

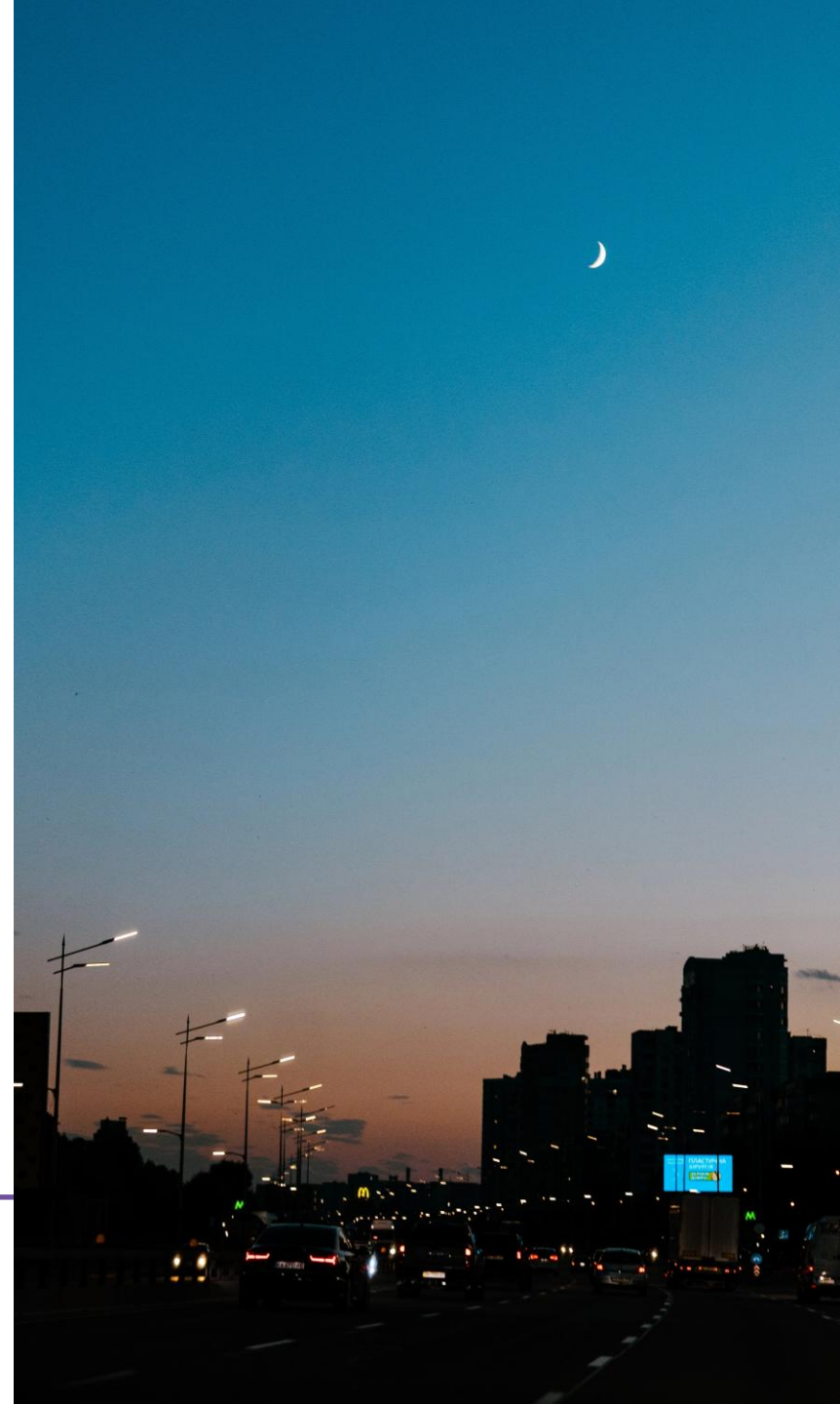
Public investment watchdog

#6, July 2026

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Executive summary

- The formation of the new Government and the reorganisation of ministries have created uncertainty regarding the future distribution of powers in the field of public investment management – in particular concerning DREAM and the coordination of reform at regional and local levels.
- In July, work continued on the regulatory framework for the public investment management system. The Government approved the Regulations on DREAM, defining it as a tool for the preparation, evaluation and monitoring of projects at national, regional and local levels. The Ministry of Economy set out detailed rules for the development of regional and community MTPs, strengthening their link to financial resources and targets. At the same time, the new rules for the SFRD provide for the funding of projects included in the SIPs and SPPs of regions and communities.
- At community level, activity within DREAM increased in July: 611 new PIPs were registered, compared with 527 in June. Most of the new projects relate to education and municipal infrastructure and services. Despite the significant number of projects in DREAM, the funding received remains low. In July, new PIPs had an estimated value of UAH 43.3 bn, with expected funding of UAH 5.7 bn, but funding received stood at UAH 2.7 bn.
- In June 2026, the value of construction procurement rose by 54% y-o-y to UAH 41.8 bn, whilst the number of tenders increased by 4% y-o-y. The rise in the value of procurement in June was accompanied by a 9% y-o-y increase in capital expenditure under the consolidated budget.
- The main procurement categories in June were road repairs and the refurbishment of facilities. The Kyiv, Dnipropetrovsk and Kharkiv regions were among the leaders in terms of the number of construction procurement contracts awarded. The lowest number of construction procurement contracts was recorded in the Kherson and Luhansk regions.

