

The recovery spending watchdog №20: Reconstruction of Ukraine

#20, July 2025

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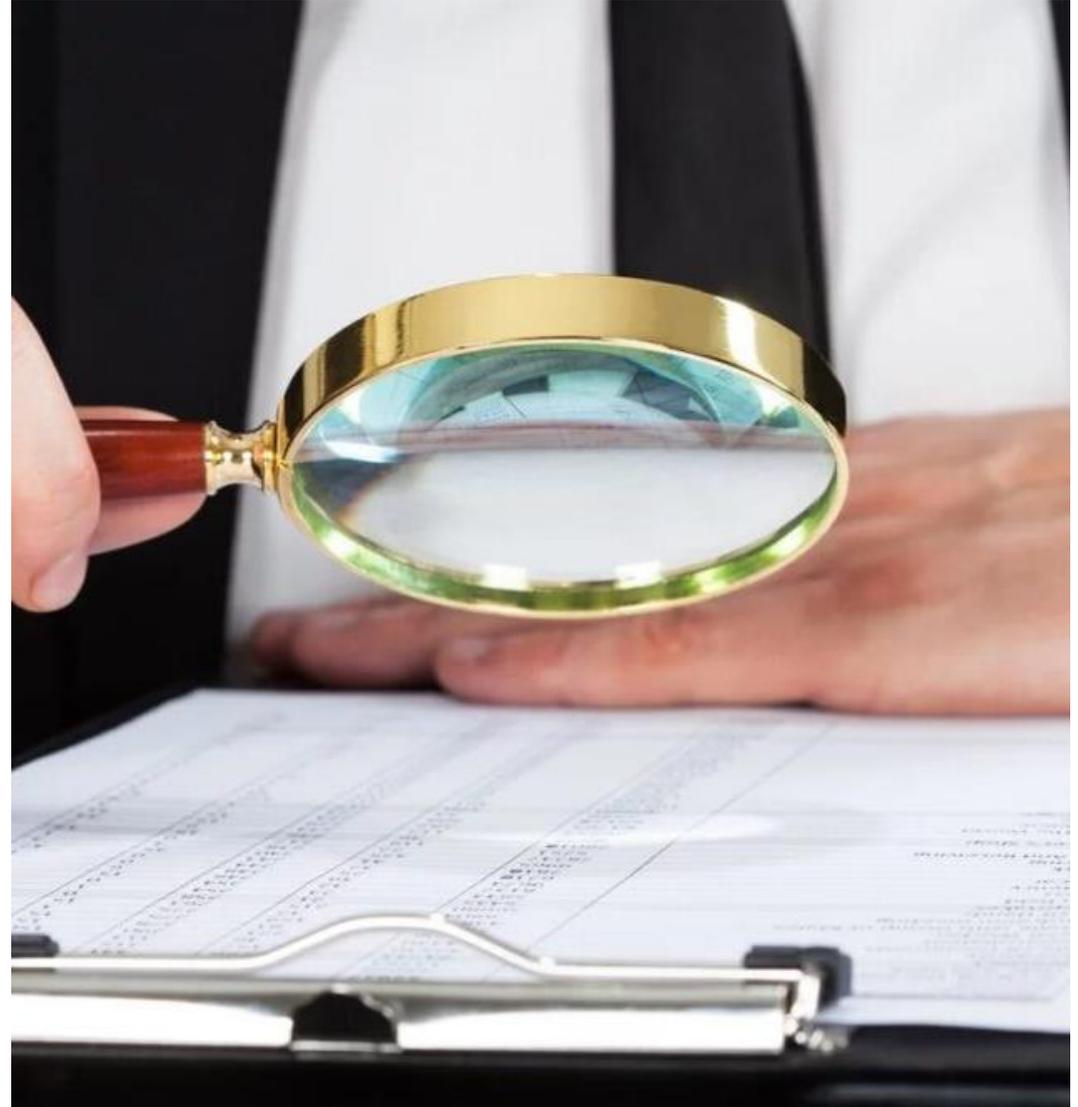


Content

- Legal regulation
- Recovery process and funding
- Analysis of recovery procurement
- Investigative journalism (Reconstruction in the media)
- Monitoring specific areas: education, demining



Legal and regulatory framework

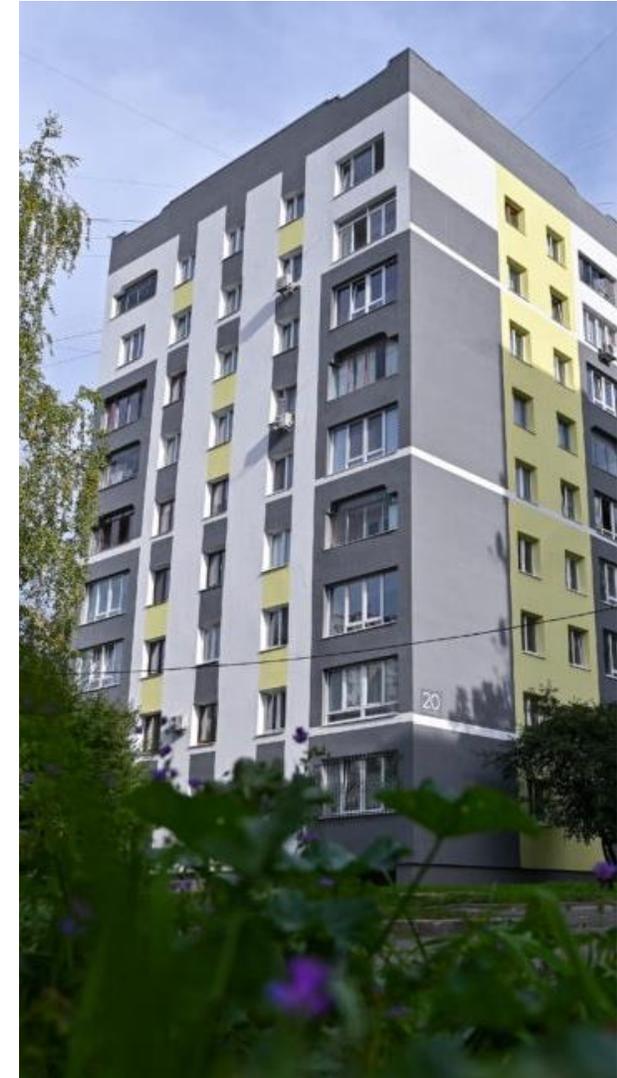


Regulatory and Legal Framework: Reform of the Public Investment Management System

