

Recovery spending watchdog

#24, December 2025

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Key findings

- The Cabinet of Ministers of Ukraine has adopted new rules for determining construction costs, designed to increase competition in public procurement and reduce price and wage abuses. However, new modules for the Unified State Electronic System in the Field of Construction (EDESSB) must be developed: the Construction Materials Codifier and the Material Price Registry.
- The active phase of implementing the public investment system reform at the regional and territorial community levels is ongoing. Information regarding already approved Unified Project Portfolios (EPP) for communities is now available on the DREAM portal. Simultaneously, continuing the training of communities remains critically important for the reform's effectiveness.
- DREAM is gradually becoming a public investment management system. The portal will contain information for every project regarding goals, justification, expert assessments, financing, and implementation stages.
- In November 2025, the number of construction procurements remained virtually at the same level of completion as in the last year, but less money was spent. A significant portion of the largest construction procurements in November was done for the municipal infrastructure of Mykolaiv. The construction of protection for energy facilities also continues.

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Legal regulation



New pricing rules aim to increase competition in procurement and reduce price exploits

The Cabinet of Ministers has [adopted new rules](#) for pricing in construction:

- It establishes temporary rules for determining the cost of road construction and repairs using budget and public funds during martial law;
- Regarding profitability, marginal levels are designated: 10% for overheads, 3% for administrative expenses, 15% profit from direct costs;
- Updated approach to wages: the payment must be no lower than the minimum industry guarantees stated in the industry agreement; in difficult and dangerous conditions, particularly in combat zones, increasing factors for wages are possible;
- The new pricing rules for materials will come into full effect after the integration of the Unified State Electronic System in the Field of Construction (EDESSB);
 - The construction product classifier is created as a unified digital system for standardising the names and characteristics of materials and forms the basis for the price database;
 - Price database: data on market prices for materials are taken from Prozorro, customs and tax statistics, manufacturers' prices and other sources;
- Prior to the launch of the central price database, the cost of materials is determined based on the average price: for materials that account for 60% of the total cost, an analysis of at least three price offers from manufacturers/importers is required; for the remaining 40%, additional open sources may be used; final prices are fixed at the stage of calculations under the terms of the contract;
- Payments in advance: up to 70% of the contract value payment is permitted for a period not exceeding 12 months.

The result should be increased business involvement in public procurement (providing higher competition) in construction and the reduction of wage price abuse in procurement.

Construction control returns: unscheduled inspections permitted

The government approved [Resolution No. 1434](#) of 07.11.2025, which changes the rules for state architectural and construction control during martial law.

Unscheduled inspections of construction objects are now permitted, including those funded by the state budget, as well as check-ups on compliance with safety and accessibility standards for people with disabilities or low-mobility groups. Under such conditions, it will not be enough for a reconstructor or contractor to “establish a project and take the money.”

Consequently, there is now an opportunity to verify whether construction meets current standards and norms, which is particularly important for high-risk buildings.

For communities and donors, this should provide additional guarantees of work quality, safety, and legal compliance. Such control is vital for reconstruction aims, particularly hospitals, schools, housing, and infrastructure.



Strengthening the institutional framework for preparing investment projects for reconstruction

On November 28, the Cabinet of Ministers approved changes to [the Provision on the Inter-agency Working Group \(MRG\) for the preparation of public investment projects](#) (originally approved by [Resolution No. 10 of 07.01.2025](#)).

The update concerns the composition of the MRG, its authority, and functioning methodology. Clearly established functions of the group include supporting all public investment projects regardless of the portfolio or source of funding.

The project preparation procedure has been made more transparent: requirements for analysis, evaluation, justification, and planning have been updated.

The MRG is also responsible for preparing methodological recommendations and coordinating work between ministries, communities, donors, investors, and other partners.

All stages of project preparation are now tracked through the DREAM state monitoring system.