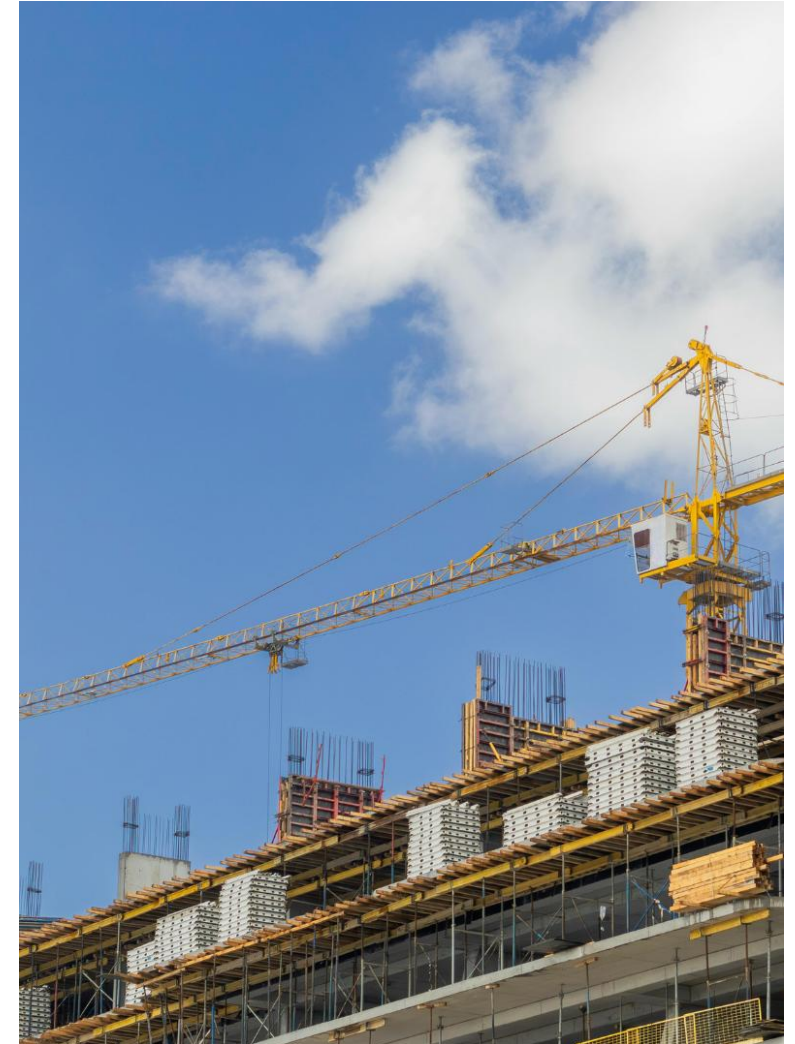
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Selected abbreviations

SE – State Enterprise

SFRD – State Fund for Regional Development

MBFM – **Main budget fund manager**

USESC – Unified State Electronic System for Construction

SPP – Single Project Pipeline

IFI – International financial organisation

PI – Public investments

PIP – Public investment project

DED – Design and estimate documentation

RDDP – Register of damaged and destroyed property

MTP – Medium-Term Plan of Priority Public Investment

FS – Feasibility study

PIM – Public investment management



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News regarding the reform of public investment management system



The reorganisation of ministries has created new uncertainty for the PIM reform



On 17 July, the Government launched another reorganisation of central executive bodies.

- The Ministry of Economy, Environment and Agriculture has been renamed the Ministry of Economy and Environment. Moreover, the Ministry of Agrarian Policy and Food has been established.
- The Ministry of Community and Territorial Development has been renamed the Ministry of Recovery, Infrastructure and Transport.
- A separate Ministry for Communities, Territories and Internally Displaced Persons has been established.
- The final distribution of functions between the ministries is to be determined by further government decisions.

Why this matters for the PIM. Responsibility for the reform had been divided between the Ministry of Finance, the Ministry of Economy and the former Ministry of Development. The latter was designated as the lead agency for DREAM just two days before the reorganisation; it was also responsible for the SFRD and the regional dimension of PIM.

The challenge. It is necessary to determine quickly and unequivocally which ministry will be responsible for DREAM, regional medium-term plans, SFRD and regulatory support at regional level. Otherwise, the reorganisation may delay the implementation of recently adopted decisions.

The government has formally established DREAM as a public investment management system



On 15 July, the Cabinet of Ministers approved the Regulations on the DREAM system.

Key facts:

- DREAM has been designated as a component of the Unified Digital Ecosystem for Public Investment Management.
- The system is intended to cover the preparation, evaluation, prioritisation, implementation and monitoring of projects and programmes, as well as final and post-investment evaluation.
- DREAM will be used at national, regional and local levels.
- The system consists of a central database, an electronic office and a public portal. Data exchange with GRK-WEB, LOGICA, Prozorro, Spending, USESC, RDDP and other systems via 'Trembita' is in place.
- SE 'Reintegration and Reconstruction' has been designated as the technical administrator.
- The handover of the system is to take place within three months.
- Ministries and other central government bodies must also bring their regulations into line with the new Regulations within three months. On the other hand, due to institutional changes in the government's structure – the splitting of the Ministry of Development into two ministries – their responsibilities regarding DREAM remain unclear for the time being.

What this changes. DREAM is transitioning from a pilot reconstruction system to a legally defined digital tool for the full cycle of public investment management.

The challenge. Regulatory enshrinement requires implementation: agreements on data exchange, standardised data formats, stable administration and monitoring of data completeness and quality are needed.