- The Cabinet of Ministers of Ukraine has approved the [National Targeted Economic Program for the Support of Thermomodernization](#) for buildings until 2030. The goal of the program is to reduce energy consumption in the housing stock by at least 30% through the thermomodernization of buildings.
- The government has established the Coordination Centre for Regional Reconstruction, headed by the Vice Prime Minister for Reconstruction. This institution will function as a temporary advisory body to the government, ensuring a unified approach to setting priorities for reconstruction projects: specifically, aligning regional needs with national priorities in the reconstruction process
- The Cabinet of Ministers of Ukraine has approved a mechanism for remote surveying of destroyed housing in areas of active combat. Remote surveys will be conducted by commissions established by local government authorities or regional military administrations. Such commissions will be able to use all available remote monitoring tools, including satellite imagery, materials obtained via UAV footage, as well as photos and videos taken with a mobile phone by the property owner

Thus, Internally Displaced Persons from the respective areas will be able to access the eVidnovlennya (eRecovery) state program

- As part of the United National Electronic system in the Construction Sector, the National Database of Energy and Operational Characteristics of Buildings (hereinafter referred to as the Building Database) has started its operation.



The Medium-Term Plan for State Priority Public Investments for 2026-2028

The Cabinet of Ministers of Ukraine has approved [the Medium-Term Plan for Priority Public Investments for 2026-2028](#), which is closely linked to the State Budget Declaration for these years.

The plan outlines:

- Cross-cutting strategic goals for public investment implementation;
- Priority sectors (industries) for public investment;
- Main areas of public investment, including ongoing projects and programs, target indicators for these areas across state policy sectors, regions, and the corresponding estimated allocation of funds from various sources of financing;
- Sub-sectors within industries (sectors) for public investment.

From 2026 through 2028, the cross-cutting strategic goals include energy efficiency, climate change response, gender equality, and accessibility

A broad range of **priority sectors**:

Transport (Ministry of Development), Municipal Infrastructure and Services (Ministry of Development), Housing (Ministry of Development), Energy (Ministry of Energy), Education and Science (Ministry of Education and Science), Healthcare (Ministry of Health), Social Sphere (Ministry of Social Policy), Legal activities and Judiciary (Ministry of Justice), Public Finances (Ministry of Finance), Environmental policy (Ministry of Environment), Public Services and Associated Digitalization (Ministry of Digital Transformation)

In conclusion, prioritization will essentially be carried out within each sector: the challenge will be linking projects and initiatives across different ministries.



The Medium-Term Plan for State Priority Public Investments

Most of the funds still need to be attracted either via state budget or state guarantees

Index, UAH bn	2026 (esteem)	2027 (esteem)	2028 (esteem)	2026-2028 in total (esteem)
Total funds volume	91.3	77.6	65.3	234.2
Funds attracted from international financial organizations and foreign governments	46.4	34.7	10.3	91.4
State Fund for Radioactive Waste Management	0.2	0.2	0.2	0.6
State Fund for Water Management Development	0.0	0.0	0.0	0.1
State Fund for Decarbonization and Energy-Efficient Transformation	2.1	2.4	2.4	6.9
State Guarantees	74.7	82.2	91.2	248.1
TOTAL	214.7	197.2	169.4	581.4

The Medium-Term Plan for State Priority Public Investments: priority for transport (roads) and energy

Sector(industry), UAH bn	Maximum volume for 2026	Maximum volume for 2027	Maximum volume for for 2028	Maximum volume for 2026-2208
Transport	27.67	91.97	78.51	198.15
Municipal infrastructure and Services	5.83	5.32	1.48	12.64
Housing	10.60	7.86	-	18.46
Energy *	75.47	20.04	25.33	120.83
Education and Science	27.93	27.39	26.76	82.08
Healthcare	28.84	9.79	5.02	43.65
Social sphere	5.69	2.56	0.86	9.11
Legal actions and Judiciary	0.79	0.52	-	1.31
Public finance	0.66	0.23	-	0.89
Environmental policy**	0.23	0.23	0.25	0.70
Public services and related Digitalization	0.80	0.95	1.05	2.80
Public safety	0.18	0.37	0.18	0.74
State Fund for Regional Development***	30.00	30.00	30.00	90.00
Total result	214.69	197.22	169.44	581.35