Thanks to this, any project (from road and bridge repairs to the restoration of schools, hospitals, or municipal infrastructure) will undergo a unified, transparent, and coordinated procedure that meets international standards and opens opportunities for attracting grant or investment financing.



Recovery progress and funding



There is an ongoing active implementation of the first steps within reforming the public investment system at the community level

As of December 3, 2025, over 60% of Strategic Investment Plans (SPI) have already been approved.

Another 162 communities are developing their SPIs and are close to approval by the end of 2025.

Simultaneously, Unified Project Portfolios (EPP) of regions and communities are being formed.

Information regarding SPIs and EPPs at the regional and local levels is submitted to DREAM.

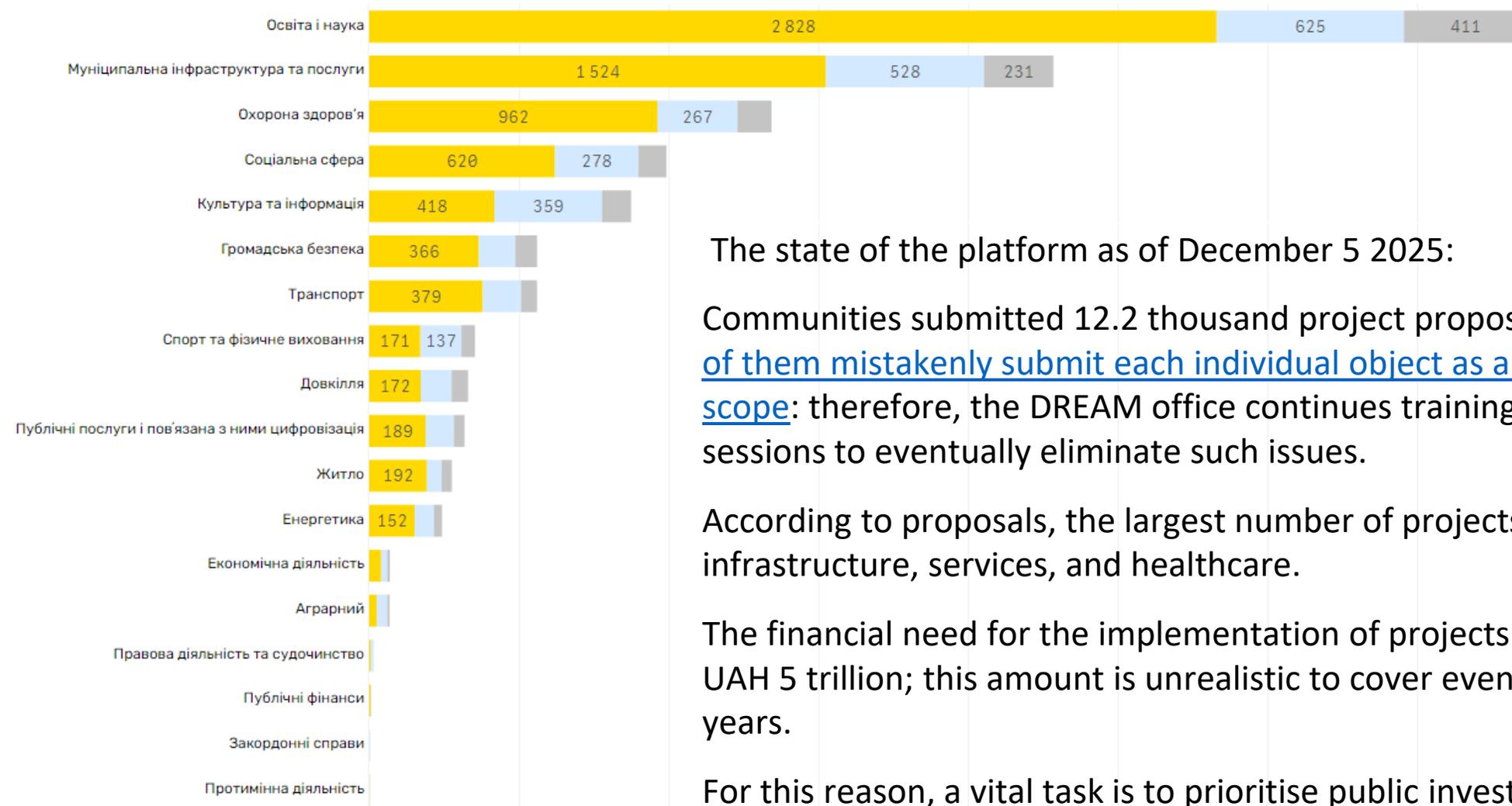
At the same time, the fulfilment of the IMF Program structural benchmark regarding the development of sectoral public investment plans, which were supposed to be developed by the end of 2025, is at risk.