The Ministry of Economy has set out the details of the preparation of medium-term plans for regions and local authorities



On 13 July, the Ministry of Economy published a revised version of the methodological guidelines on medium-term plans for priority public investment in regions and local authorities.

Key changes:

- The plan must set out the financial structure of investments, priority sectors, investment areas and targets.
- Ranking lists are to be drawn up for investment areas.
- When allocating resources, consideration must be given to the need to complete or continue projects and programmes that have already been launched.
- The financial requirements for each area must be substantiated by calculations indicating potential sources of funding.
- Coordination meetings are to be held involving sectoral departments, the financial authority and the main fund administrators.
- The approved plan must be entered into the information system and published on the official website within five days.
- The plan will be monitored annually, rather than twice a year: it will cover financial indicators and the achievement of target outcomes. Sectoral reports must be submitted by 15 April.

Preparation timetable: by 15 June – request to sectoral departments; by 20 July – notification of the financial ceiling; by 1 August – submission of the Mtp to the local financial authority; approval of the plan simultaneously with the local budget forecast.

What this changes. The link between strategic priorities, actual financial resources and outcomes is being strengthened.

The challenge. The document remains a set of methodological guidelines. Furthermore, it was effectively adopted retrospectively, which complicates the full implementation of the new timetable when drawing up plans for 2027-2029.

The SFRD has been integrated into the new public investment management system



On 8 July, the Government approved new rules for the use of funds from the State Fund for Regional Development (SFRD) and for the assessment of medium-term plans for regions and local authorities.

Key changes:

- The 2026 state budget allocates 2 billion hryvnias to the SRDF.
- Funding will be provided for projects included in the MTP that are aligned with national, regional and local development strategies.
- 30% of the funds will be allocated to the objectives of the State Regional Development Strategy, and 70% to the objectives of regional strategies and strategies of territorial communities.
- The MTP will be assessed using a single methodology, taking into account socio-economic development indicators. Along with the plan, the community or region must submit no more than five priority projects included in the relevant Single Project Portfolio.
- On 24 July, the Ministry of Development announced a selection process for funding from the SFRD: communities were required to submit documents by 3 August, and regional administrations were to review them by 13 August. Consequently, the government's institutional change is unlikely to affect the delay in the allocation of SFRD funds, as this process already takes place quite late.

What this changes. The State Fund for Regional Development is to finance not individual project applications that are disconnected from planning, but projects included in medium-term plans and the Unified Project Portfolios of regions and local authorities.

The challenge. The deadlines for selecting projects for funding from the SRDF in 2026 are extremely tight (as is now traditional): just ten days. This creates a risk that priority will be given not necessarily to the most important investments, but to local authorities with documents already prepared and greater administrative capacity.

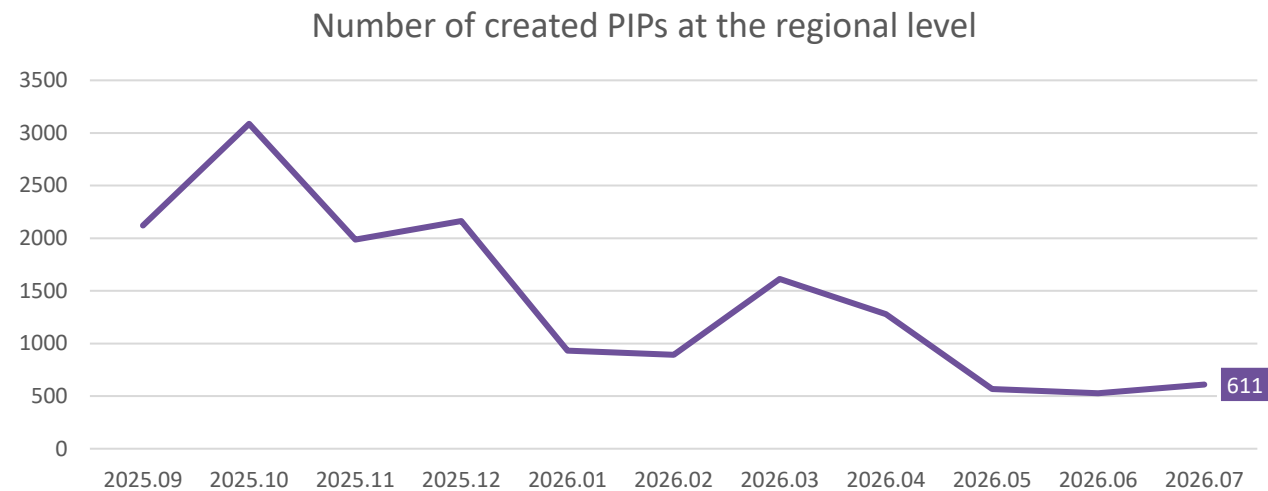


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Updating SPPs using DREAM



In July, local authorities added PIPs mainly relate to education and municipal infrastructure



In July*, 611 new PIPs were registered on the DREAM platform.

266 new projects relate to education, and a further 135 to municipal infrastructure and services, together accounting for almost 66% of all new local authority PIPs in July. This is most likely due to the availability of allocated funding, particularly in education.