There are substantial challenges for implementing the Medium-term Plan

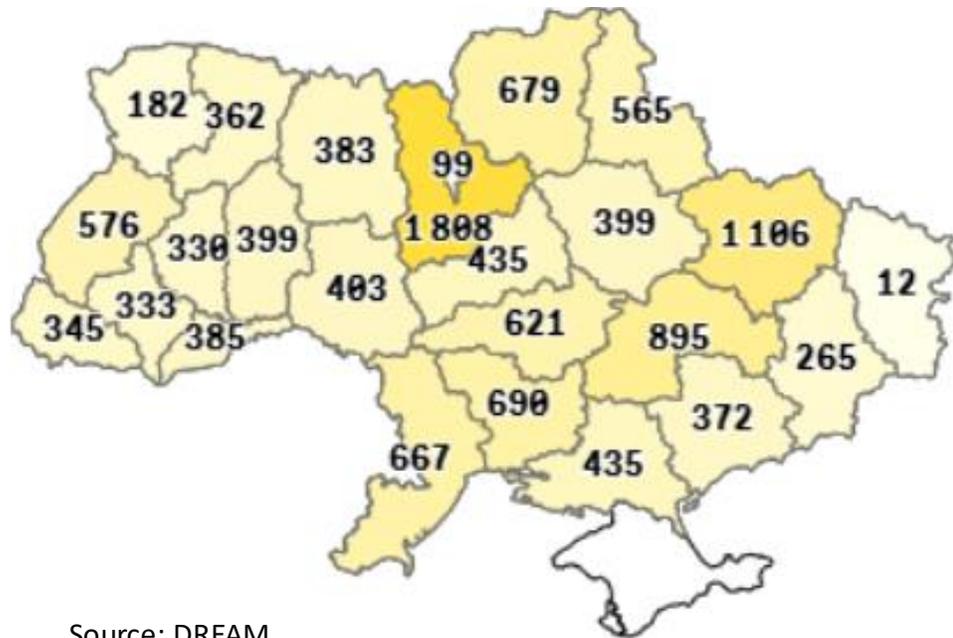
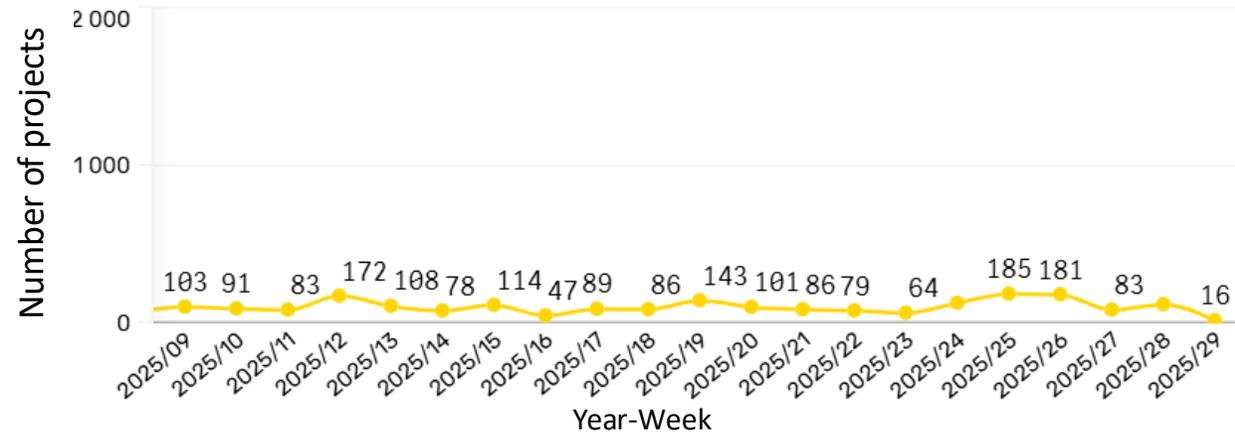
Key Challenges for Public Investment(2026–2028)

- **Limited fiscal space:** budgetary resources remain constrained, while defense spending must remain high
- **Dependence on External Financing:** nearly 40% of investments depend on international partners, as economic support remains essential
- **Implementation Capacity:** not all institutions and regions have sufficient capacity for the timely preparation and implementation of investment projects
- **Investment portfolio Quality:** there is a need for better priority setting, cost-benefit analysis, and preliminary technical and economic assessments
- **Post-war Reconstruction Context:** Security risks and infrastructure damage persist in frontline regions
- **Cross-sectoral Coordination:** difficulty in aligning and coordinating investment plans between ministries and different levels of government
- **Monitoring and Transparency:** efficient tracking and use of funds remain a key task — the government is currently transforming the DREAM system into the Public Investment Management System (PIM)

Recovery progress and funding



DREAM – Added Information on the Medium-Term Plan for Priority Public Investments:



DREAM Indicators:

- Approximately 1,300 communities are working with DREAM
- The ecosystem contains 12.7 thousand submitted projects (+700 projects per month)
- The total financing need is 1.8 trillion UAH, but the available funding is 166 billion UAH

As part of the reform of the public investment management system, additional sections have been added to the «[Medium-term Plan](#) for Priority Public Investments» section in [DREAM](#)

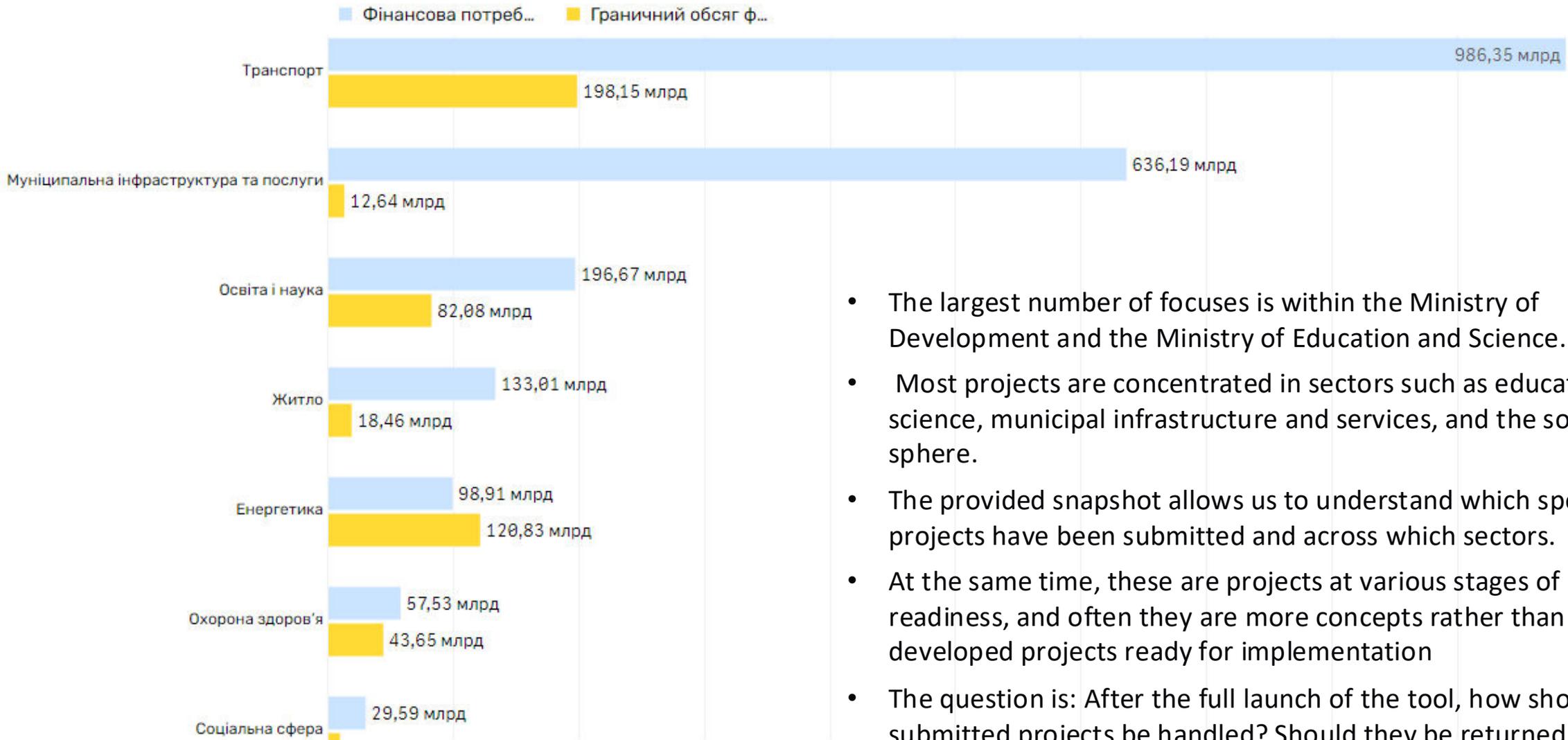
The functionality and information provided will be updated – currently, these are the projects submitted last year.