РІМ-РЕФОРМА НА РЕГІОНАЛЬНОМУ ТА МІСЦЕВОМУ РІВНЯХ



Communities submit information to DREAM

Кількість напрямів за сектором



The state of the platform as of December 5 2025:

Communities submitted 12.2 thousand project proposals – meanwhile, some of them mistakenly submit each individual object as a separate project scope: therefore, the DREAM office continues training and clarification sessions to eventually eliminate such issues.

According to proposals, the largest number of projects are in education, infrastructure, services, and healthcare.

The financial need for the implementation of projects already submitted is UAH 5 trillion; this amount is unrealistic to cover even over the next five years.

For this reason, a vital task is to prioritise public investment projects and include only the projects of proven priority to the EPP.

Development of DREAM as a public investment management system continues



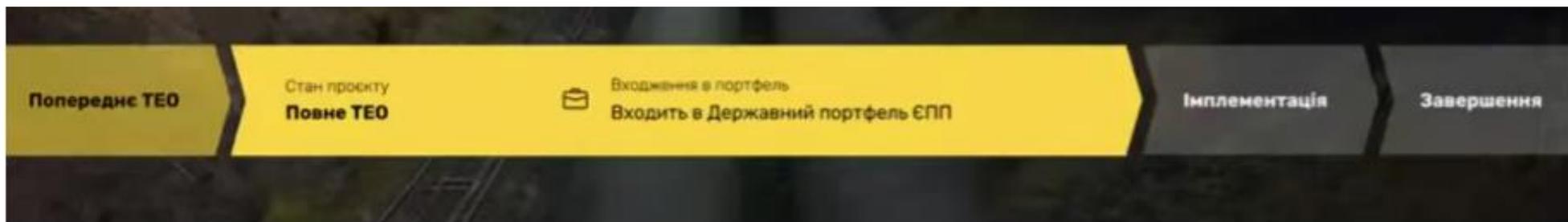
DREAM already has an [expert assessment](#) of community projects and programmes, which provides an economic and commercial evaluation:

- The presence of all assessments rendered positive for project compliance and quality is important for obtaining funding.

It is important to note that the presence of public investment projects in the EPP does not yet guarantee funding. However, the inclusion of a project in the EPP is necessary for funding eligibility: the distribution of funds under various budget programmes, such as the State Regional Development Fund and programmes financed by the EIB, will only be available to projects included in the EPP of the state or municipalities.

The DREAM portal will provide detailed information on the objectives, essence, rationale, compliance with strategic documents, financing, and implementation stages of each PIP.

This will increase the transparency and manageability of public investment management.