Sector	Total as of the end of June	Registered in July*
Agriculture	15	1
Public safety	447	13
Environment	131	1
Economic activity	42	0
Energy	267	15
Housing	533	59
Culture and information	449	16
Municipal infrastructure and services	3774	135
Education and science	6223	266
Healthcare	1577	68
Social sector	492	15
Justice	1	0
Transport and postal services	813	15
Digital state and society transformation	148	6
Sport and physical education	261	1
Total	15173	611

Note: Single Project Portfolio (SPP)
Public Investment Project (PIP)

* As of 3rd August 2026
Source: DREAM

The number of submitted PIPs grew in July compared to June, as did received funding

Month	Number of PIPs	Received funding, UAH bn	Expected funding, UAH bn	Approximate cost, UAH bn
March	1614	1.4	10.1	50.6
April	1279	0.9	5.6	48.4
May	568	0.6	2.0	25.7
June	527	0.2	6.5	24.8
July	611	2.7	5.7	43.3
Total in DREAM*	15784	40.3	166.8	UAH 1.2 tn

In July*, local authorities registered 611 PIPs, compared to 527 in June.

Expected funding amounted to UAH 43.3 bn (including UAH 10.1 bn for the water supply network reconstruction project in the village of Shabo, Bilhorod-Dnistrovskyi district, Odesa region—likely a data entry error—and UAH 6.4 bn for the reconstruction of the Bila Tserkva–Uman main water pipeline), while the amount actually received was UAH 2.7 bn. Meanwhile, the estimated cost of new projects reached UAH 43.3 bn.

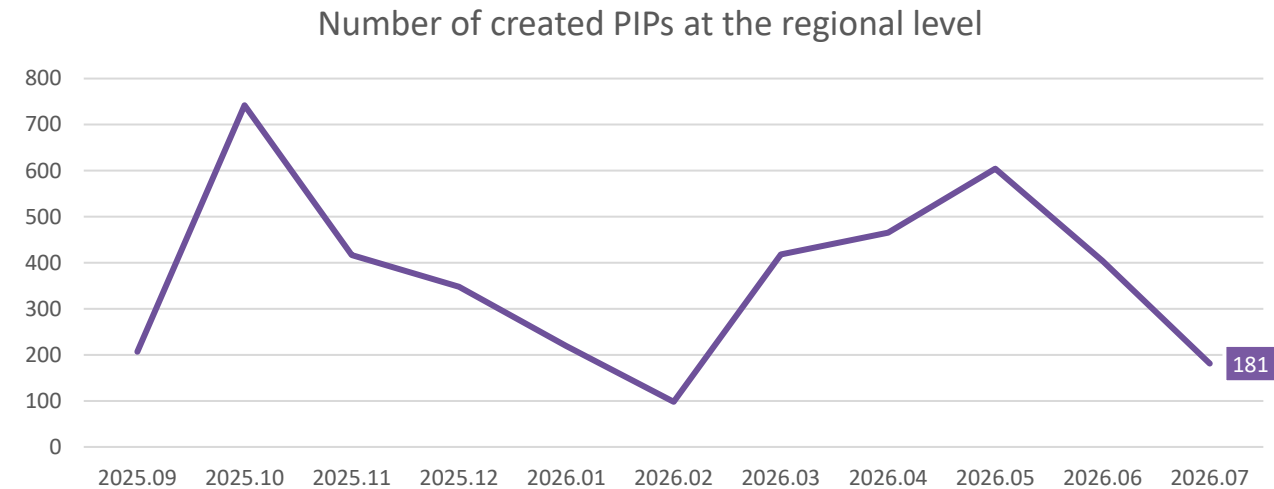
Note: Single Project Portfolio (SPP)
Public Investment Project (PIP)

* As of 3rd August 2026
Source: DREAM

At the regional level, the July growth was mainly driven by education and healthcare projects



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In July, 181 new PIPs were registered at the regional level.

Almost a third of these related to education – 53 projects; another third related to healthcare – 49 projects.

Project proposals were also submitted in the fields of housing, municipal infrastructure and transport.

Sector	Total as of the end of June	Registered in July*
Agriculture	14	0
Public safety	192	3
Environment	46	2
Energy	79	2
Housing	608	38
Culture and information	198	3
Municipal infrastructure and services	207	10
Education and science	1400	53
Healthcare	548	49
Anti-mine activity	1	0
Public finance	4	0
Social sector	269	5
Justice	1	0
Transport and postal services	287	10
Digital state and society transformation	27	4
Sport and physical education	41	2
Total	3922	181

Note: Single Project Portfolio (SPP)
Public Investment Project (PIP)

* As of 3rd August 2026
Source: DREAM

Fewer projects, less funding, mistakes in PIPs fixed

Month	Number of PIPs	Received funding	Expected funding	Approximate cost
March	418	UAH 2.6 bn	UAH 5.2 bn	UAH 61.2 bn
April	465	UAH 6.6 bn	UAH 8.6 bn	UAH 88.7 bn
May	604	UAH 0.4 bn	UAH 18.4 bn	UAH 75.4 bn
June	404	UAH 0.4 bn	UAH 2.0 bn	UAH 12.6 bn
July	181	UAH 0.2 bn	UAH 1.5 bn	UAH 6.0 bn
Total in DREAM*	4103	UAH 17.4 bn	UAH 55.8 bn	UAH 3.7 tn

In July, the number of new PIPs and their financial figures were significantly lower than in June.

The estimated cost of July's projects was half that of June's and more than ten times lower than that of projects from April and May, due to the absence of large-scale projects.

The most expensive regional PIPs registered in July involved the procurement of medical equipment (Kyiv, UAH 503 mln) and the reconstruction of a road overpass (Kyiv, UAH 502 mln).

Comparing figures is challenging due to the continuous updating of the database and the correction of errors within the PIPs. For instance, while PIPs totalling UAH 4.1 tn were registered in DREAM at the end of June, this figure dropped to UAH 3.7 tn by the end of July.