As of July 15, the indicators are as follows:

- 50 focuses
- 30 subsectors
- 2.16 trillion UAH – financing need
- 491 billion UAH – maximum financing volume

The Ministry of Development and the DREAM Project Office have prepared a [guide](#) that answers key questions regarding the reform of Public Investment Management (PIM).

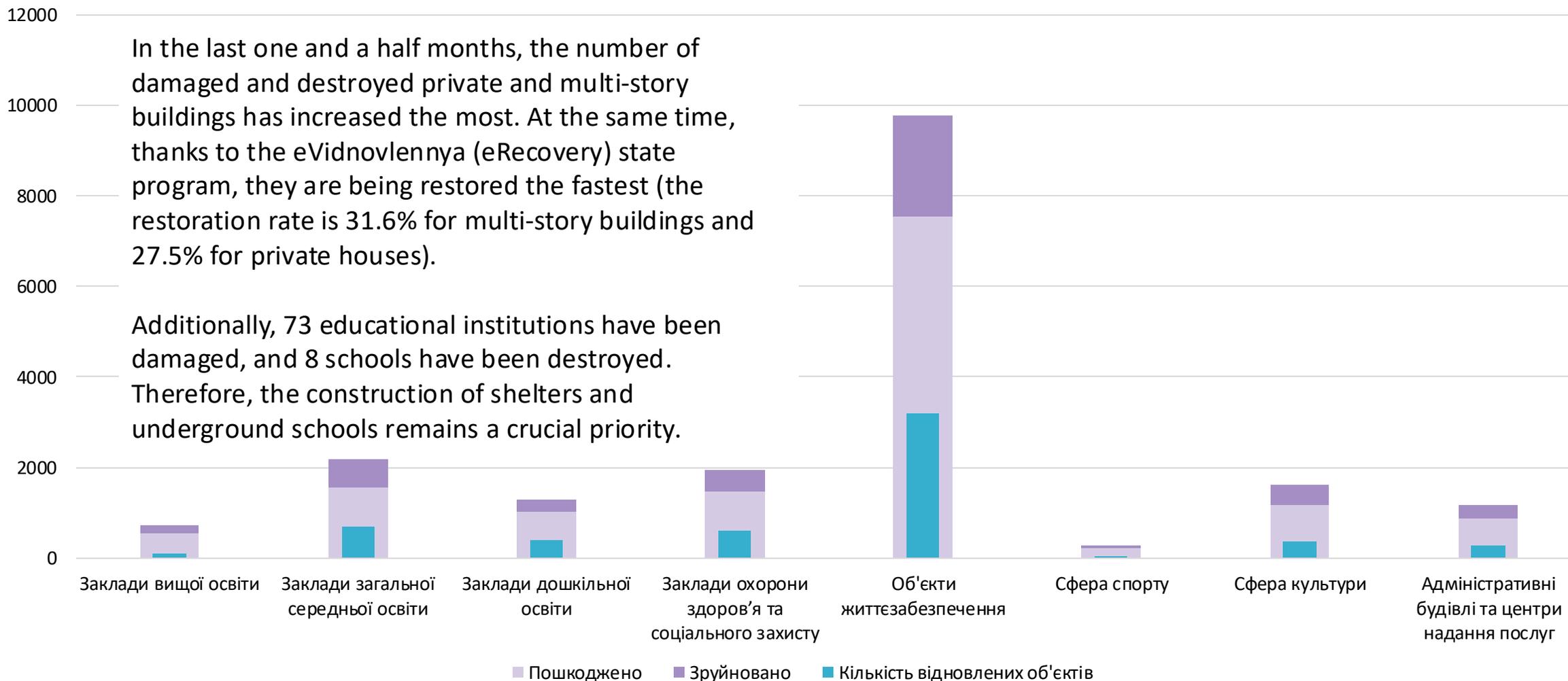
DREAM is for now a snapshot of what has been submitted to the portal



- The largest number of focuses is within the Ministry of Development and the Ministry of Education and Science.
- Most projects are concentrated in sectors such as education and science, municipal infrastructure and services, and the social sphere.
- The provided snapshot allows us to understand which specific projects have been submitted and across which sectors.
- At the same time, these are projects at various stages of readiness, and often they are more concepts rather than fully developed projects ready for implementation
- The question is: After the full launch of the tool, how should the submitted projects be handled? Should they be returned for further refinement, or should they be kept as they are?

Damage is done at a higher pace than the recovery is accomplished

The number of damaged, destroyed, and restored objects after February 24, 2022



eVidnovlennya state program: the government's effort to provide access for Internally displaced persons from Temporarily occupied territories

As of July 1, compensations for damaged housing are:

- Total number of applications submitted so far: 153,920
- Over 97,000 Ukrainians have received compensation totalling more than 9.6 billion UAH.
- The average compensation amount: 72,700 UAH for minor repairs and 341,600 UAH for major repairs.

Compensations for destroyed housing:

- Total number of applications submitted so far: 52,618
- More than 20,000 Ukrainians have received certificates for purchasing housing to replace destroyed properties, totalling 29.1 billion UAH.
- Over 11,600 people have already purchased housing, including 5,000 internally displaced persons (IDPs).

