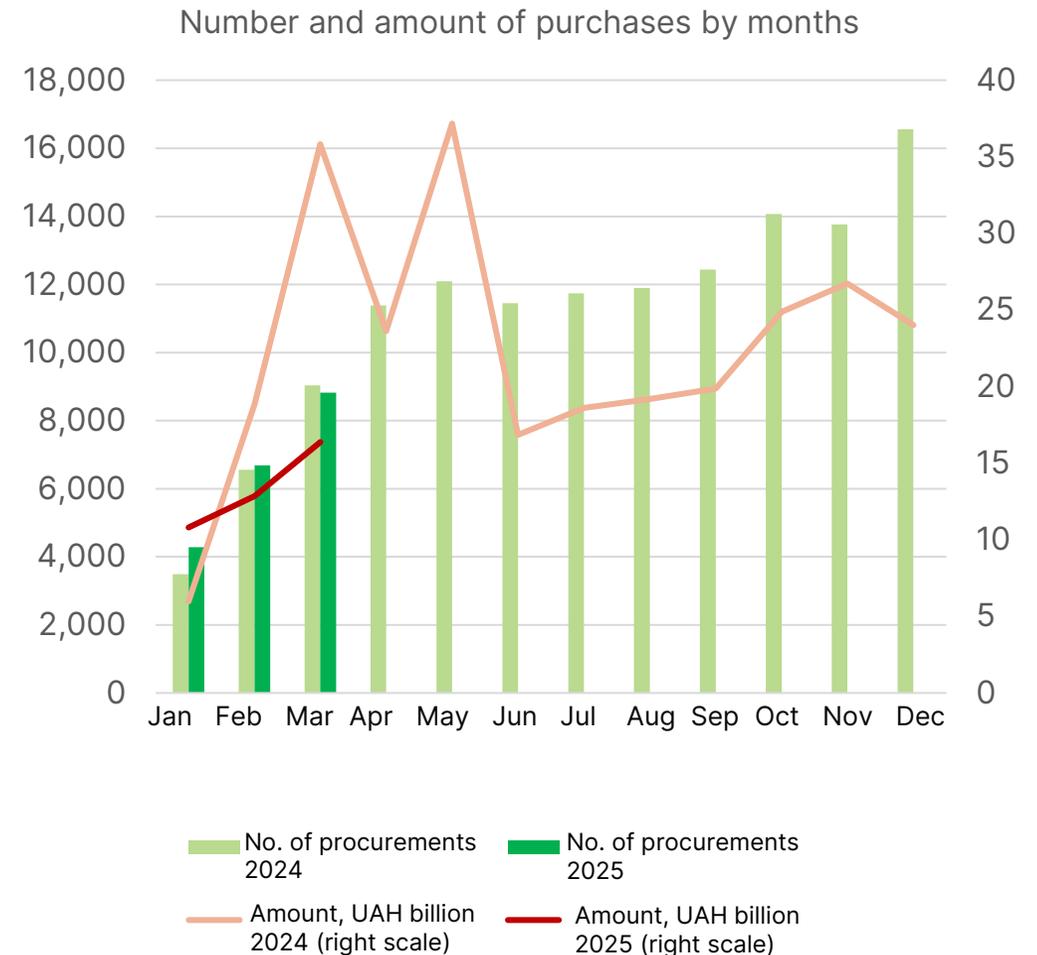
This again means that most of the funding will be allocated in subsequent periods. The introduction of public investment system reform should partially mitigate this calendar effect.