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Reconstruction procurement as of June 2026*



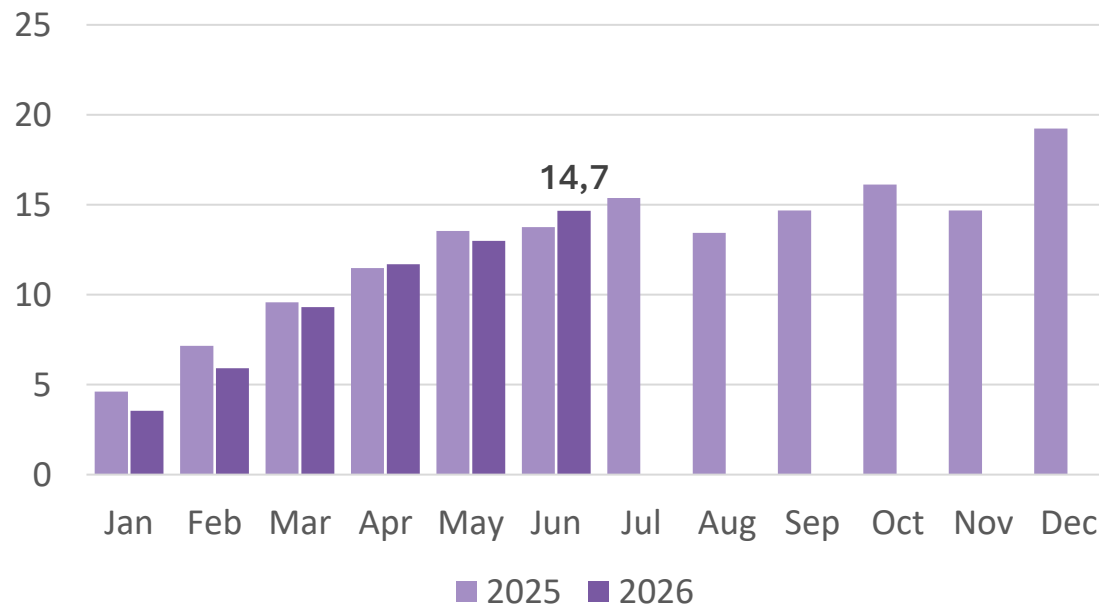
*operative data, subject to specification

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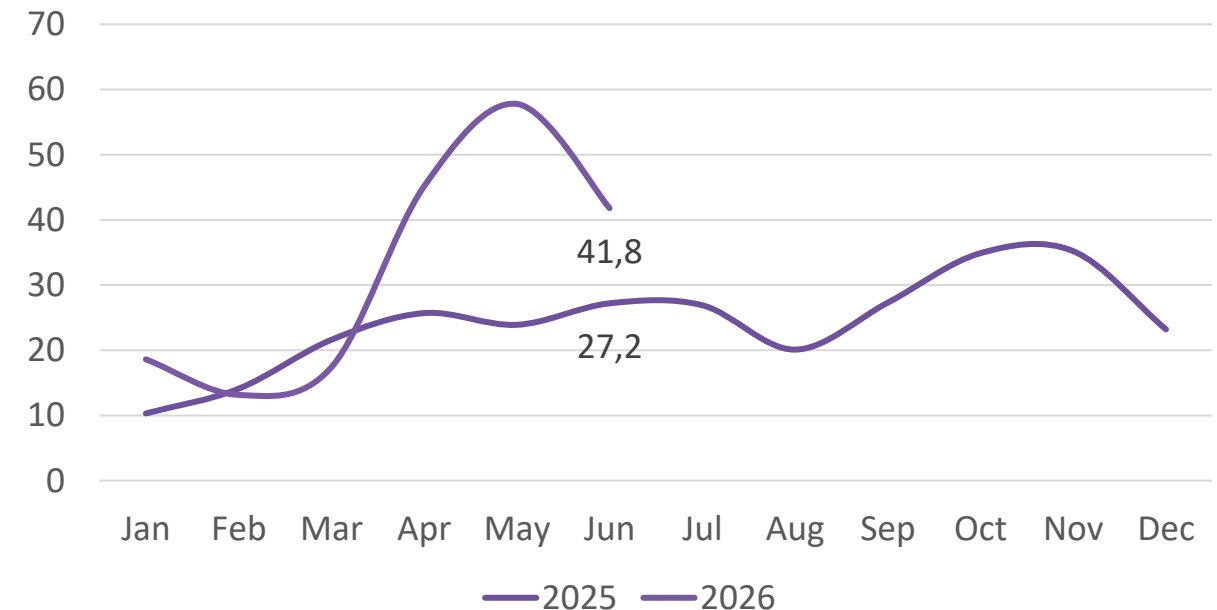
In June, the number and value of construction procurements* exceeded last year's figures

- The vast majority of procurements announced in June 2026 have already been completed — 11 thousand (84%). A further 9% are still ongoing, 5% did not take place, and 1% were cancelled.
- The number of procurement contracts in June 2026 was 4% higher y-o-y than in June last year, whilst the value was 54% higher y-o-y, accompanied by a 9.4% y-o-y increase in capital expenditure from the consolidated budget.
- The largest organiser of procurements in June was the Infrastructure Restoration and Development Service in Lviv Oblast, with a total value of UAH 6.1 bn for road repairs.