Compensations for construction on privately owned land:

- Number of applications submitted: 3,655, and the number of decisions made: 2,192
- 527 projects have been financed, totalling 2.2 million UAH.

As before, the eVidnovlennya (eRecovery) state program is financed through the World Bank's HOPE project and the Council of Europe Development Bank's HOME project



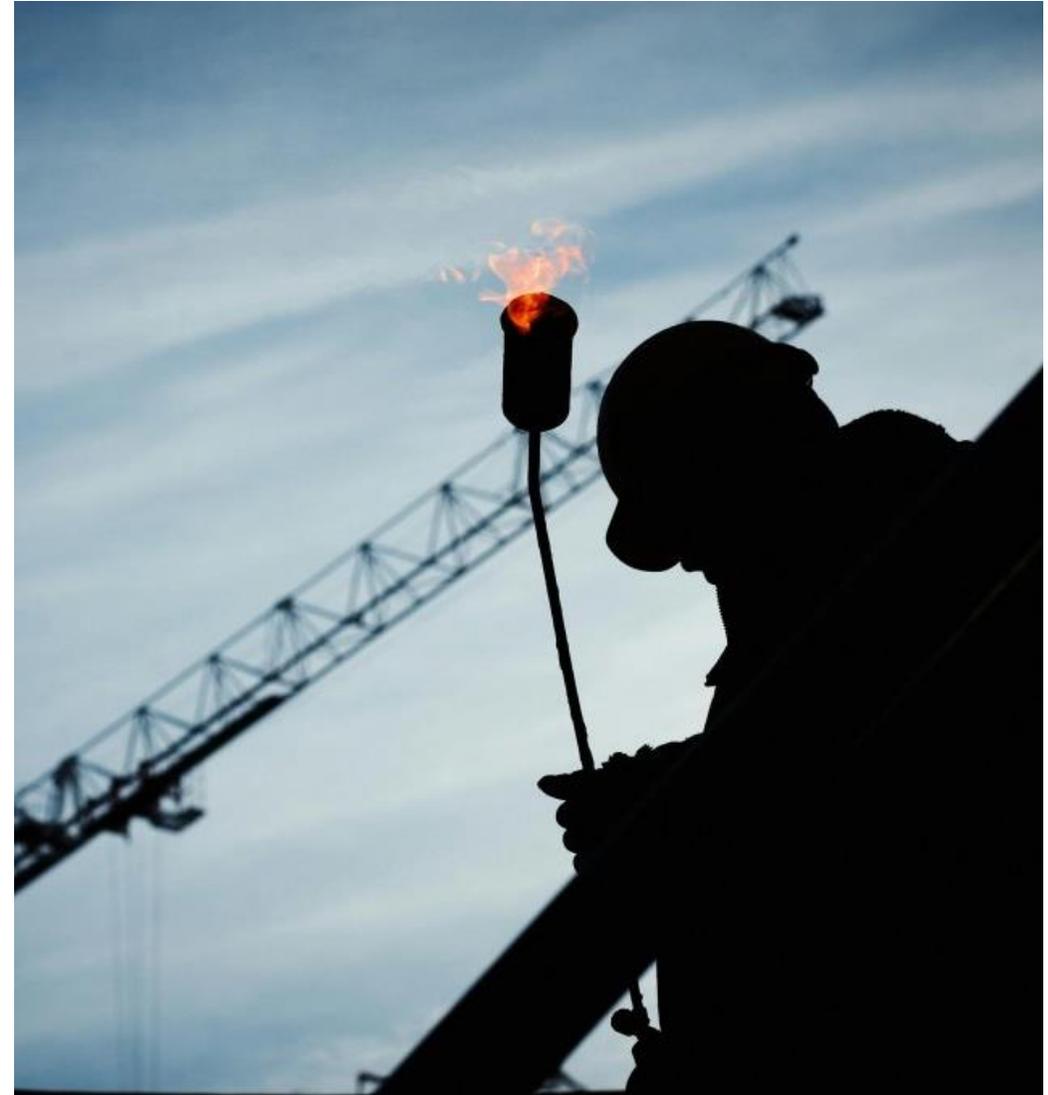
URC-2025: New agreements for financing Reconstruction and Recovery, as well as housing programs

The "Reconstruction Coalition" has been established, along with the European Flagship Fund for the Reconstruction of Ukraine (with initial partners including France, Germany, Italy, Poland, and the European Investment Bank). Agreements and memoranda have been signed, totalling more than 3.5 billion euros.

[The Ministry of Development has summarized latest results](#) (these are not exhaustive results, but those that fall under the Ministry's authority and do not include separate projects agreed upon by other ministries, such as the Ministry of Education and Science and the Ministry of Health):

