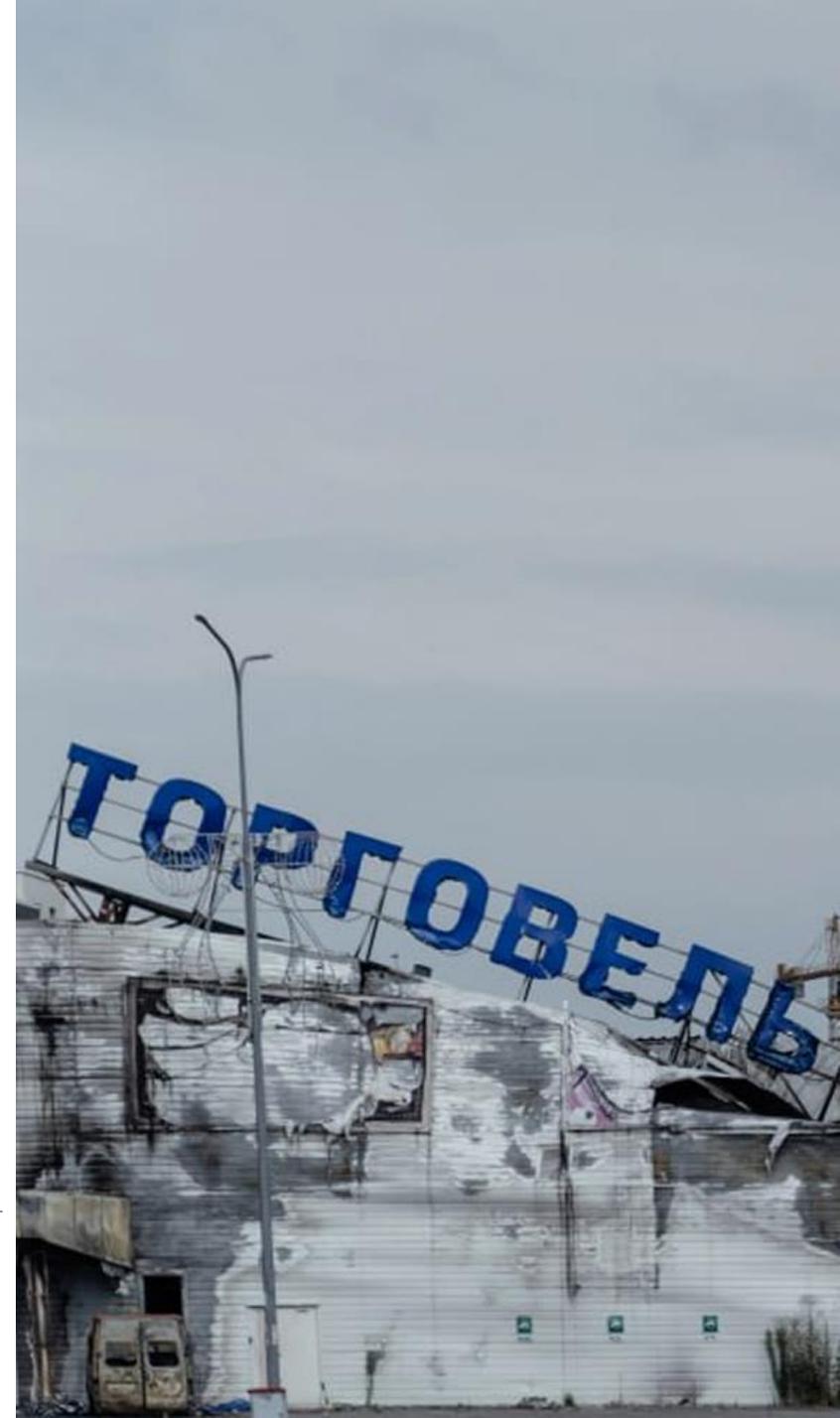


THE RECOVERY SPENDING WATCHDOG

#19, June 2025.

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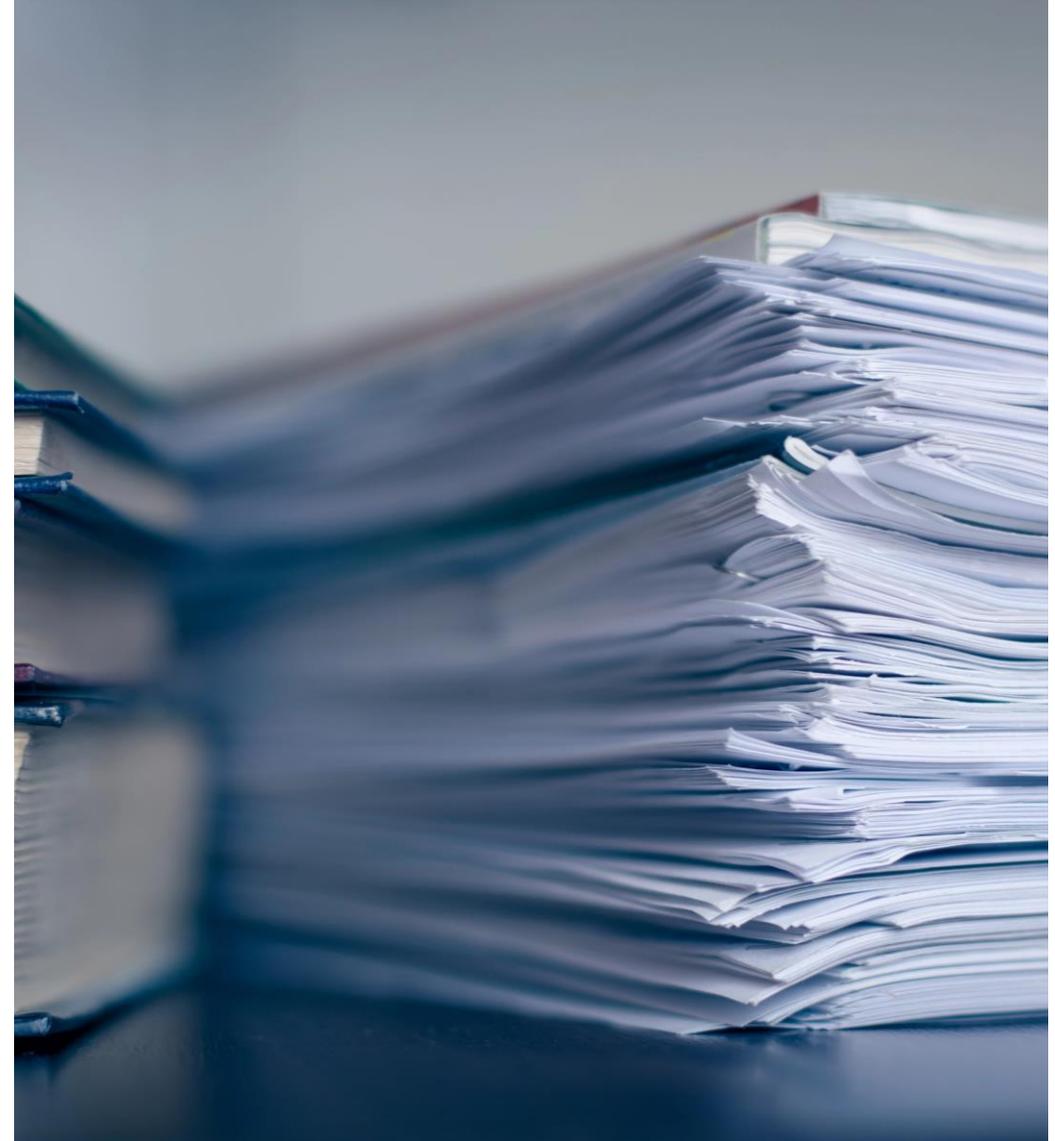


Contents

- Legal regulation
- Recovery progress and funding
- Analysis of recovery procurement
- The topic of the month: business recovery
- Investigative journalism (reconstruction in the media)
- Monitoring specific areas: education, demining



Legal and regulatory framework



Regulatory and legislative framework: public investment management reform

In May, the government finally published the procedures for implementing the reform of the public investment management system, which had been adopted at the end of February:

- [Procedures](#) for the preparation of public investment projects and public investment programmes
- Procedures for the formation of a unified project portfolio of public investments of the state (region, territorial community) and an industry (sectoral) project portfolio of the state (region, territorial community)
- Procedures for the evaluation of public investment projects and public investment programs, including criteria related to reconstruction based on the 'better than before' principle
- Procedures for the implementation of public investment projects and public investment programmes at the state, regional and local levels.