Reconstruction procurements as of November 2025*



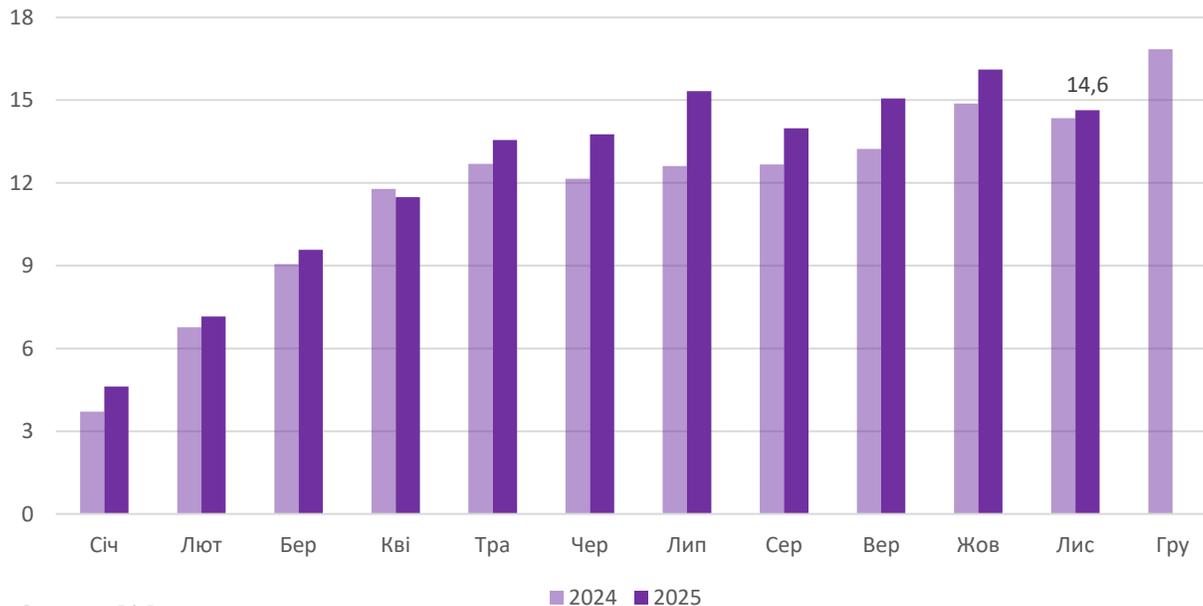
*оперативні дані станом на 01.12.2025, можуть бути уточнені

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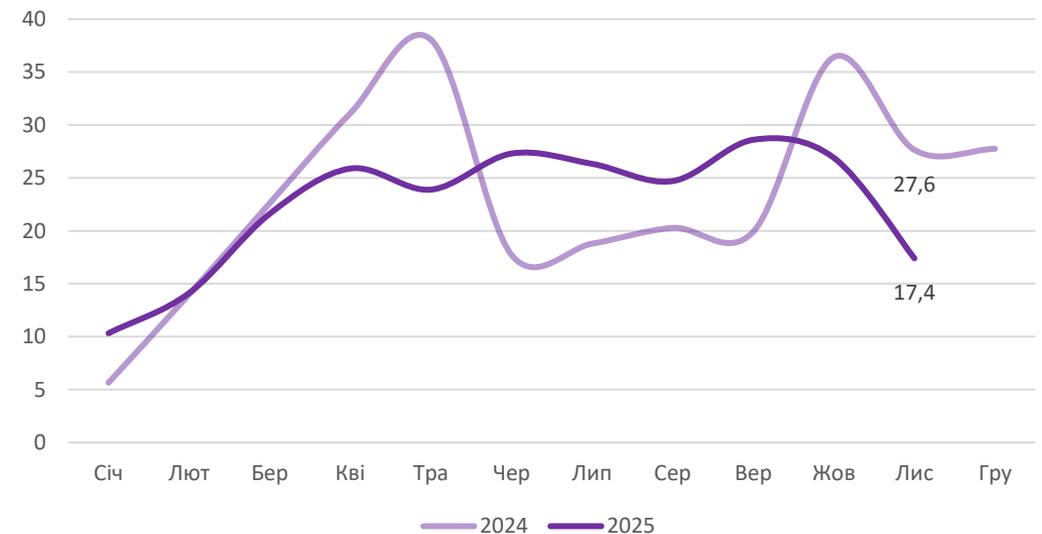
In November, the number of construction purchases* was almost the same as last year, but less money was spent