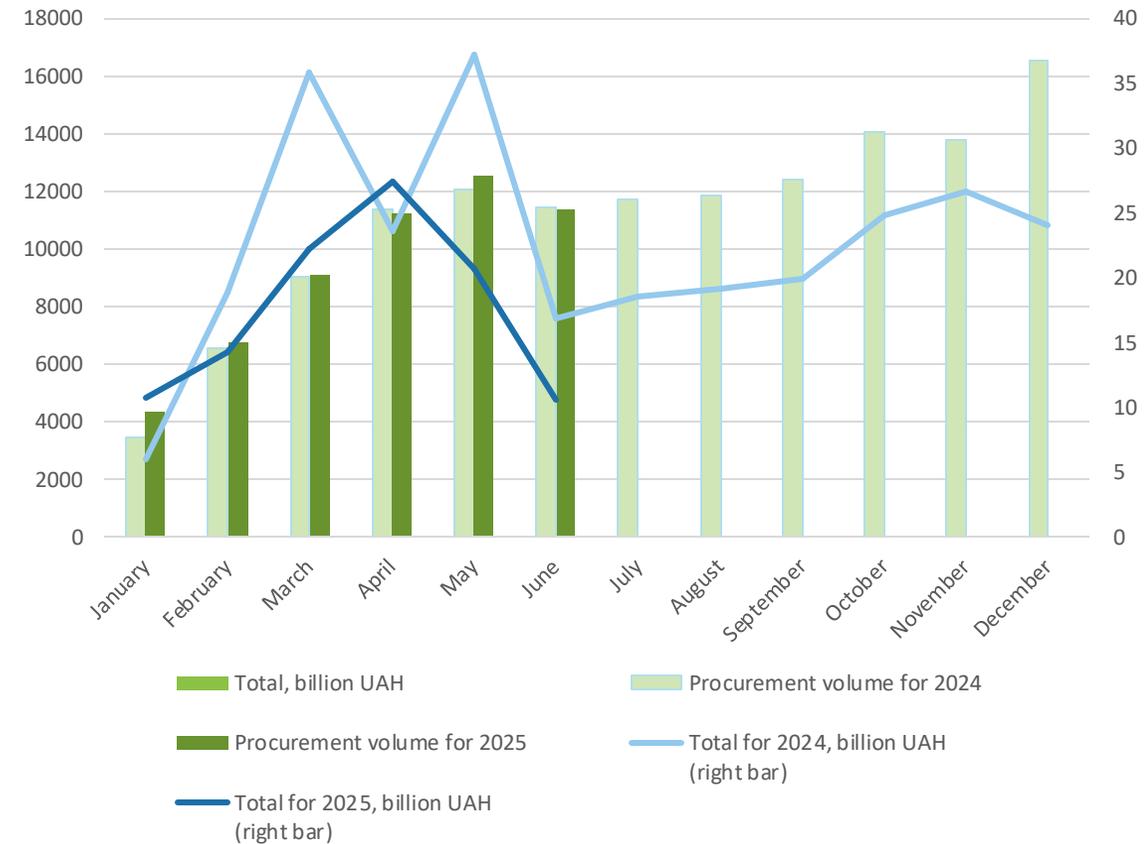
- **1. Intergovernmental agreements (370+ million euros):**
 - 100 million euros – Council of Europe Development Bank: compensation for destroyed housing (eRecovery)
 - 134 million euros – European Investment Bank: restoration of transport infrastructure
 - 32.5 million euros + 6 million euros – Italy: heritage and irrigation in the Odessa region
 - 116 million USD – World Bank/IBRD: energy supply in 7 cities (RePower)
- **2. Memoranda (over 379 million euros):**
 - 150 million euros – Belgium: generators, mobile boilers
 - 20 million euros – Switzerland: education, decentralization (DECIDE)
 - 200 million euros – Poland: checkpoints and roads
 - Other: Italy, EBRD – bridges, road documentation, air traffic (up to 9 million euros)
- **3. Joint statements and other announcements (over 230 million euros):**
 - 100 million euros – new funding for the HOME project
 - 54 million euros – two grants from the EBRD for Ukrzaliznytsia (Ukrainian Railways)
 - 35.5 million euros – hospital in Zhytomyr (Netherlands)
 - 32.5 million euros – hospital in Odesa (Italy)
- **4. Other important decisions:**
 - 1.5 billion euros – Italy's insurance mechanism to support exports and projects in communities
 - 929.3 million euros – agreements under the Ukraine Investment Framework
 - 140 million euros initiative – compensation for IDPs and preferential mortgages for veterans
 - Beginning of dialogue with Korea – concessional loans for infrastructure projects

Recovery procurement: 6 months of 2025 .



Key numbers regarding procurements in January-June 2025 *

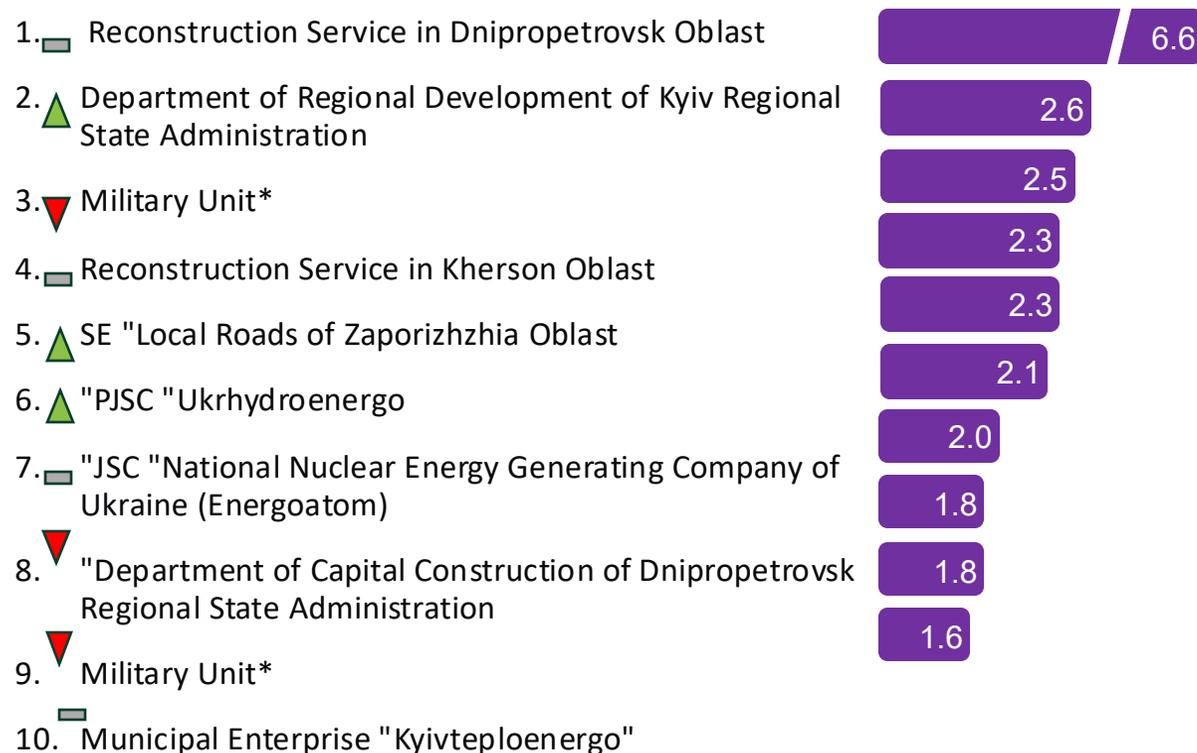
- In January-June 2025, a total of 61,000 construction procurements were announced. Of these: **90.6% (55,300)** were completed, **4.5%** were not completed, **1.6%** were canceled, **3.3%** are still ongoing.
- The total value of the procurements amounted to 106.2 billion UAH, including: **May's procurements:** 20.7 billion UAH, **June's procurements:** 10.7 billion UAH.
- Compared to January-June 2024, the number of completed procurements increased by 2%, but their value decreased by 23%.
- The largest procurements in May-June remain the three related procurements for the design and construction of a new main water pipeline to supply water to the city of Mykolaiv, totalling 6.2 billion UAH. The work is being carried out by the AutoStrada Group of Companies.
- The electronic system was used for **9.4 thousand completed procurements (17%)**, totalling **75.1 billion UAH (70.7%)**.
- In May-June 2025, procurements without the use of the electronic system (basic) consistently ranked second in terms of completed procurement value—about **17% in May** and **43% in June**, while the number of completed procurements was around **80% and 90%**, respectively.
- Defense procurements decreased (to **303 procurements** over the 2 months, corresponding to about **0.7-0.8%** of the total number of procurements) after a record high in April (**525 procurements – 4.7%**).