The procedures are designed to ensure a unified approach to working with public investment projects.

The implementation of the PIM is envisaged through the Unified Information System, which includes DREAM

The procedures are based on international best practices, in particular the UK 5 Case Model and the recommendations of TBI and EIB JASPERS

The reform will effectively start in 2025: unified project portfolios should be formed at the state/sectoral and local levels by the end of the year.

Mobility without barriers – an important principle for development and reconstruction

Barrier-free access is one of the key principles of the ‘build back better’ approach.

This includes both barrier-free facilities and buildings and a barrier-free environment, as it ensures better living conditions for people with reduced mobility, their involvement in society and their families, as well as their participation in the labour market.

Within the framework of the Ministry of Development's "Movement without Barriers" project, more than 130 memoranda have been concluded between pilot cities and businesses.

The aim of the memoranda is to unite the efforts of local authorities and businesses to develop convenient, safe and accessible routes covering key community facilities.

According to the Ministry of Development, the partnership requires businesses to:

- improve the accessibility of their facilities for people with disabilities, older people, parents with young children and anyone who needs a convenient and safe environment;
- facilitate the development of pedestrian and transport infrastructure in accordance with the principles of accessibility, information and safety for people with reduced mobility;
- support the implementation of the project within the framework of barrier-free routes.

The Ministry of Development has announced the start of annual [monitoring](#) of accessibility in communities, which will run from 1 June to 31 August 2025.



Energy efficiency – a principle of development and reconstruction

Energy efficiency is another key principle of the “build back better” approach.

Therefore, the Ministry of Development has launched an [e-catalogue](#) of products for green construction projects.

It is available at <https://www.gbc.org.ua/> and contains recommended building materials, products, equipment and materials for internal engineering systems.

The e-catalogue will become a recommended source of information for energy-efficient ‘green’ construction projects.

The e-catalogue of construction products:

- provides access to information on product characteristics in accordance with the Law of Ukraine ‘On the Provision of Construction Products to the Market’;
- contains data on energy efficiency and environmental properties (in labels, declarations and certificates);
- helps designers take these characteristics into account when preparing project documentation.

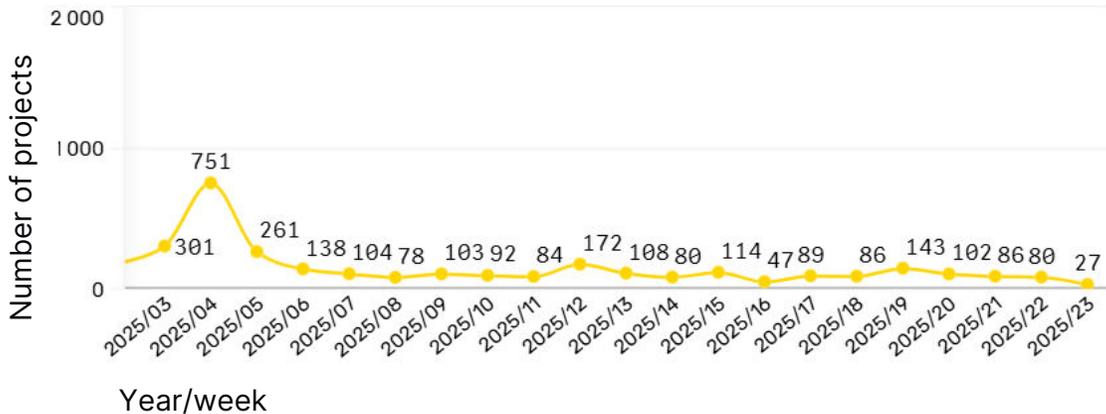
Guidelines and recommendations for the construction of energy-efficient educational institutions have already been developed.



Recovery progress and funding



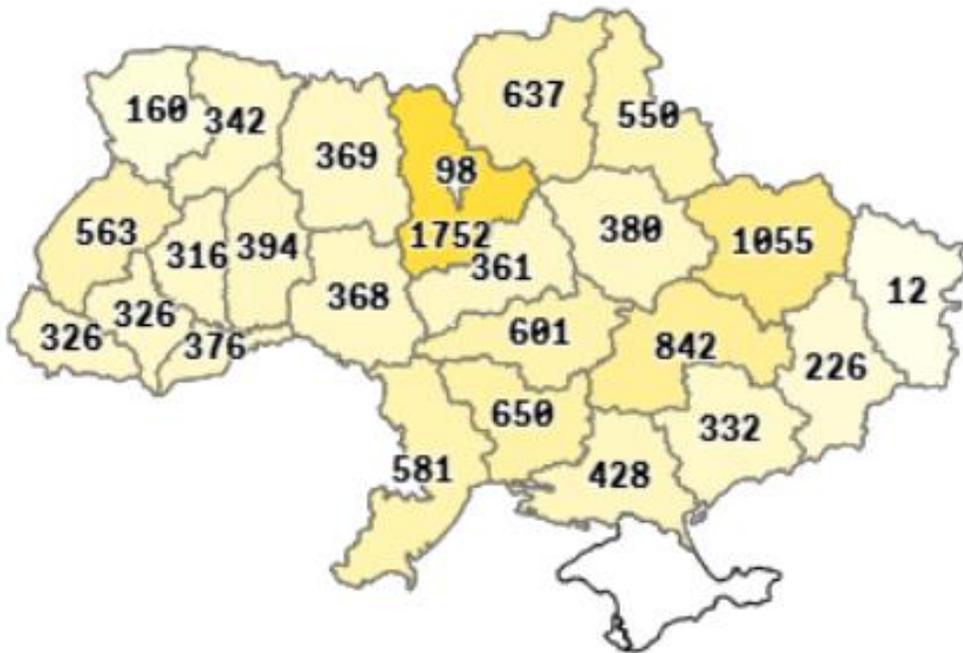
DREAM – updating functionality to meet the needs of the public investment management system



According to [data from](#) the Ministry of Development, more than 350,000 objects, including homes, hospitals, schools, roads, engineering, and port infrastructure, have been damaged or destroyed, while more than 100,000 objects have already been restored. Not all of them are on DREAM, as it was not mandatory before.