Recovery procurement: Q 1 2025



Key procurement figures for Q1 2025*

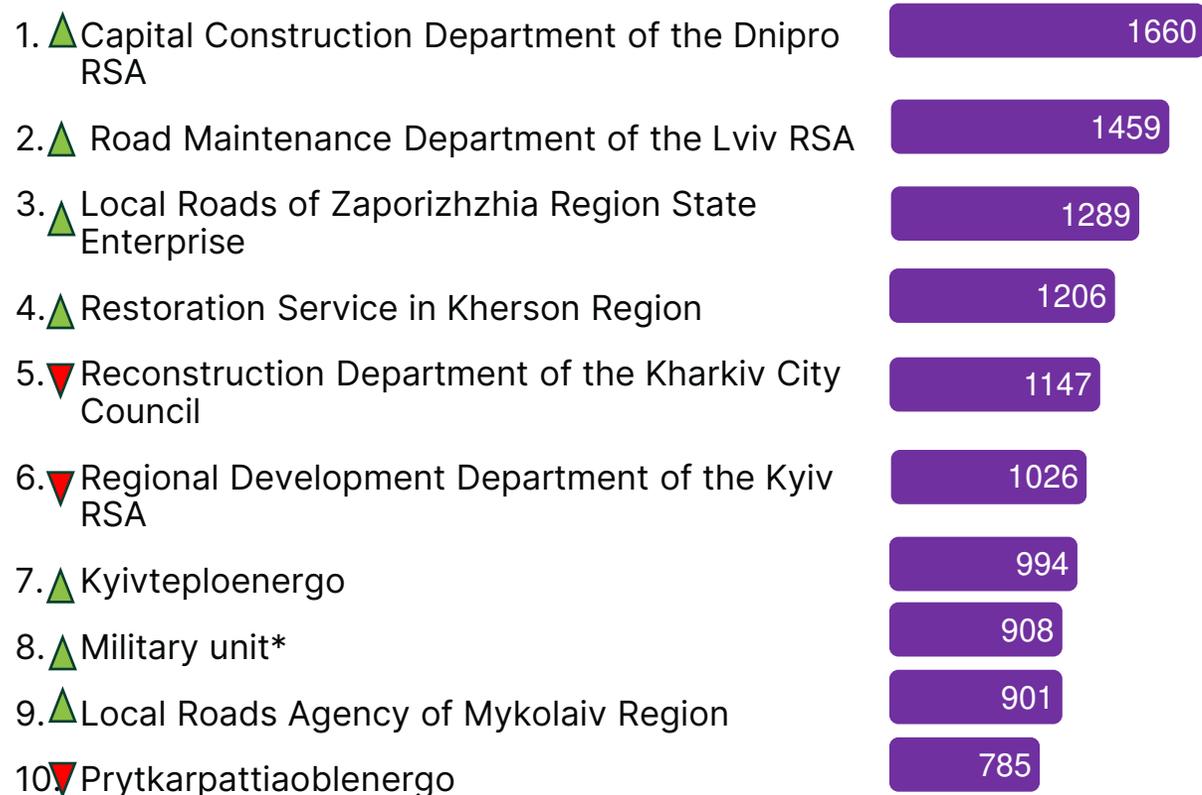
- In the first quarter of 2025, 21.5 thousand construction procurements were announced. Of these, 92% (19.8 thousand) were completed, 4.1% did not take place, 1.8% were cancelled, and 2.1% are still ongoing.
- The total value of procurements amounted to UAH 40.0 billion, including UAH 16.4 billion in March.
- Compared to the first quarter of 2024, the number of completed procurements increased by 4%, but their value decreased by a significant 34%.
- The largest construction procurement at the beginning of the year was the operational maintenance and current repair of local roads in the Lviv region worth UAH 1.46 billion.
- Among the five largest procurements at the beginning of the year were three tenders for road maintenance and repair and the reconstruction of two hospitals.
- The electronic system was used for over 4,000 completed procurements (20%) worth a total of UAH 32.5 billion (81%).
- In January-March, 155 defence procurements were completed, in which information about the winners was concealed. The amount of these procurements was only UAH 202 million (0.5% of the total amount of construction procurements).



* – as of 2 May 2025. 441 procurements announced in Q1 are ongoing, including 368 in March.