* – As of July 13, 2025. A total of 2,028 procurements are ongoing, including 1,946 announced in May-June.

Procurement leaders in January-June 2025

Top 10 organizers (billion UAH)



The share of the top 10 in all procurements



Top 10 winners (billion UAH)



The share of the top 10 in all procurements



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

Largest Construction Procurements in January-June 2025

No Procurement	Organizer	Winner	Procurement cost, million UAH
1. Design and new construction of a water intake from the Southern Bug River and a main water pipeline to supply water to the city of Mykolaiv (three tenders from April 11, 2025).	The Reconstruction and Infrastructure Development Service in Dnipropetrovsk Oblast.	LLC «Group of companies «Avtostrada»»	6 228
2. Maintenance and repair of highways in Lviv Oblast.	Department of Road Management of the Lviv Regional State Administration.	PE «Roma»	1 459
3. Maintenance and repair of highways in Mykolaiv Oblast.	The Reconstruction and Infrastructure Development Service in Mykolaiv Oblast.	LLC «Rostdorstroy»	1 194
4. Podil Bridge construction in Kyiv city	Construction Directorate of the city of Kyiv.	LLC «Group of companies «Avtostrada»»	1 182
5. Road and street repair in the city of Kryvyi Rih.	Department of Infrastructure Development of the City Executive Committee of Kryvyi Rih City Council.	LLC «VESTSHLYAKHBUD»	913
6. Operational maintenance of highways in Mykolaiv Oblast.	SE "Agency of Local Roads of Mykolaiv Oblast"	ПП «Mykolaivmagistal»	901
7. Reconstruction of the main building of the "Dnipropetrovsk Regional Clinical Hospital in the city of Dnipro.	Department of Capital Construction of Dnipropetrovsk Regional State Administration.	LLC «STROYINVEST»	776

XXX

Procurements of January-April

XXX

Procurements of May-June

Competition in procurements slightly decreased in May-June.

Number of participants	Number and % of procurements	Volume (billion) and % of procurements in May-June	Number and % of procurements	Volume (billion) and % of procurements in May-June
1 participant	8 460 79.9%	54.1 69.8%	3 223 85.1%	18.3 79.6%
2 participants	1 258 11.9%	13.1 16.9%	355 9.4%	2.6 11.2%
3 participants	500 4.7%	6.1 7.8%	132 3.5%	1.7 7.5%
4 participants	192 1.8%	1.8 2.3%	45 1.2%	0.3 1.3%
5 participants	83 0.8%	2.1 2.7%	17 0.4%	0.05 0.2%
6 participants	46 0.4%	0.2 0.3%	7 0.2%	0.04 0.2%
7-17 participants	37 0.3%	0.2 0.2%	6 0.2%	0.04 0.0%
The total number of completed procurements using the electronic system	10 582 100.0%	77,6 100.0%	3 786 100.0%	23.0 100.0%

- **In May-June, the already high share of non-competitive procurements increased. 85.1% of all procurements with the use of the electronic system had only one participant, accounting for 79.6% of the total procurement value.**
- Among all construction procurements from January to June, 79.9% were non-competitive (with one participant), representing 69.8% of the total procurement value.
- In May-June, there were only 4 procurements with 7 participants (the average procurement value decreased by 54%) and 2 procurements with 8 participants (road repair in a village in Kirovohrad Oblast; the average procurement value decreased by 30%).

In most competitive procurements, a decrease in price has occurred.

No	Procurement	Organizer	Winner	Cost, million UAH	Participants (expected/actual)
All procurements					
1.	Development of design documentation for the construction of a truck parking lot	Reconstruction and Infrastructure Development Service in Lviv Oblast	PE «Polissya-project»	4.0 / 1.2 (-70%)	17
2.	Development of design documentation for the construction of a truck parking lot (repeated)	Reconstruction and Infrastructure Development Service in Lviv Oblast (repeated)	LLC Syphen T. V.	5.0 / 1.0 (-80%)	17
3.	Ongoing repair of the administrative building	National Bank of Ukraine	LLC «DIA Grupp»	1.9 / 1.4 (-26%)	13
Procurements with a value of more than 20 million UAH					
1.	Electrical installation works at kindergartens No. 28 and 36, and in the city of Kropyvnytskyi	Department of Education of Kropyvnytskyi City Council	FPE «Bondarenko Vitalii Yuriiovich»	1 731.7 / 708.9 (-59%)	10
2.	Ongoing road repair in the village of Zlynka, Kirovohrad Oblast	Zlynka Village Council of Kirovohrad Oblast	PJST «Shlyakhove Remontno-Budivnyche Upravlinnya № 82»	2 905.2 / 2 045.0 (-30%)	8
3.	Installation of a fire alarm system, evacuation control system, and transmission of alarm notifications	Berezobalkivska Gymnasium named after T.G. Shevchenko of Vilshanska Village Council	LLC «Pozhezhna Bezpeka-Centr»	552.7 / 272.6 (-51%)	7

Investigative Journalism

Disclaimer. Please note that journalistic investigations may not consider all possible nuances and may be biased in certain cases. It is recommended to approach the information with caution and not use it for final conclusions without further research and fact-checking.