- The vast majority of procurements announced in November 2025 have already been completed — 12 thousand (82%). Another 15% are ongoing, 2% failed, and 0.2% were cancelled.
- The largest completed procurement of November 2025 is a project for the construction of a water intake from the Southern Bug River to provide water to the city of Mykolaiv, amounting to 0.9 billion UAH. The work is being performed by LLC "Autostrada Group of Companies."
- The largest organizer in November 2025 was the Service for the Restoration and Development of Infrastructure in the Dnipropetrovsk Region, involved in organizing procurements for 12 projects totaling 1.6 billion UAH. PJSC "Ukrhydroenergo" was the second largest organizer at 1.2 billion UAH, specifically for the protection and restoration of energy supply facilities.

Number of construction procurements, thousands



Price of procurements, UAH million



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

*procurements for construction and ongoing reconstruction brp.org.ua

The largest developers are responsible for most of the completed construction projects* in November

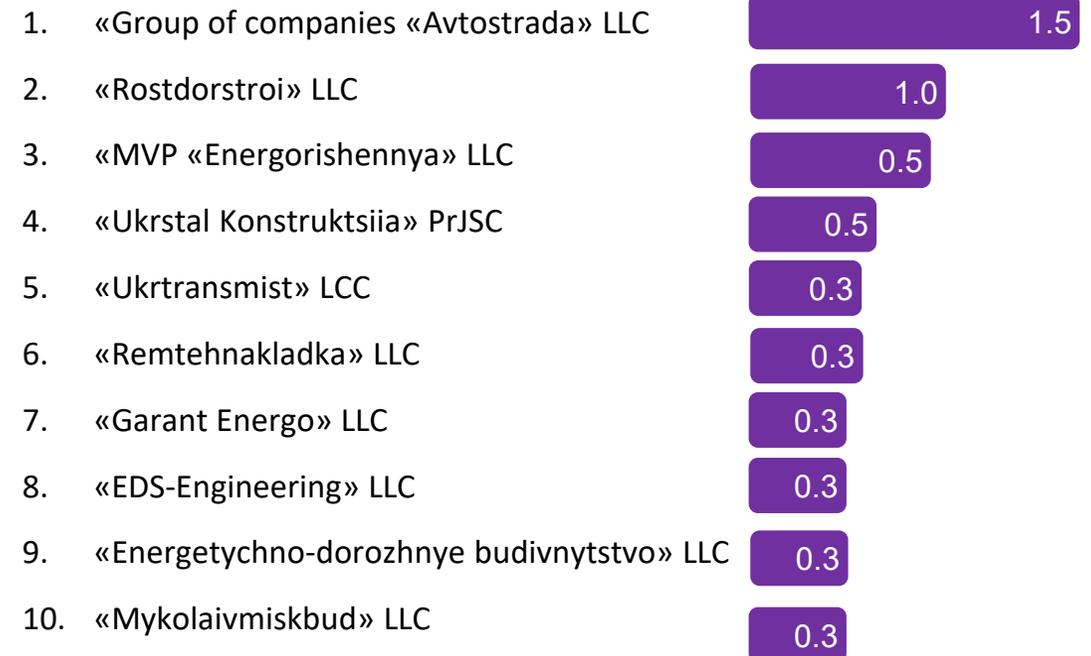
Top 10 organizers (UAH million)



Share of the top-10 in all procurements



Top-10 winners (UAH billion)



Share of the top-10 in all procurements



A significant portion of the largest construction purchases* in November were for municipal infrastructure in Mykolaiv