Number of procurements, thousands



Total value of procurement, UAH bn



The largest contractors were responsible for the majority of completed construction projects* in June

Top 10 organisers (UAH bn)

1.	Infrastructure Restoration and Development Service in Lviv Oblast	6.1
2.	Infrastructure Restoration and Development Service in Kharkiv Oblast	5.6
3.	Department of Education, Youth and Sport of the Artsyz City Council	4.2
4.	Infrastructure Restoration and Development Service in Kyiv Oblast	2.3
5.	Infrastructure Restoration and Development Service in Zhytomyr Oblast	1.5
6.	Capital Construction Department of the Dnipropetrovsk RSA	1.1
7.	Infrastructure Restoration and Development Service in Zakarpattia Oblast	0.9
8.	Infrastructure Restoration and Development Service in Kirovohrad Oblast	0.9
9.	Department of Capital Construction of the Dnipropetrovsk RSA	0.8
10.	State Non-Profit Organisation 'Local Roads Service'	0.6

Share of the top 10 in all procurements

62%

Top 10 contractors (UAH bn)

1.	Onur Construction International Ltd	6.6
2.	'Autostrada Group of Companies' Ltd	4.3
3.	'Kortakoz' Ltd	3.8
4.	Rostdorstroy Ltd	2.1
5.	'Avtomahistral-Pivden' Ltd	2.0
6.	Structum Ltd	1.2
7.	Road Surfacing Ltd	0.9
8.	Ukrtransmist Ltd	0.6
9.	PJSC 'Brovarsky Road Construction Department No. 50'	0.5
10.	Kalmius Construction Company Ltd	0.5