Journalistic investigations over the last month.

Top 5 media outlets by the number of investigations on reconstruction



НАШІ ГРОШІ



General features of journalistic investigations on procurements

- With the increase in procurement activity, investigations into violations during reconstruction have also become more frequent.
- The most common topics for media coverage are possible violations during procurements, criminal cases, and the issuance of verdicts related to them.
- Another topic for the media is the imperfections in procurement procedures and ways to correct them. This topic has potential for further development.
- Against the backdrop of gradually increasing procurement competitiveness, there has been a rise in reports about tenders being announced for a specific participant or the rejection of "unapproved" bids.

Top 5 news of the month on the topic:

July 9 НАШІ ГРОШІ

The Reconstruction Service of Kyiv Oblast ordered the reconstruction of a building in Borodyanka for 258.5 million UAH. A possible overpayment could exceed 7 million UAH, and the underpayment of construction workers' salaries may indicate "envelope" payments due to inflated material costs.

July 1 НАШІ ГРОШІ

After the scandal with overinflated prices, the tender for the renovation of the oncological dispensary in Kyiv Oblast for 225 million UAH, funded by the EIB, was re-conducted. The cost ended up even higher (+1 million UAH) and with only one participant.

June 18 СУСПІЛЬНЕ

In Korosten, the construction of a shelter for the lyceum was halted. Among the reasons were payment delays, material cost issues, and unsigned completion acts.

June 18 НАШІ ГРОШІ ЕКОНОМІЧНА ПРАВДА

A shelter in the city of Chuhuiv, Kharkiv Oblast, will be built this year for 182 million UAH, with the prices of basic materials being 20-60% higher than market rates.

June 4 СЛІДСТВО ІНФО

The "Okhmatdyt" hospital will be renovated by a company that is involved in 4 criminal cases regarding the embezzlement of state funds.

* – For the period from June 1 to July 12, 2025.

Monitoring of specific areas

Healthcare

Education

Demining



- [As of 1st of July 2025 року](#), Russia has damaged or completely destroyed 2,384 medical facilities: of which, **2,076 are partially damaged (+92 over the month)** and **308 are completely destroyed (+3 over the month)** and cannot be restored.
- The largest losses occurred in Kharkiv, Donetsk, Dnipropetrovsk, Kyiv, and Kherson Oblasts.
- During this period, in various regions of Ukraine, **664,700 facilities have been fully restored (-36 over the month), and 322 (+10 over the month) have been partially restored**. Medical operations continue in most of the damaged facilities: 1,439 are functioning fully or partially, while 226 have been evacuated.
- [In June, the reconstruction of the damaged building of «Okhmatdyt» in Kyiv](#) began. The contractor is "Riola-Modul LTD," which completed the construction of this building in 2020. The work is being funded by the "Okhmatdyt - Healthy Childhood" charity fund and [is expected to be completed by the end of 2025](#).
- [On the DREAM platform](#), there are already **926 healthcare facilities (+53)** under implementation, including new construction and capital repairs.
- [During June – middle of July 2025: +136 projects](#) with a total budget of 12.6 billion UAH (financial coverage - 0.9%). The largest number of projects is in Cherkasy (31), Donetsk (13), and Mykolaiv (11) Oblasts.



- Since the beginning of the full-scale invasion, the statistics on damaged and destroyed educational institutions as of July 4, 2025, are as follows:
 - **Higher education institutions** – 727 objects (including 552 partially damaged up to 50%, 175 destroyed over 50%)
 - **Secondary education institutions (schools)** – 2,173 objects (including 1,562 partially damaged up to 50%, 611 destroyed over 50%);
 - **Preschool education institutions (kindergartens)** – 1,294 objects (including 1,012 partially damaged up to 50%, 282 destroyed over 50%)
- During this time, in various regions of Ukraine, the following have been fully restored and transferred to balance: **84 higher education institutions, 683 secondary schools, and 402 preschool institutions.**
- [Lithuania will allocate 21 million euros for the restoration of Education in Ukraine](#). The strategic agreement was signed at URC 2025. The main part of the funds—17 million euros—will be directed towards the construction of a modern multifunctional school hub in Zhytomyr as part of the "[School of the Future for Ukraine](#)" project, developed by Italian and Ukrainian architects.
- [On the DREAM platform](#), there **are already 2,833 educational facilities (+106)** under implementation, including new construction and capital repairs.
- [During June – mid-July 2025: +226 projects](#) with a total budget of **3.3 billion UAH (financial coverage – 12.8%)**. The largest number of projects is in Odesa (29), Cherkasy (24), and Kharkiv (22) Oblasts.



Humanitarian Demining of Ukraine (data as of 12.07.2025)

- **In the first half of 2025, Ministry of Defense specialists cleared more than 41,000 hectares of land**, of which 39.4 thousand hectares were agricultural lands.
- Over the six months, 162 km of roads, 93 km of railway tracks, 48 km of power lines, and 16 km of pipelines were cleared. In June, the largest area of roads was cleared (57.6 km), while in May, the focus was on railway tracks (40.2 km). Additionally, 17.6 hectares of residential plots were cleared.
- **In June, farmers received about 820 hectares of land**, cleared under the state compensation program for the demining of agricultural land. Demining operators began clearing approximately 2.5 thousand hectares of land.
- As of the end of June, more than 100 operators and 278 demining machines are available.
- **In Rome during URC2025, a memorandum of cooperation was signed with «Global Clearance Solutions Ukraine»** regarding humanitarian demining in Kyiv Oblast. The company provides a wide range of demining assistance— from surveys to training.

Surveyed: 211.3 thousand hectares (+4.8 thousand hectares).

Destroyed > 234.3 thousand (+3 thousand) explosive objects.

Cleared:



2.8 thousand km of railways
(+4.4 км)



1.2 thousand km of roads
(+40,9 км)



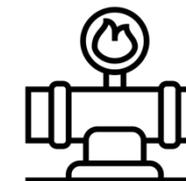
562.8 km of power line networks
(+7.7 км)



516.3 hectares of forests



25.8 hectares of water areas



88.9 km of gas pipeline
(+0.2 км)



Thank you for your attention!

Project «Recovery
spending watchdog»