№ Procurement	Organizer	Winner	Procurement cost, UAH million
1. Design and construction of the third section of the water intake facility for water supply to the city of Mykolaiv	Infrastructure Restoration and Development Service in Dnipropetrovsk Region	«Group of companies «Avtostrada» LLC	917
2. Construction of a protective structure for a transformer	PJSC «Ukrhydroenergo»	«MVP «Energorishennya» LLC	512
3. Construction of anti-drone protection for transformers	PJSC «Ukrhydroenergo»	«Ukrstal Konstruktsiia» PrJSC	472
4. New construction of distributed heat generation engineering networks, Mykolaiv	Department of Urban Development of the Mykolaiv Regional State Administration	«Mykolaivmiskbud» LLC and «Zhytloprombud»-8 BK LLC	312
5. Design and construction of the first section of the water intake facility for water supply to the city of Mykolaiv	Infrastructure Restoration and Development Service in Dnipropetrovsk Region	«Group of companies «Avtostrada» LLC	165
6. New construction of distributed heat generation engineering networks, Mykolaiv	Department of Urban Development of the Mykolaiv Regional State Administration	«Zhytloprombud» BK LLC, «Gazvodmontazh» LLC etc.	164
7. Increased power and physical protection of the station	CE «Kyivteploenergo»	«Garant Energo»	164

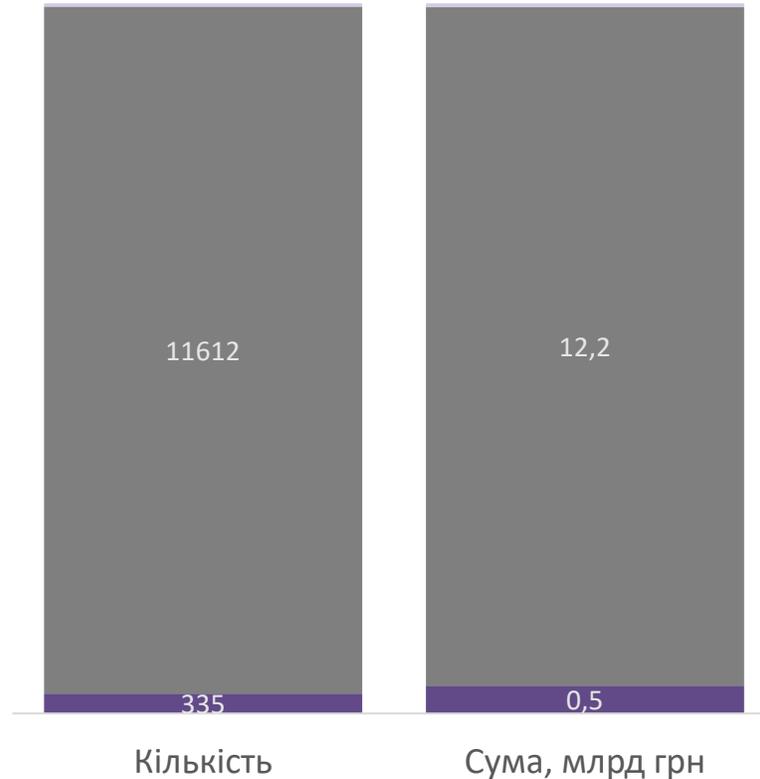
In November, construction procurements* outside the electronic system prevailed, including in terms of the amount of funds spent

Number and financing amount of completed procurements in November 2025

Other procurements

Procurements outside the electronic system (basic procurements)

Procurements within the electronic system



- The electronic system was used only for 335 completed procurements (3% of all completed procurements) worth UAH 0.5 billion (4% of all procurements) in November 2025.
- 97% of completed purchases in November took place outside the electronic system, accounting for 95% of the total amount.