Share of the top 10 in all procurement

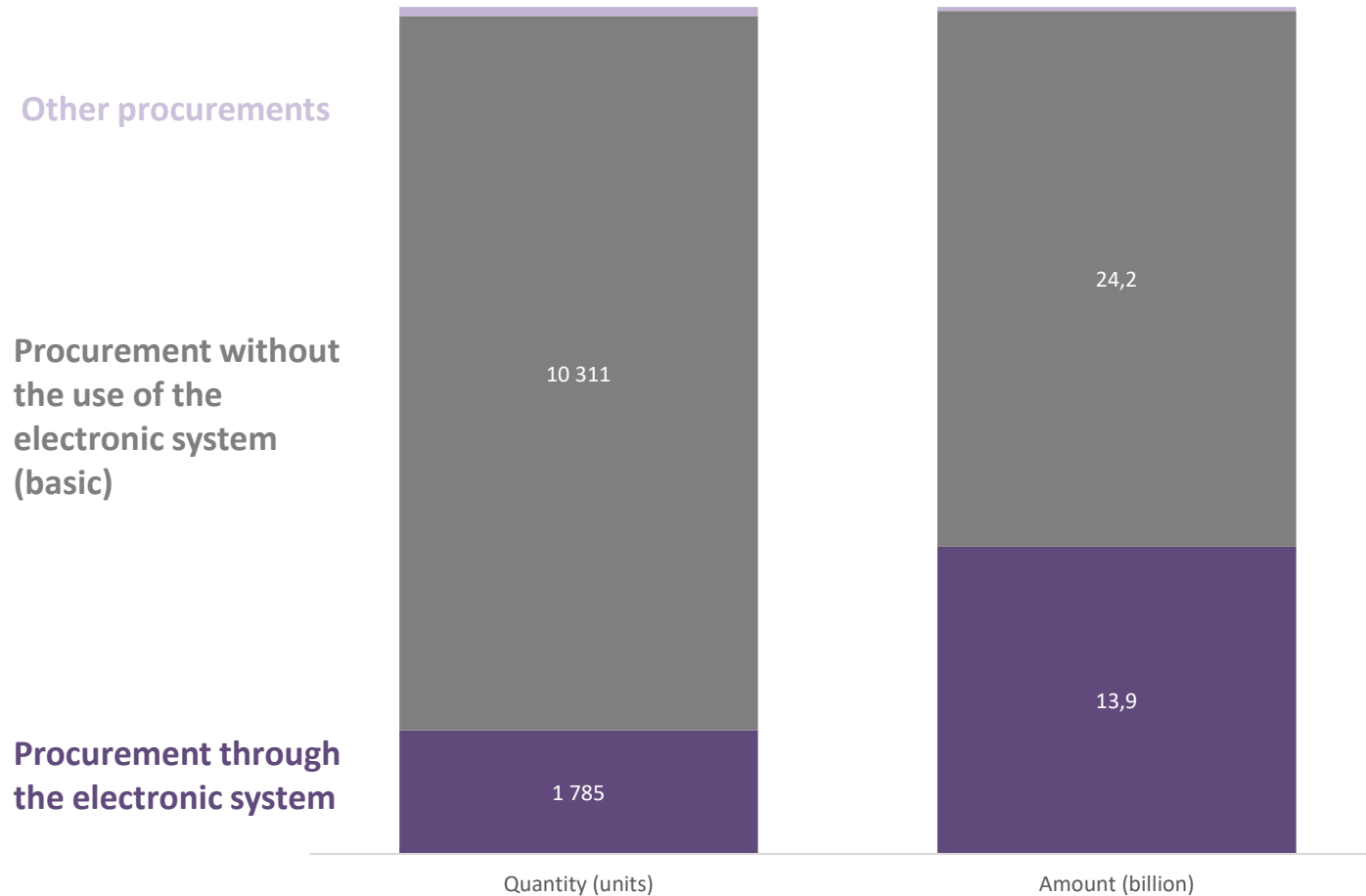
59%

The major procurements* in June were road repairs

No	Subject of the procurement	Organiser	Contractor	Procurement value, UAH bn
1	Engineering and construction works for a project	Infrastructure Restoration and Development Service in Lviv Oblast	Onur Construction International Ltd	5.1
2	Routine maintenance of a motorway, Zhytomyr Oblast	Infrastructure Restoration and Development Service in Zhytomyr Oblast	Autostrada Group of Companies Ltd	1.5
3	Routine maintenance of a motorway, Kharkiv Oblast	Infrastructure Restoration and Development Service in Kharkiv Region	Autostrada-Pivden Ltd	1.4
4	Routine maintenance of a motorway, Kharkiv Oblast	Infrastructure Restoration and Development Service in Kharkiv Region	Autostrada Group of Companies Ltd	1.4
5	Engineering and construction works	Infrastructure Restoration and Development Service in Zakarpattia Oblast	Structum Ltd	0.9
6	Routine maintenance of a motorway, Kharkiv Oblast	Infrastructure Restoration and Development Service in Kharkiv Oblast	Rostdorstroy Ltd	0.8
7	Routine maintenance of a motorway, Kharkiv Oblast	Infrastructure Restoration and Development Service in Kharkiv Oblast	Road Surfacing Ltd	0.7
8	Reconstruction of a facility	Infrastructure Restoration and Development Service in Mykolaiv Oblast	Ukrtransmist Ltd	0.6
9	Reconstruction of an electrical substation with the installation of physical security measures	Infrastructure Restoration and Development Service in the Poltava Region	Rostdorstroy Ltd	0.5
10	Routine maintenance of motorways, Lviv Region	Infrastructure Restoration and Development Service in Lviv Oblast	Onur Construction International Ltd	0.5

In June, procurements* without the use of the electronic system accounted for the majority in terms of both value and number

Use of the electronic system in June 2026

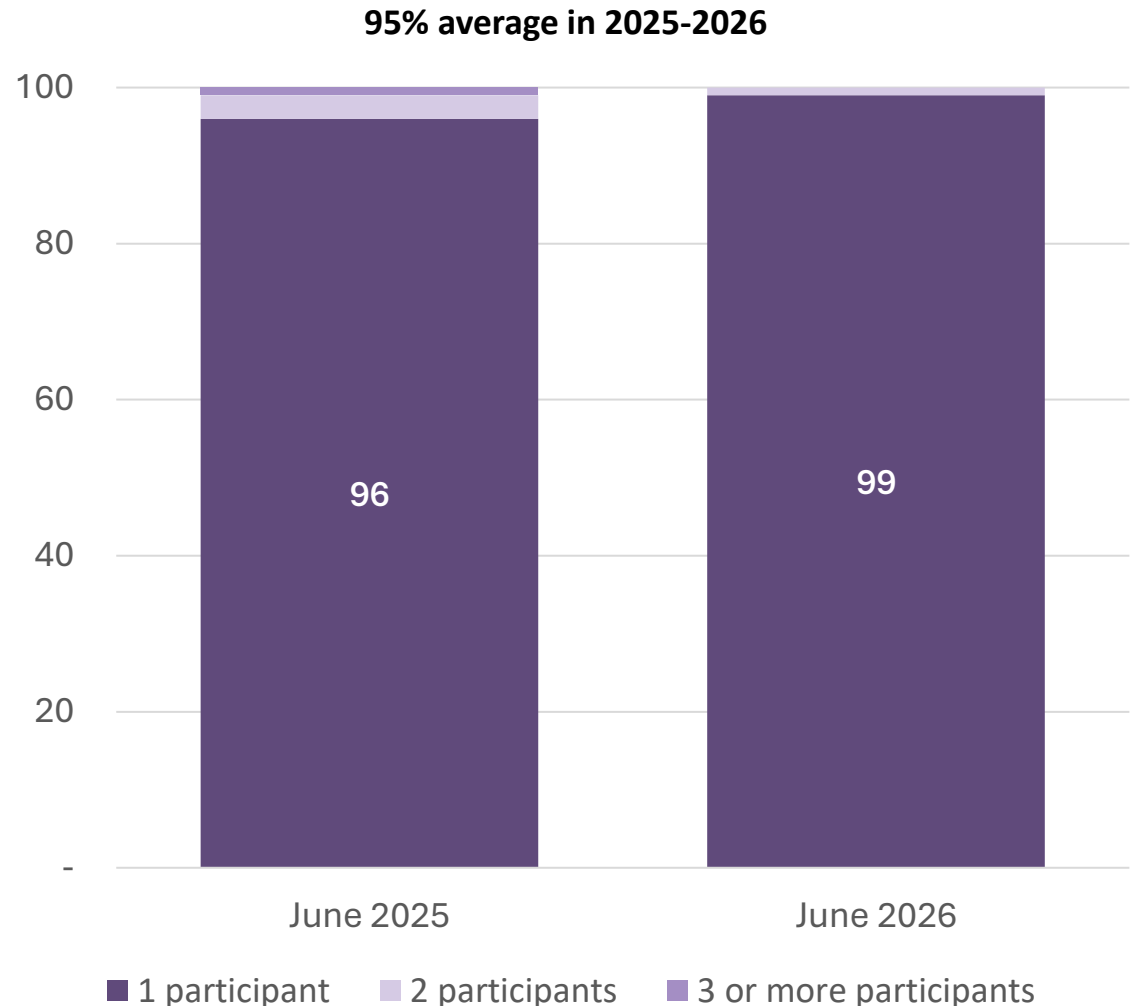


- The electronic system was used for 1.8 thousand completed procurements (15% of all completed procurements) totalling UAH 13.9 bn (37% of all procurements) in June 2026.
- 85% of completed procurements in June took place outside the electronic system, accounting for 63 % of the total value.