DREAM indicators:

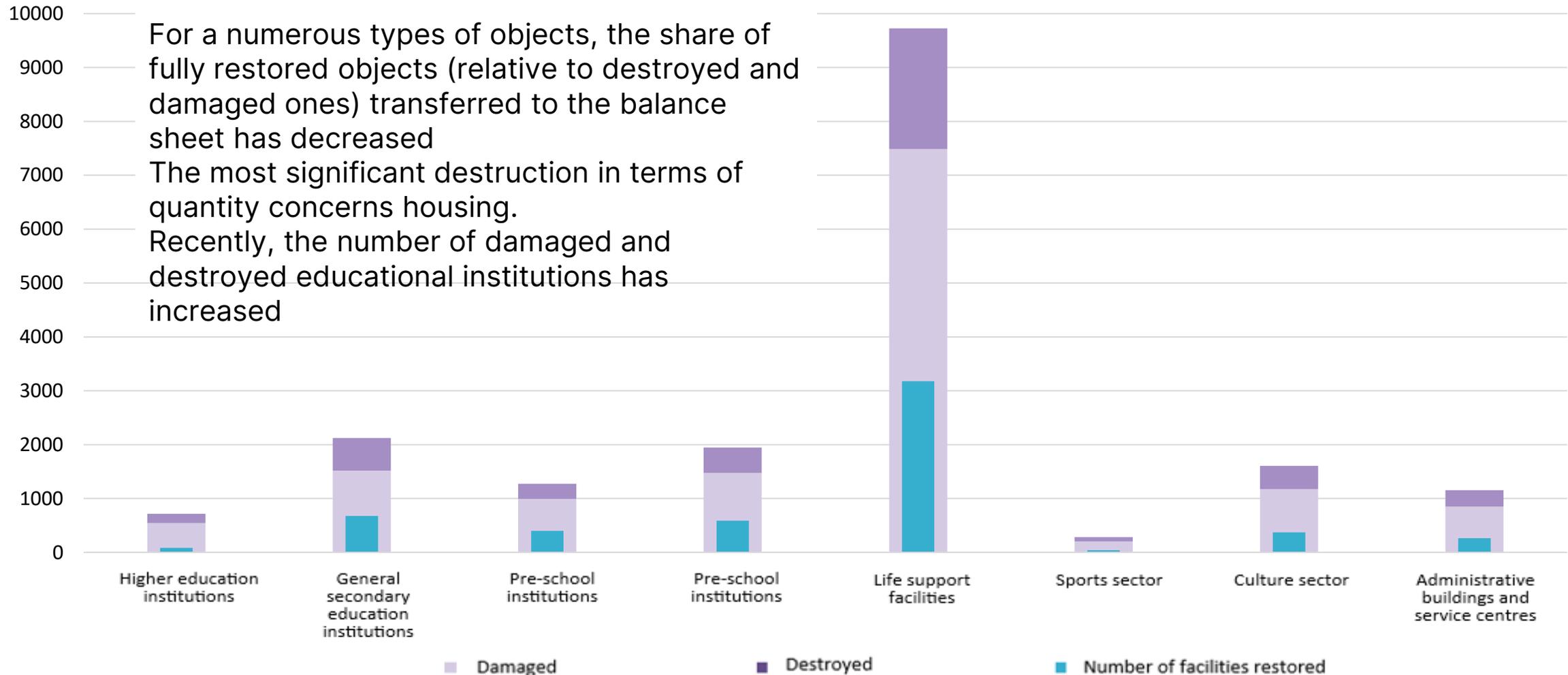
- About 1,300 communities are working with DREAM.
- There are 12,000 projects submitted in the ecosystem.
- The total funding requirement is 1.7 trillion hryvnia (but only 166 billion hryvnia is available).
- Over 36% of projects are in education, with a large proportion in shelters.
- The next areas are healthcare, water/waste management, as well as industry and services (the latter includes housing).



Active work is currently underway to update the functionality of the DREAM ecosystem, a key tool for forming a unified project portfolio of public investments to ensure a clear and understandable mechanism for implementing reforms.

As before, reconstruction is not keeping pace with destruction

Number of damaged, destroyed and restored facilities



- Selected categories
- Source: Ministry of Recovery, as of 23 May 2025

Additional housing funding

The Government of Ukraine and the Council of Europe Development Bank (CEB) have signed [an agreement](#) worth €50 million to provide housing for IDPs

- provision of over 1,100 preferential mortgage loans for IDP families
- fixed interest rate of 3%,
- maturity of up to 30 years,
- application via the Diia portal.

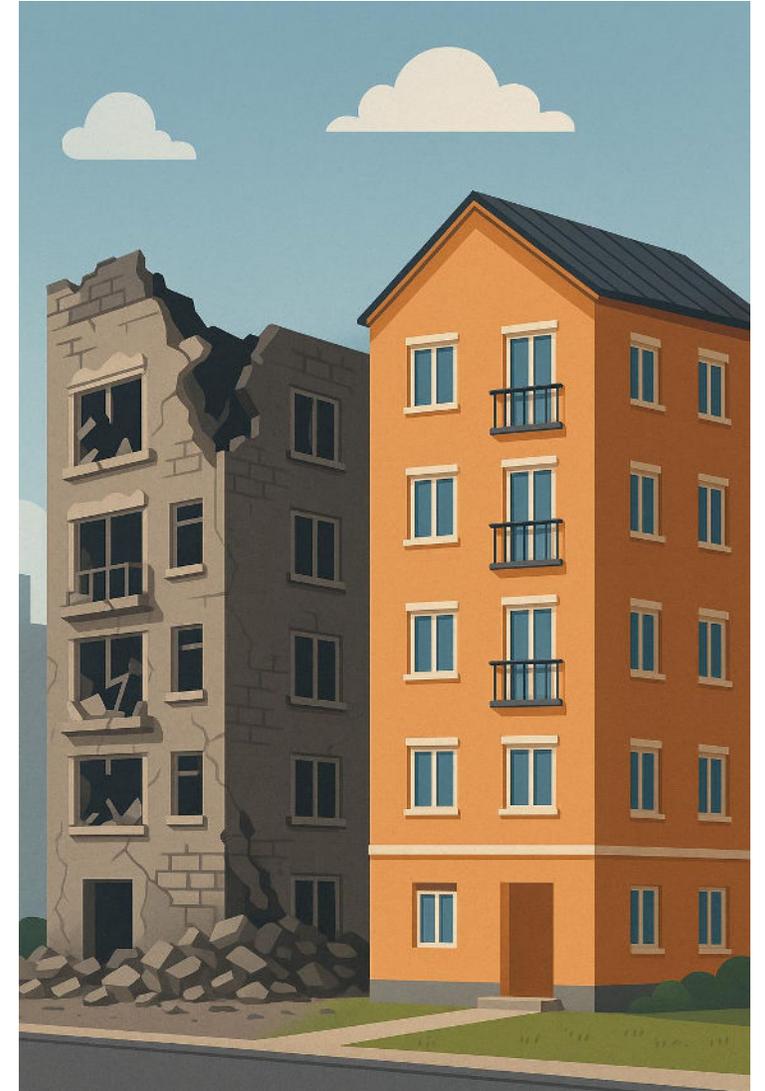
The first agreement with the EBRD provided for €100 million in 2024 to cover compensation for destroyed housing through the issuance of housing certificates (HOME project). This funding has enabled 7,600 Ukrainians to receive housing

However, the funding is significantly less than needed:

- the total cost of full or partial restoration of housing infrastructure exceeds [83.7](#) billion US dollars over 10 years

According to the Ministry of Development, as of 23 May, the following has been damaged or destroyed:

- residential buildings(blocks of flats) – 22,417 properties (including 18,028 damaged by up to 50% and 4,389 destroyed by more than 50%);
- residential buildings (private houses) – 176,191 properties (including 98,551 damaged by up to 50% and 77,640 destroyed by more than 50%)