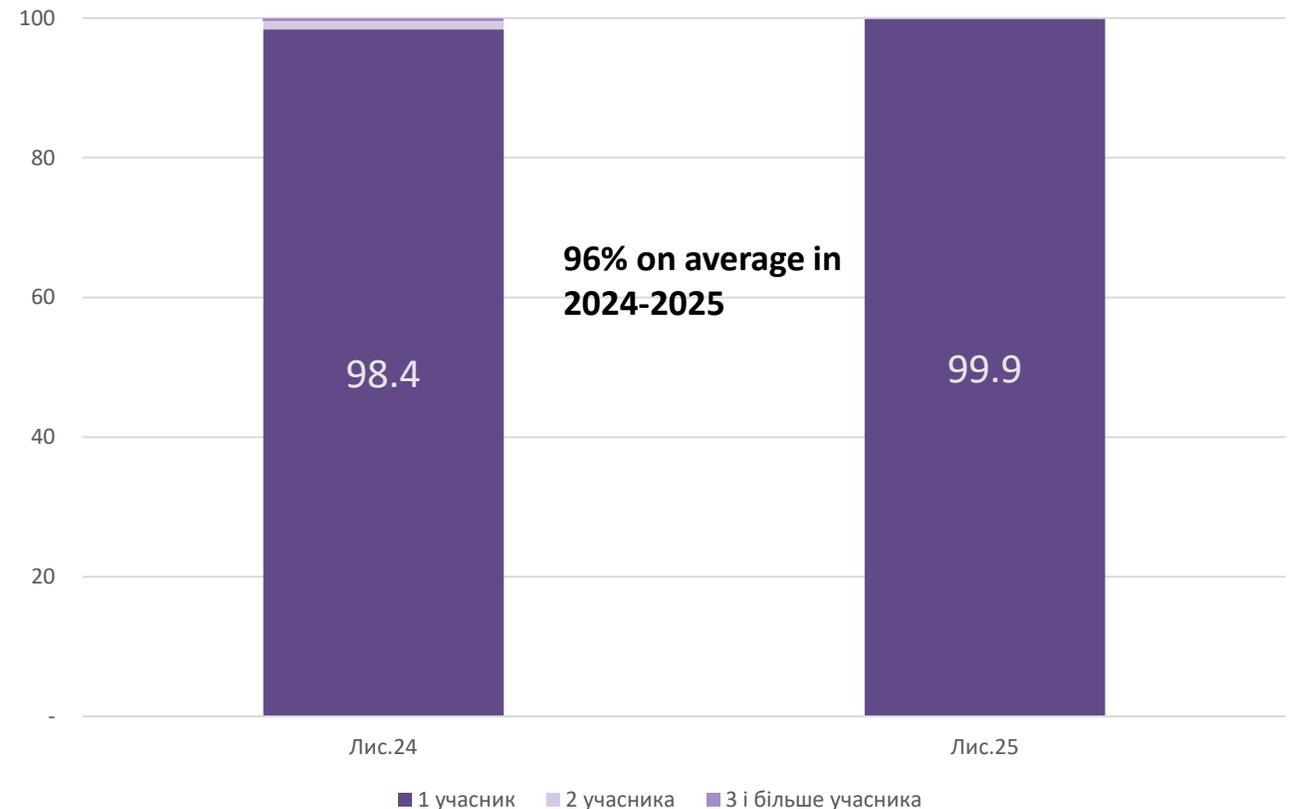
Source: [Bi Prozorro](#).