Procurement leaders in Q1 2025

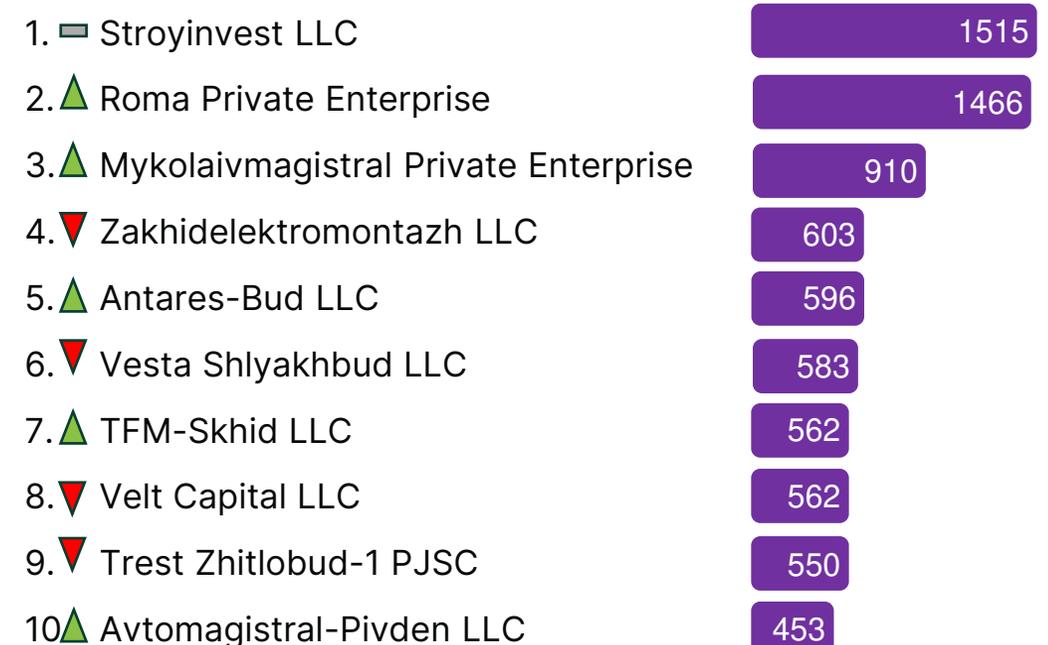
Top 10 organisers (billion UAH)



Top 10 share in all procurements



Top 10 winners (billion UAH)



Top 10 share in all procurements



* – The name of the military unit is not disclosed in this presentation for security reasons.

The largest construction procurements in Q1 2025

No. Procurement item	Organiser	Winner	Procurement value, UAH million
1. Maintenance and repair of motorways in the Lviv region	Road Administration Department of the Lviv RSA	PP Roma	1459
2. Maintenance of motorways in the Mykolaiv region	State Enterprise 'Local Roads Agency of the Mykolaiv Region'	PP Mykolaivmagistral	901
3. Reconstruction of the Dnipropetrovsk Regional Children's Clinical Hospital	Capital Construction Department of the Dnipro RSA	LLC SK Stroinvest	776
4. Reconstruction of the Mykolaiv Regional Children's Clinical Hospital	Capital Construction Department of the Mykolaiv RSA	LLC Antares-Bud	596
5. Current repair of streets and roads in the city of Kryvyi Rih	Infrastructure Development Department of the Kryvyi Rih City Council	LLC Vesta Shlyakhbud	583
6. Reconstruction of the sludge field dams at the Bortnytsia aeration station	Kyivbudtekonstruktsiya	LLC TFM-Skhid	562
7. Construction of a protective structure for the Regional Family Health Centre of the Dnipro Regional Council	Capital Construction Department of the Dnipro RSA	LLC Ukrbudinzhiring	465

- XXX Procurement in January-February
- XXX Procurements announced in March

Competition in procurement increased slightly in March

No. of tenderers	No. and % procurement	Amount (billion) and % of procurement	No. and % of procurement in Mar	Amount (billion) and % of procurement in Mar
1 participant	3 154 77,9%	22,6 69,5%	1 436 80,4%	8,4 67,8%
2 participants	541 13,3%	7,0 21,4%	96 12,5%	3,3 26,5%
3 participants	207 5,1%	1,5 4,8%	35 4,4%	0,5 4,4%
4 participants	84 2,1%	0,6 1,8%	19 1,6%	0,1 0,8%
5 participants	32 0,8%	0,6 2,0%	4 0,6%	0,02 0,2%
6 participants	20 0,5%	0,1 0,3%	1 0,4%	0,04 0,3%
7-13 participants	13 0,3%	0,06 0,2%	2 0,1%	0,004 0,04%
Total completed procurement using the e-procurement system	4 051 100,0%	32,5 100,0%	1 787 100,0%Mar	12,4 100,0%

- In the first quarter, the share of non-competitive procurement remained excessive. 77.9% of procurement using the e-procurement system and 95.5% of all procurement were non-competitive.
- At the same time, the value of contracts in non-competitive procurement using the electronic system was below 68% in March, falling below 70% in the first quarter.
- Among completed procurements, the highest competition was observed in the tender of the National Bank of Ukraine for the current repair of an administrative building. Thirteen companies competed for the tender worth UAH 1.4 million.