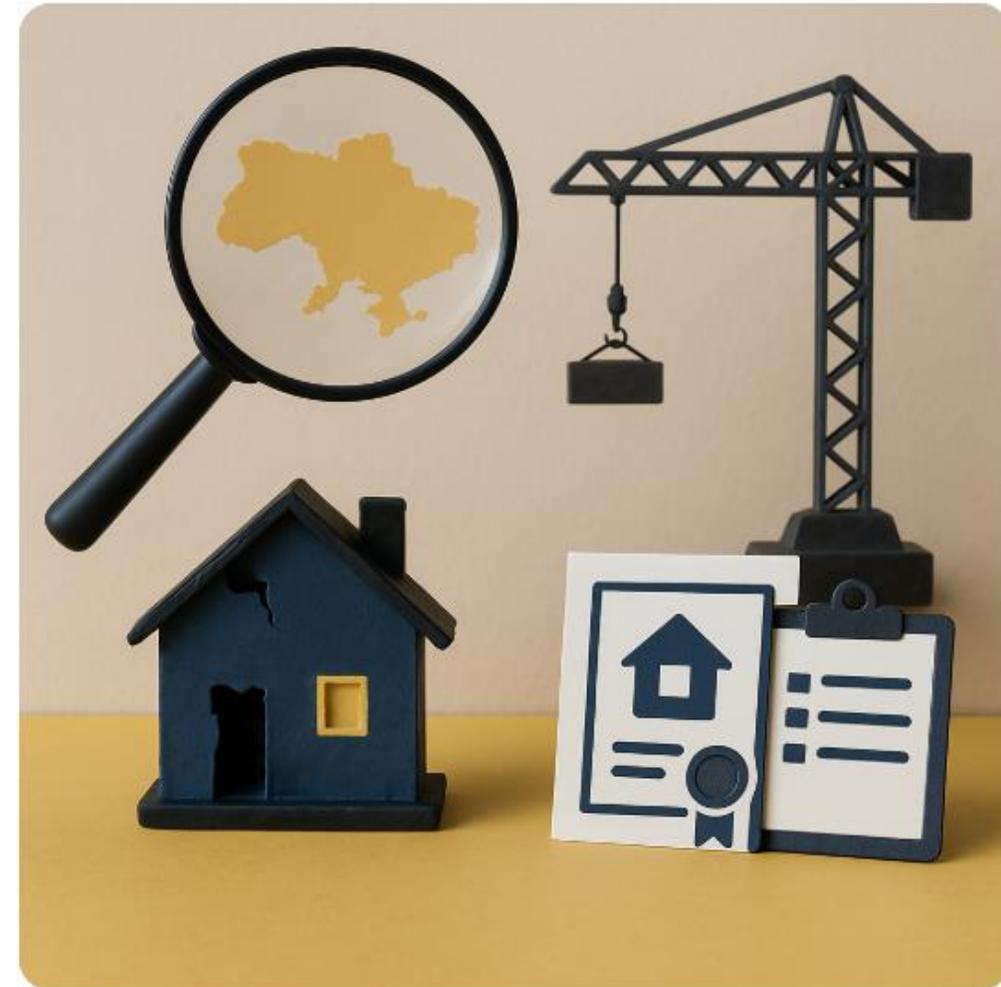
eVidnovlennia: rebuilding destroyed homes on private land

According to [data from the Ministry of Development](#), the second stage of payments for the reconstruction of destroyed housing on private land has begun (in the first stage, 400 applicants received over UAH 522 million in the first instalment)

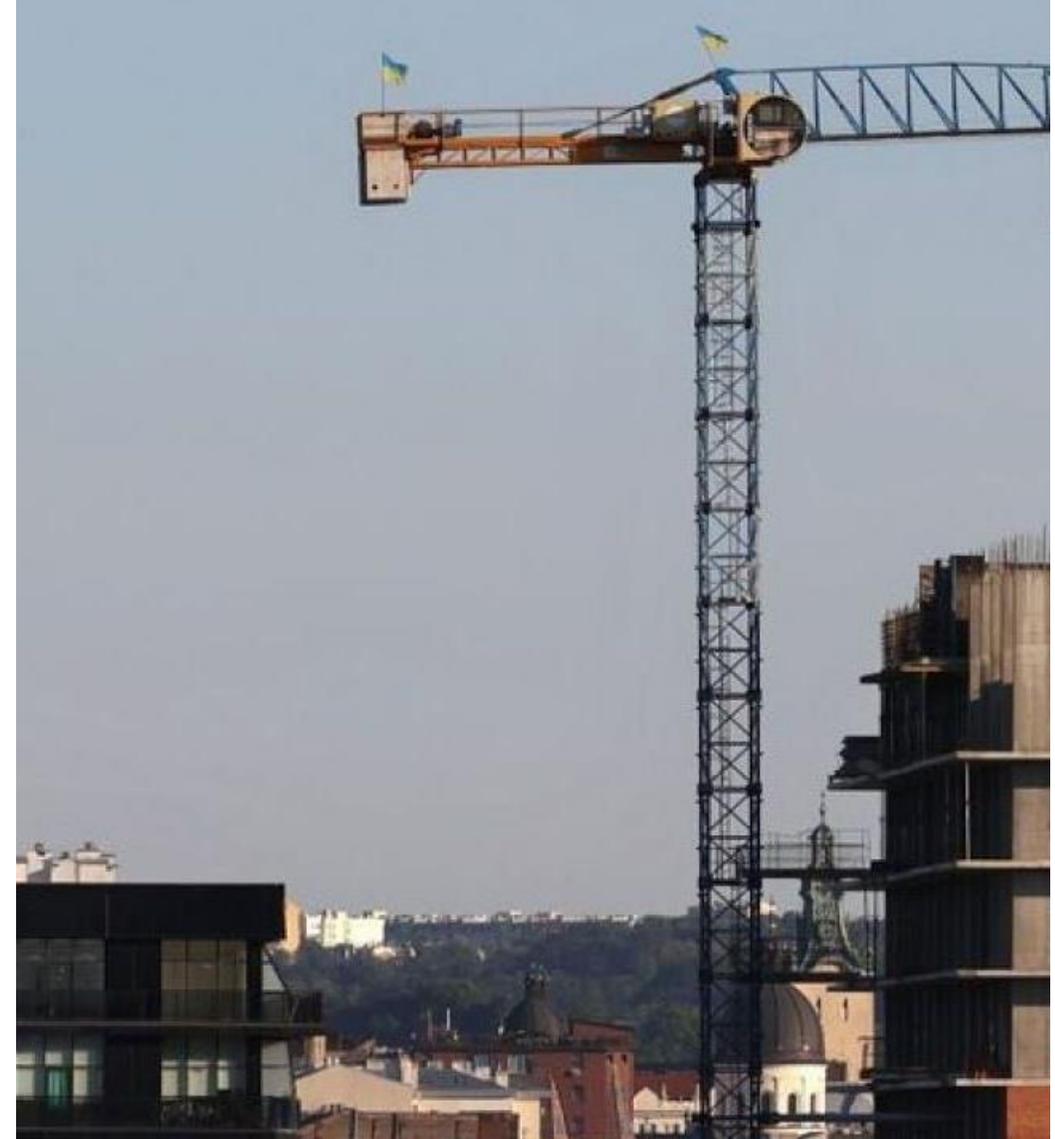
- have an estimate from certified specialists
- start construction work
- use at least 90% of the first instalment and provide confirmation (receipts, certificates of work performed, etc.)
- submit a notification of changes to the information in the notification of the start of construction work – through the Administrative Services Centre or the Diia portal
- submit a notification of readiness for interim verification in Diia (section eVidnovlennia → Payment for construction)

Compensation for damaged housing and certificates for destroyed housing continue to be provided under the eVidnovlennia programme.

The government has not yet approved the procedure for admitting IDPs from temporarily occupied territories of Ukraine to the eVidnovlennia programme: the relevant decision was adopted by parliament at the end of 2024.