*procurements for construction and ongoing reconstruction

...as well as procurements* with only one participant

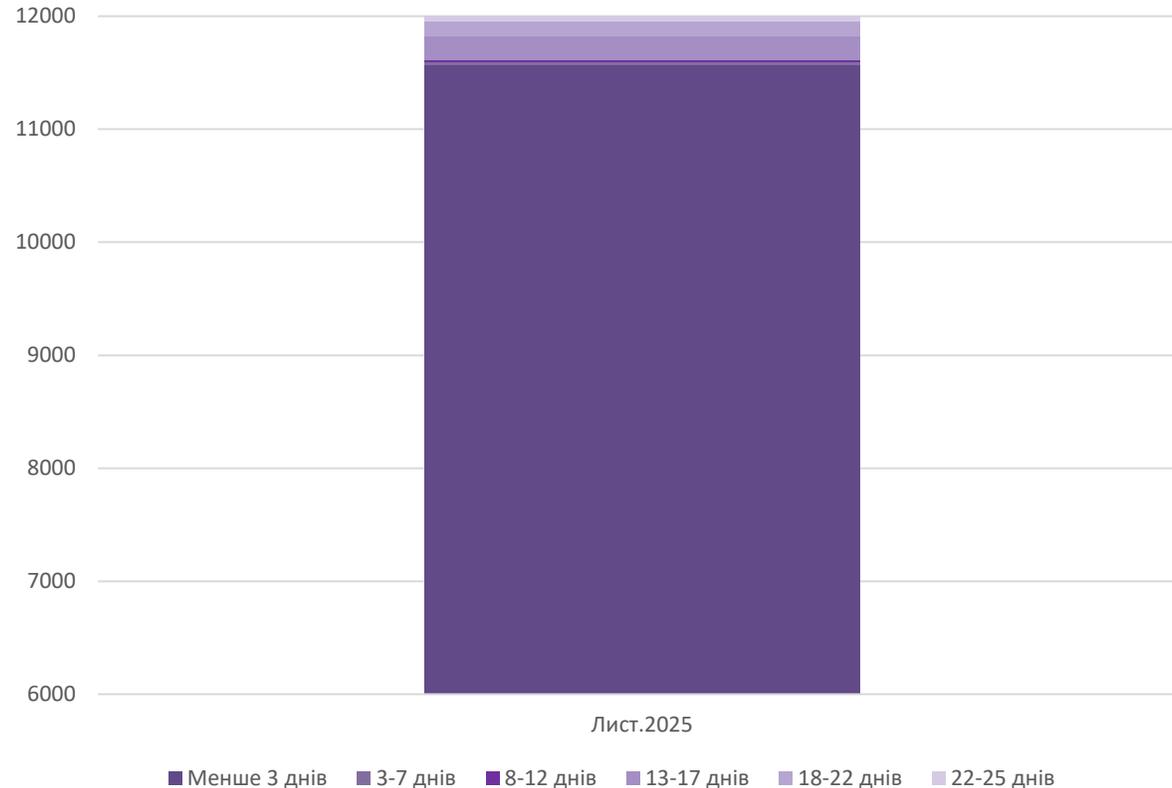
- In September, a high proportion of procurements with a single participant persisted (99.9% of all procurements for 99.8% of the total procurement amount) (for more details, see Appendix 1).
- From January to November 2025, single-source procurements accounted for 96% of the total number and 77% of the total amount (for more details, see Appendix 1).
- In November, there was one procurement realised among four participants (the cost of purchases decreased by 20% compared to the expectation) and 15 purchases realised among two participants (the cost of purchases decreased by an average of 1.4% from the expectation).

Share of procurements by number of participants, %



Most procurements* are completed very quickly – within 3 days

Purchases by duration (in days), by procurement



In November, approximately 96% of tenders lasted up to 3 days. At the same time, 98% lasted up to 17 days.

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

Appendices

Appendix 1. Procurements within an electronic system

Number of participants	Number and % of procurements in January-November		Value (billion) and % of procurements in January-November		Number and % of procurements in November		Value (billion) and % of procurements in November	
1 participant	19 389	80.7%	114.0	69.4%	371	95.9%	0.6	95.5%
2 participants	2 999	12.5%	32.8	20.0%	15	3.9%	0.03	4.3%
3 participants	980	4.1%	11.5	7.0%	0	0.0%	0.0	0.0%
4 participants	357	1.5%	2.6	1.6%	1	0.3%	0.0	0.2%
5 participants	157	0.7%	2.7	1.6%	0	0.0%	0.0	0.0%
6 participants	70	0.3%	0.4	0.2%	0	0.0%	0.0	0.0%
7-17 participants	58	0.2%	0.3	0.2%	0	0.0%	0.0	0.0%
Total number of procurements done within the electronic system	24 012	100.0%	164.3	100.0%	387	100.0%	0.6	100.0%



Thanks for your attention!

«Recovery Spending Watchdog» Project