The most competitive procurements in Q1 2025

No.	Subject of procurement	Organiser	Winner	Cost, million UAH (expected/current)	Participants
All procurements					
1.	Current repairs to administrative buildings	National Bank of Ukraine	DIA Group LLC	1,9 / 1,4 (-26%)	13
		Baryshivka Village Council	TMB Transbud LLC	4,0 / 2,8 (-30%)	8
2.	Current road repairs	KE Zhytomyr City Council	Avtomagistral LLC	15,6 / 12,0 (-23%)	8
3.	Current road repairs	Road Administration			8
4.	Current repairs to the petrol station road	PJSC Ukrnafta	Atlant Budproekt LLC	2,5 / 2,5 (-1%)	8
5.	Current repairs to the college	Volyn National University of Lesya Ukrainka	Ukraine Engineering LLC	1,2 / 0,8 (-34%)	8
Procurements exceeding UAH 20 million					
1.	Construction of a forest road	State Forestry Agency of Ukraine	PE Avtomagistral	30,4 / 20,9 (-31%)	5
2.	Reconstruction of the heat pipeline at the Mykolaiv Thermal Power Plant	PrJSC Mykolaiv Thermal Power Plant	PE Effekt	47,1 / 42,2 (-10%)	5
3.	Overhaul of an industrial pipeline	PJSC Ukrnafta	LLC MontazhTransGaz	49,0 / 43,1 (-12%)	5
4.	Construction of a residential building in Borodianka	Department of Capital Construction of the Kyiv RSA	LLC Ukrbudinengineering	413,3 / 396,9 (-4%)	5
5.	Overhaul of a building in Borodianka	Department of Capital Construction of the Kyiv RSA	LLC Ukrbud-Proekt-Rekonstruktsiya	46,2 / 46,2 (0%)	5

Investigative journalism

Disclaimer. Please note that investigative journalism may not take into account all possible nuances and may be biased in certain cases. It is recommended that the information received be treated with caution and not used to make final conclusions without further research and fact-checking.

Journalist investigations over the past month

Top 5 media by number of investigations on recovery



НАШІ ГРОШІ



General features of investigative journalism on procurement

- As procurement activity has intensified, investigations of violations related to recovery have also become more frequent.
- The most frequent topics covered in the media are possible procurement violations, the initiation of criminal cases, and verdicts thereon.
- Another topic for the media is weaknesses in procurement procedures and ways to correct them. This topic has the potential for further development.
- As procurement becomes more competitive, more and more reports are being published on tenders being announced for a specific participant or rejections of “non-agreed” bids

Top 5 news of the month by topic

May 9



In Zinkiv, a tender was announced for the construction of a anti-radiation shelter in a lyceum for almost UAH 25 million, 70% of which will come from the EU through the Ukraine Facility, with the rest coming from the local budget.

May 7



A tender for the reconstruction of a rehabilitation centre in Chernihiv worth UAH 865 million was cancelled due to violations, in particular the failure to indicate that the project was being implemented under the EU Ukraine Facility initiative

April 16



Odessa has allocated UAH 3.5 million for the construction of shelters near an inclusive beach

April 30



They plan to spend UAH 396 million on renovating one building of the Okhmatdyt hospital. Renovation work is scheduled to begin in early May, but the completion date is unknown.

April 9



Ukrkazvydobuvannya purchased cables worth UAH 131.5 million without tender for the restoration of facilities in the Kharkiv and Poltava regions, concealing the prices, citing security reasons.