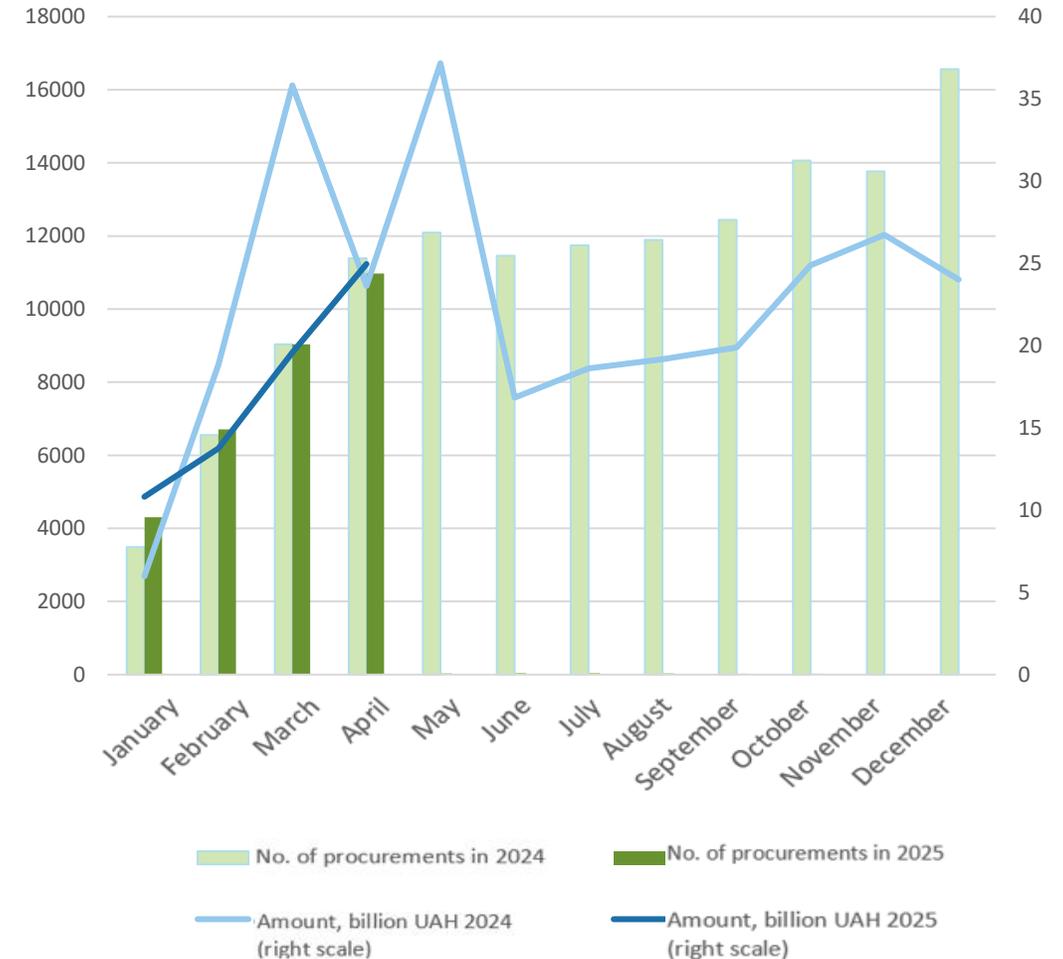


Recovery procurement: 4 months of 2025



Key procurement figures for January-April 2025*

- In January-April 2025, 33.5 thousand construction procurements were announced. Of these, 92.5% (31,000) were completed, 4.2% did not take place, 1.8% were cancelled, and 1.5% are still ongoing.
- The total value of procurements amounted to UAH 69.1 billion, including the current value of procurements in April, which amounted to UAH 25.0 billion, the highest since the beginning of the year.
- Compared to January-April 2024, the number of completed procurements increased by 2%, but their value decreased by 18%.
- The largest procurements in April were three interrelated procurements for the design and construction of a new water pipeline to supply water to the city of Mykolaiv for a total amount of UAH 6.2 billion. The work is being carried out by the Avtostrada Group of Companies.
- The e-procurement system was used for 6,500 completed procurements (21%) worth a total of UAH 48.4 billion (70%).
- In April, the number of defence procurements increased significantly. While 155 procurements totalling UAH 0.2 million were completed in the first quarter, 521 procurements totalling UAH 3.45 billion were completed in April. Thus, the share of defence procurements in all construction procurements increased from 0.2% to 14%.



* – as of 3 June 2025. There are 518 procurements in progress, including 385 announced in April and 133 in the first quarter.

Procurement leaders in January-April 2025

Top 10 organisers (billion UAH)



Top 10 share in all procurements



Top 10 winners (billion UAH)



Top 10 share in all procurements



* – The names of military units are not mentioned in this presentation for security reasons.

The largest construction purchases in January-April 2025

No. Procurement item	Organiser	Winner	Procurement value, UAH million
1. Design and new construction of a water intake facility on the Southern Bug River and a main water pipeline to supply water to the city of Mykolaiv (three tenders dated 11 April 2025).	Infrastructure Restoration and Development Service in Dnipro Region	Avtrostrada Group of Companies LLC	6 228
2. Maintenance and repair of motorways in the Lviv region.	Department of Road Management of the Lviv RSA	Roma Private Enterprise	1 459
3. Maintenance of motorways in the Mykolaiv region.	State Enterprise 'Mykolaiv Region Local Roads Agency'	Mykolaivmagistral Private Enterprise	901
4. Reconstruction of the Dnipro Regional Children's Clinical Hospital.	Department of Capital Construction of the Dnipro RSA	SK Stroiinvest LLC	776
5. Design and construction of a non-explosive barrier strip in the Donetsk region	Military unit*	Defence procurement participant (undisclosed)	737
6. Reconstruction of the medical building of the Children's Cardiology Centre	Centre for Paediatric Cardiology and Cardiac Surgery of the Ministry of Health of Ukraine	Ukrbud-Proekt-Rekonstruktsiya LLC	695
7. Operational maintenance of motorways in the Vinnytsia region	State Enterprise 'Local Road Service in Vinnytsia Region'	Vinnytsia Oblavtodor State Enterprise	600

 XXX Procurements announced in January-March

 XXX Procurements announced in April

Competition in procurement slightly increased in March

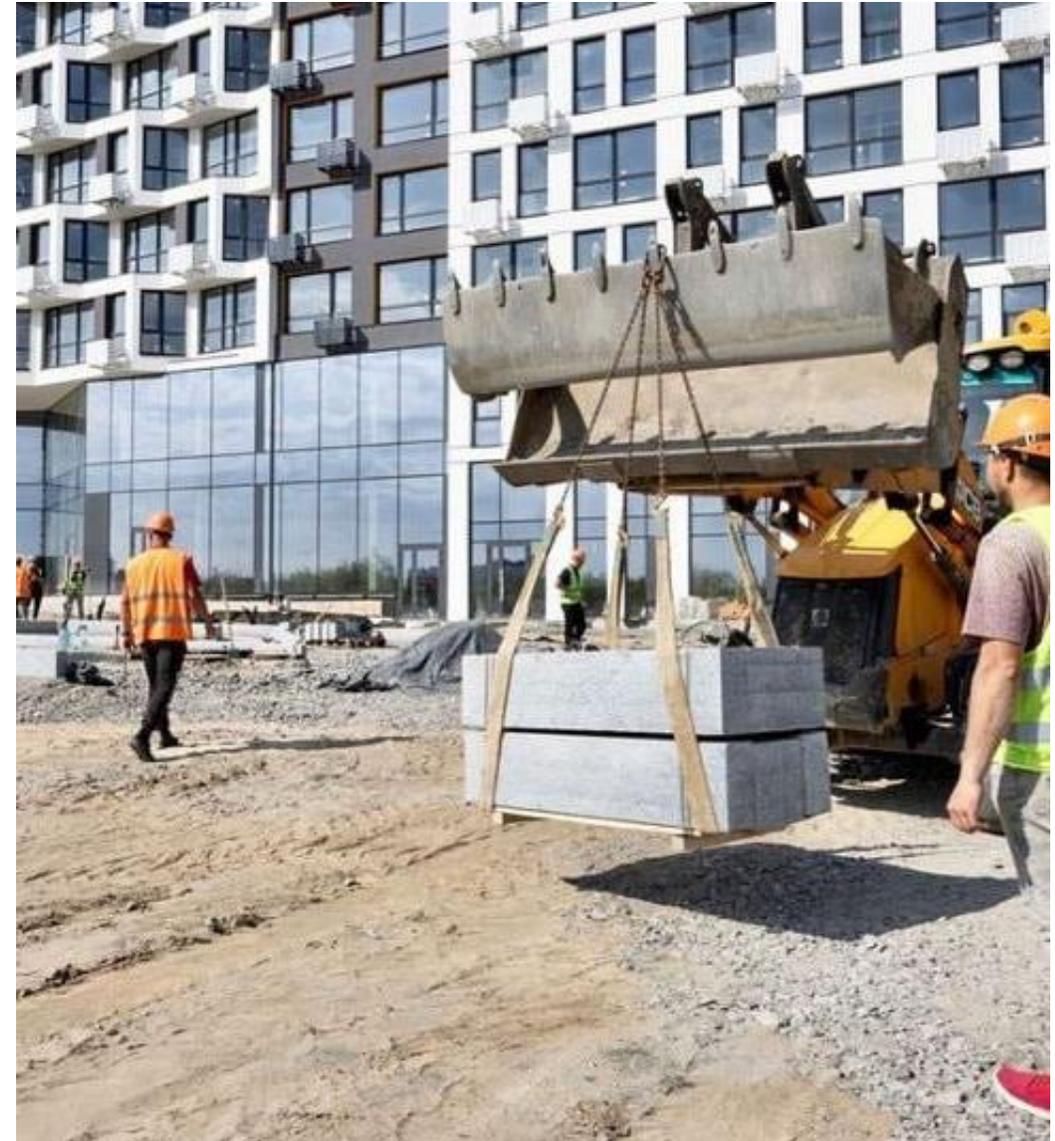
No. of tenderers	No. and % procurement	Amount (billion) and % of procurement	No. and % of procurement in Apr	Amount (billion) and % of procurement in Apr
1 participant	5 082 78.8%	34.2 70.7%	1 800 83.4%	9.8 82.8%
2 participants	808 12.5%	9.3 19.3%	211 9.8%	1.1 9.2%
3 participants	314 4.9%	2.3 4.8%	78 3.6%	0.3 2.9%
4 participants	129 2.0%	1.4 2.8%	34 1.6%	0.5 4.3%
5 participants	54 0.8%	0.9 1.8%	16 0.7%	0.03 0.3%
6 participants	35 0.5%	0.2 0.4%	10 0.5%	0.03 0.2%
7-17 participants	25 0.4%	0.1 0.3%	10 0.5%	0.04 0.4%
Total completed procurement using the e-procurement system	6 447 100.0%	32.5 100.0%	2 159 100.0%	11.8 100.0%

- In April, the share of non-competitive procurement, which was already high, increased. One participant accounted for 83.4% of all procurement worth 82.8% of the total amount of procurement using the e-procurement system.
- Among all construction procurements in January-April, 95.5% of procurements, accounting for 79.4% of the total amount, were non-competitive. In April, these figures were 96.7% and 91.8%, respectively.
- Two April procurements by the Lviv Region Infrastructure Restoration and Development Service had an unprecedented 17 participants. As a result, the expected value of these procurements fell by 70-80%.

Price reduction in most competitive procurements

No.	Procurement details	Organiser	Winner	Procurement value, UAH million (expected/current)	Participants
All procurements					
1.	Development of project documentation for the construction of a freight transport parking lot	Infrastructure Restoration and Development Service in Lviv Region	PE Polissya-Project	4.0 / 1.2 (-70%)	17
2.	Development of project documentation for the construction of a freight transport parking lot	Infrastructure Restoration and Development Service in Lviv Region	PE Sipek T. V.	5.0 / 1.0 (-80%)	17
3.	Current repair of the administrative building	National Bank of Ukraine	DIA Group	1.9 / 1.4 (-26%)	13
Procurements worth more than UAH 20 million					
1.	1. Construction of a forest motorway	State Forestry Agency of Ukraine	PP Avtomagistral	30.4 / 20.9 (-31%)	7
2.	Construction of a residential building in the town of Borodyanka	Department of Regional Development of the Kyiv RSA	LLC Ukrbudinzhiniring	413.3 / 396.9 (-4%)	5
3.	Construction of a nursery school for 140 children	Department of Regional Development of the Kyiv RSA	LLC Opitny Zavod M	144.8 / 144.6 (-0,1%)	5

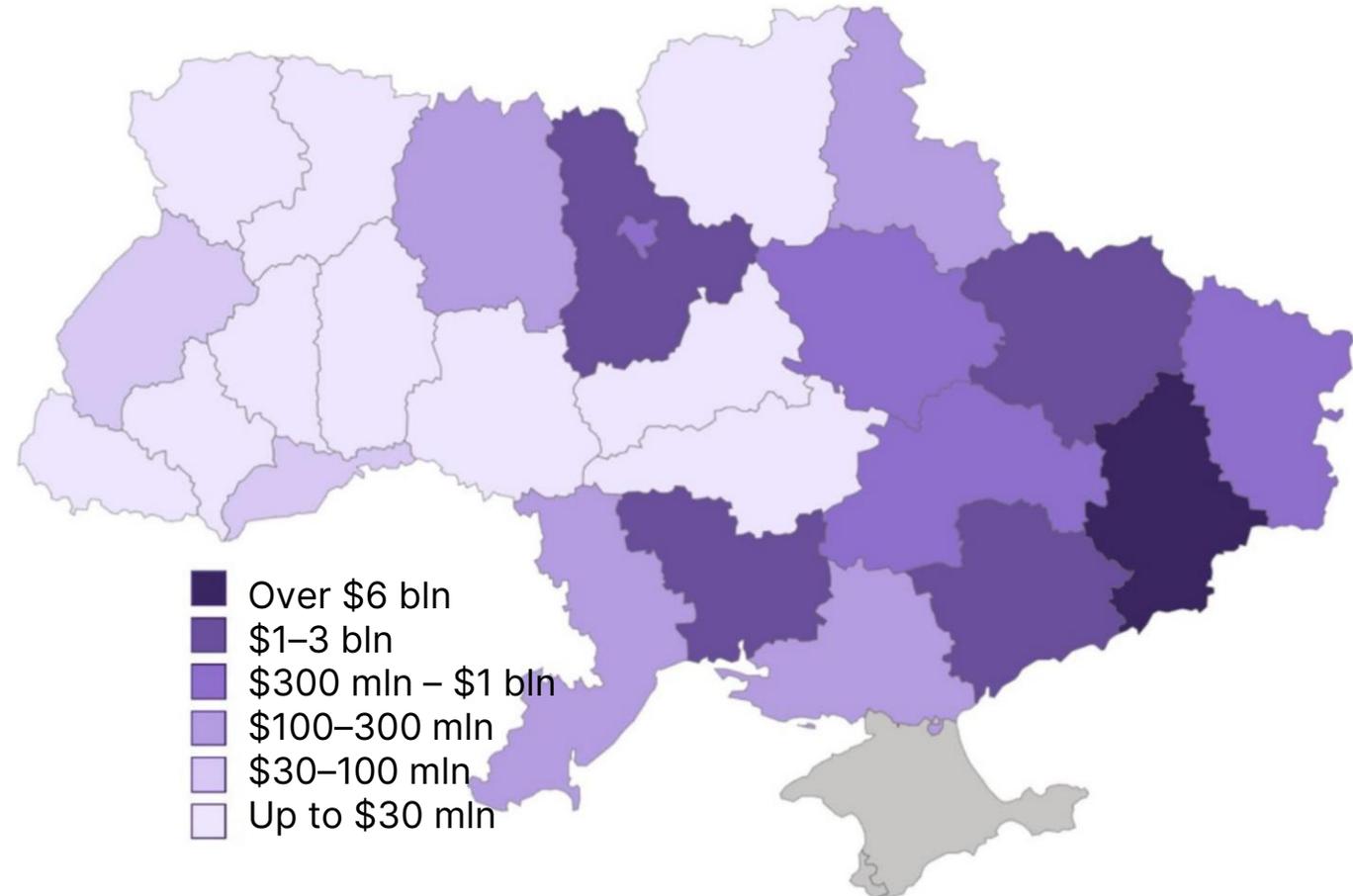
The topic of the month: business recovery