Monitoring of specific areas

Healthcare

Education

Demining



Healthcare

- [At the beginning of May 2025](#), since the start of the full-scale invasion, Russia has damaged more than 2,300 medical facilities: of these, 2,020 have been partially damaged (1,984 (+36 in a month and a half) and another 305 (+4 in a month and a half) have been completely destroyed and cannot be restored.
- The most affected medical facilities are located in the Kharkiv, Donetsk, Mykolaiv, Kyiv, Chernihiv, Dnipro, Kherson and Zaporizhzhia regions.
- During this time, in various regions of Ukraine, 700 (+106 in a month and a half) medical facilities have been completely restored and 312 (-58 in a month and a half) have been partially restored. In total, more than a thousand restored medical facilities can now accept patients again.
- [The Okhmatdyt National Children's Specialised Hospital has announced a tender](#) for construction work on a modern treatment and diagnostic building. The expected cost of the purchase is 367.4 million hryvnias. Funding is provided from the account of the Okhmatdyt – Healthy Childhood Charitable Foundation.
- [On the DREAM platform](#), there are already 849 facilities (+41) in the healthcare sector that are currently under construction or undergoing major repairs.
- [During April-early May 2025: 90 projects](#) with a total budget of UAH 12.4 billion (financial coverage – 1.4%). The largest number of projects are in the Kharkiv (16), Cherkasy (13) and Odesa (7) regions.



Education

- The statistics on damaged and destroyed educational institutions as of 2 May, since the start of the full-scale invasion, are as follows:
 - higher education institutions – 717 facilities (including 542 damaged by up to 50% and 175 destroyed by more than 50%);
 - general secondary education institutions (schools) – 2,121 facilities (including 1,518 damaged by up to 50% and 603 destroyed by more than 50%);
 - preschool education institutions (preschools) – 1,275 facilities (including 993 damaged by up to 50% and 282 destroyed by more than 50%)
- During this time, in various regions of Ukraine, **83 higher education institutions, 676 secondary schools, and 399 preschool education institutions were completely restored and returned to the state balance.**
- [The Cabinet of Ministers of Ukraine approved the allocation of nearly UAH 1.1 billion for 36 projects](#) to equip shelters in schools and one military lyceum. The allocation was made according to risk levels: 12 projects in communities with very high- and high-risk levels and 24 projects in communities with moderate or satisfactory risk levels.
- [The DREAM platform](#) already has **2,691 educational facilities (+71)** under construction or undergoing major repairs.
- [During April-early May 2025: +137 projects](#) with a total budget of UAH 2.9 billion (**financial coverage – 6.5%**). The largest number of projects are in the Dnipro (26), Chernihiv (13), Odesa (10) and Kharkiv (10) regions.



Humanitarian demining in Ukraine (data as of 13 May 2025)

- [Taiwan will allocate €2 million to Lithuania](#), which leads the international coalition for demining in Ukraine.
- [The UNITED24 platform has raised over \\$1.5 million for humanitarian demining](#). These funds will be used to clear infrastructure facilities in the Kharkiv, Kherson and Kyiv regions.
- [Ukraine has certified its first domestic heavy demining complex, the GART 5100](#). The machine neutralises mines and explosive objects by detonation or mechanical destruction using a hammer unit or cutter.
- In April 2025, farmers who joined the state programme for compensation for the demining of agricultural land [received more than 295 hectares of cleared land](#).
- There are now 87 certified operators and more than 250 pieces of demining equipment in Ukraine.
- [The GRIT platform, with over 100 data sets, helps prioritise demining](#); following a pilot in the Kharkiv region, it is planned to be scaled up to other regions.

Surveyed: 203.9 thousand hectares
(+ 6.6 thousand hectares)

Destroyed > 229,000 (+ 8,500)
explosive devices

Demined:



2.8
thousand km
of railway
(+40.2 km)



1.1
thousand
km of
motorway
s (+32.6
km)



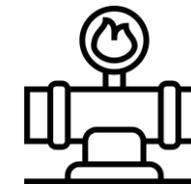
548.1 km of
power lines
(+8.8 km)



509.8
hectares of
forests



25.8 hectares
of water areas



84.6 km of gas
pipelines
(+1.8 km)



Thank you for your attention!

THE RECOVERY SPENDING
WATCHDOG