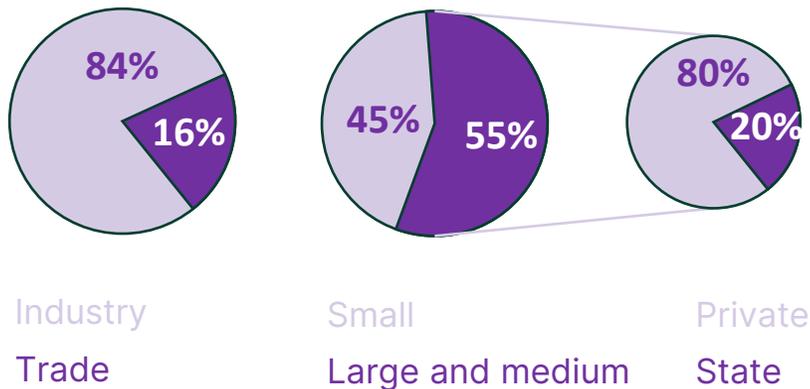
Direct business losses assessment

- Direct losses in the industrial and trade sectors since the start of the full-scale invasion have reached \$17.5 billion, according to RDNA4.
- Part of the business losses in the RDNA4 report are recorded in the energy (\$20.5 billion) and agriculture (\$11.2 billion) sectors.
- Among the losses in agriculture, 58% were incurred by machinery and equipment, 17% by premises, and another 17% by raw materials and products.

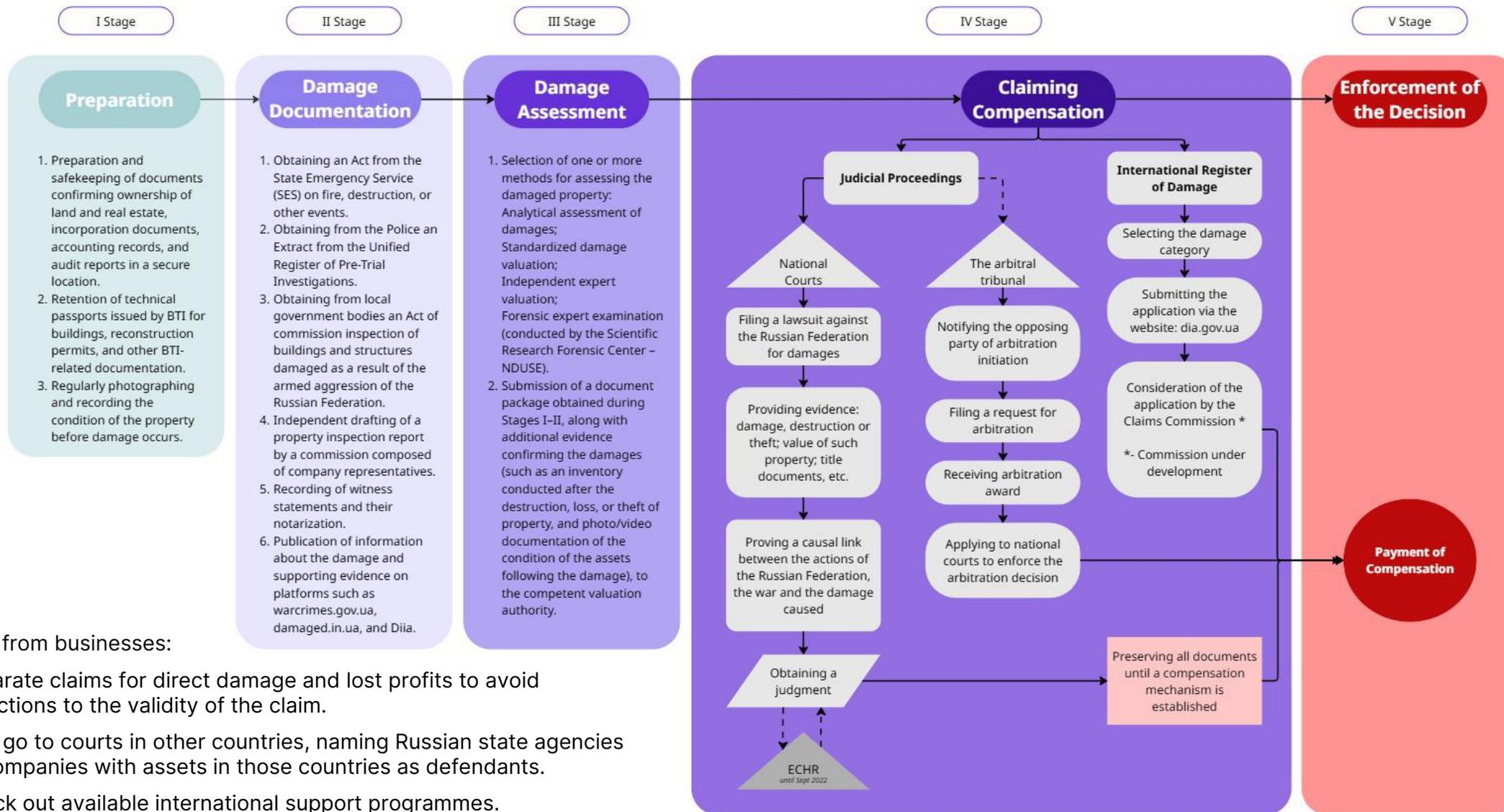
Direct losses in industry and trade by region



Distribution of direct losses in the industry and trade sector



Algorithm of actions for affected businesses



Advice from businesses:

- Separate claims for direct damage and lost profits to avoid objections to the validity of the claim.
- Also go to courts in other countries, naming Russian state agencies or companies with assets in those countries as defendants.
- Check out available international support programmes.

Key recommendations

1. Responsible business attitude towards military risks

- Prevention of risks (business diversification, strengthening physical security)
- Staff training for emergencies
- Insurance against military risks
- Careful documentation of the consequences of aggression
- Creation of effective mechanisms for collective support based on business associations

2. Targeted support for affected businesses

- Reformatting the eRobota programme to preserve existing jobs
- Developing a system of preferential military tax and social security contribution rates for employers in frontline regions
- Increasing quotas for reservists employed by critically important enterprises in frontline regions, as well as enterprises that have suffered significant physical damage due to Russian armed aggression

3. Simplifying access to funding for businesses

- Adopting the Law on Military Risk Insurance to promote diversification of military risk insurance mechanisms and strengthen the role of international institutions in covering such risks.
- Providing state guarantees for financing programmes that contribute to enhancing the security, defence capabilities and energy resilience of the state.
- Adaptation of credit risk assessment mechanisms to the conditions of martial law.
- Increased lending limits and terms under the 'Affordable Lending 5-7-9%' programme, with preferential lending for frontline businesses.
- Development of factoring and financial leasing.
- Improving the financial literacy of entrepreneurs, conducting training for entrepreneurs on the procedure for assessing and compensating losses and attracting funding..

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.

Journalistic 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

29 of May **НАШІ ГРОШІ**

A lyceum shelter in the Odessa region worth UAH 65.6 million, funded by the European Union, will be built by a company involved in an embezzlement case. According to preliminary estimates, the cost overrun for just ten items analysed exceeds UAH 3 million.

28 of May **НАШІ ГРОШІ**

The Kramatorsk City Council ordered the restoration of a building for UAH 18.2 million, with prices inflated by 2 times.



22 of May

A shelter worth UAH 145 million was ordered at excessive prices for a lyceum in the Kharkiv region that was damaged by shelling, rebuilt and then destroyed again.

НАШІ ГРОШІ

16 of May

Following the publication of Our Money, auditors discovered violations in the tender for the reconstruction of the Mykolaiv Regional Children's Hospital worth UAH 596.4 million and demanded that the contract with Antares-Bud LLC be terminated.

14 of May **НАШІ ГРОШІ**

In the Sumy region, a radiation shelter will be built for UAH 54.7 million from the European Union using reinforced concrete at twice the market price.

* – for the period from 14 to 31 May 2025

Monitoring of specific areas

Healthcare

Education

Demining



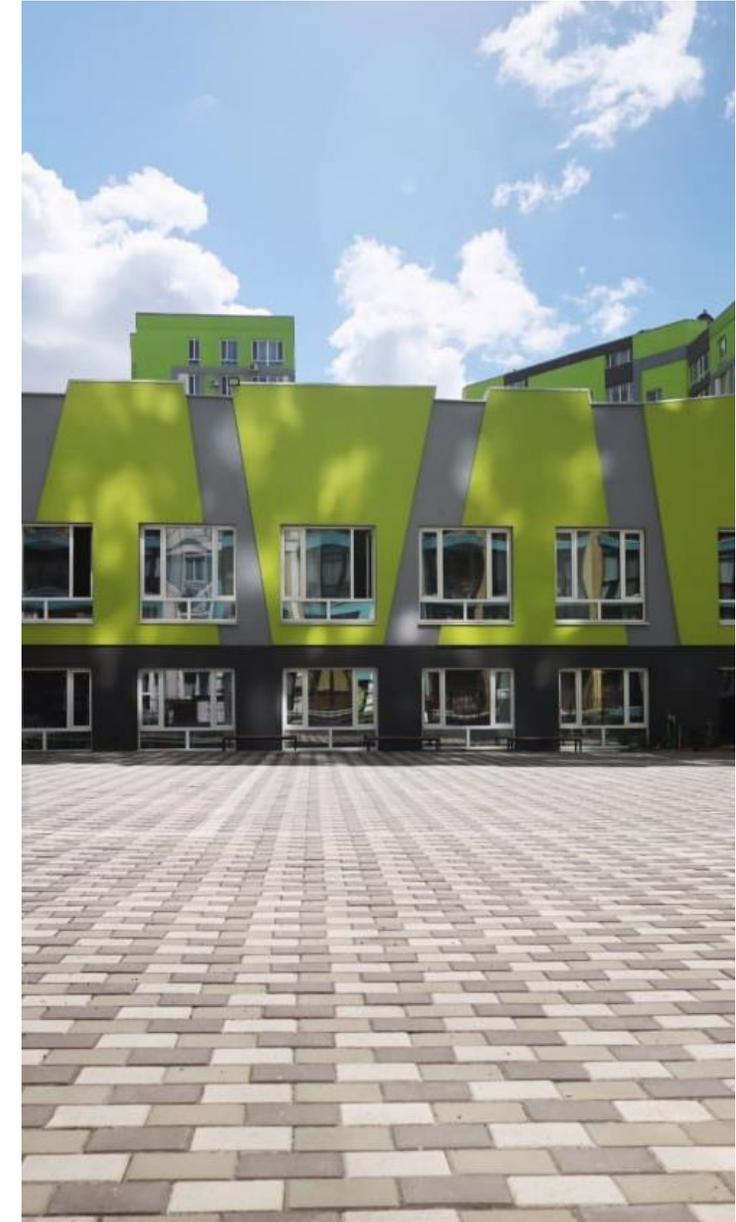
Healthcare

- [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 destroyed (1,984 (+36 in a month and a half) and another 305 (+4 in a month and a half) have been destroyed and cannot be restored.**
- The most affected medical facilities are 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 government has allocated funds for reconstruction in the Zaporizhzhia and Kharkiv regions](#): UAH 298 million for four projects in the Zaporizhzhia region, including UAH 139 million for the reconstruction of the city hospital in Zaporizhzhia. Another UAH 598 million will be allocated for reconstruction in the Kharkiv region, including UAH 240 million for the repair of the regional hospital.
- [On the DREAM platform](#), there are already **873 objects (+24)** in the healthcare sector that are currently under construction or undergoing major repairs.
- [During May 2025: 71 projects](#) with a total budget of UAH 10.7 billion (**financial coverage – 14%**). The largest number of projects is in the Cherkasy (12), Odesa (9) and Sumy (8) regions.



Education

- Since the beginning of the full-scale invasion, statistics on damaged and destroyed educational institutions as of 23 May 2025:
 - 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, 83 higher education institutions, 676 secondary schools and 401 pre-school education institutions have been completely restored and transferred to the balance sheet in various regions of Ukraine.
- [By the end of 2025, it is planned to open about 200 underground schools in seven frontline regions](#) – Kharkiv, Zaporizhzhia, Mykolaiv, Dnipro, Kherson, Chernihiv and Sumy.
- [On the DREAM platform](#), there are already 2,727 educational facilities (+36) under construction or undergoing major repairs.
- [During May 2025: +113 projects](#) with a total budget of UAH 1.8 billion (financial coverage – 7.7%). The largest number of projects is in the Dnipro (17), Zakarpattia (16) and Kyiv (11) regions.



Humanitarian demining in Ukraine (data as of 31 May 2025)

- As of 27 May 2025, [101 mine action operators](#) have been certified in Ukraine: 93 are Ukrainian companies, and the remaining 8 are foreign representatives.
- [The State Emergency Service and HALO Trust signed a memorandum of cooperation](#) in the field of demining and civil protection.
- [UNDP Ukraine handed over 16 underwater drones](#) to the State Emergency Service and conducted an 8-day training course for specialists with the support of the governments of South Korea, France and New Zealand.
- [Thanks to tenders, the cost of demining in Ukraine has decreased 25-fold](#): previously, the cost of demining one hectare of land was estimated at \$30,000–50,000.
- Under the state programme for compensation for demining agricultural land, [farmers have already had more than 2,000 hectares returned to them](#). In May, six contracts were signed for 626.7 hectares worth almost UAH 35 million in the Mykolaiv, Kharkiv and Kyiv regions.
- [The first Ukrainian remote demining machine, GART 5100, has successfully passed testing and certification](#). It is already operating in the fields and can clear more than 2 hectares per day. By the end of 2025, 16 such machines are planned to be manufactured.

Inspected: 206.5 thousand hectares (+ 2.5 thousand hectares)

Destroyed > 231,300 (+ 2,200) explosive devices

Demined:



2.8 thousand km of railway



1.1 thousand km of motorways (+7.4 km)



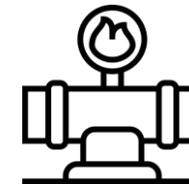
555.1 km of power lines(+7.1 km)



516.3 hectares of forests (+6.5 km)



25.8 hectares of water areas



88.7 km of gas pipelines (+4.1 km)



Thank you for your attention!

THE RECOVERY SPENDING
WATCHDOG