The proportion of procurements* with a single bidder has increased

- In June, the share of procurements with a single bidder increased (to 99% of all completed procurements, accounting for 97.4% of the total procurement value), indicating a low level of competition in procurement.
- The share of completed construction procurements with a single bidder, conducted via the electronic system, stood at 92% of the total number and 97% of the total value (Appendix 1).
- This is significantly higher than in June last year, as well as the average for 2026: in January–June 2026, the share of single-bidder procurements using an electronic system stood at 85% of the total number of procurements and 79% of the total value of procurements. This is likely due to the narrow specialisation of the largest construction procurements in June, namely the focus on road repairs.
- In June, there was one procurement with seven bidders (the procurement value fell by 48% compared with the expected value) and three procurements with five bidders (the procurement value fell by an average of 31% compared with the expected value).

Share of procurements by number of bidders, %



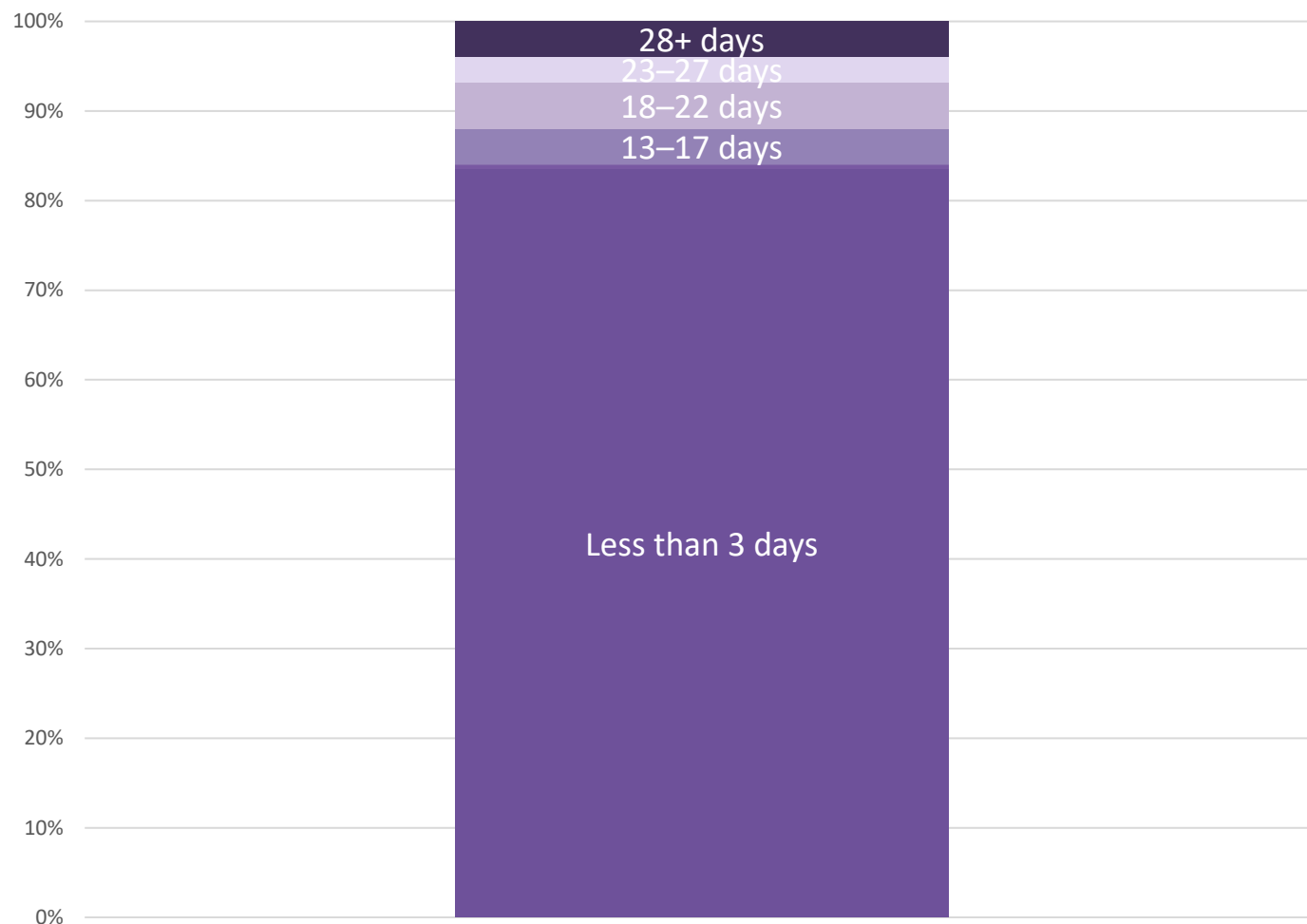
The largest tenders* involved fewer bidders and saw smaller price reductions in June



No.	Subject of the procurement	Organiser	Contractor	Value, UAH mln expected/current		Participants
All procurements						
1	Electrical installation works at a grammar school, Kropyvnytskyi	Education Department of Kropyvnytskyi City Council	Fire Safety Centre Ltd	1.2 / 0.6	(-48%)	7
2	Electrical installation works at a pre-school educational establishment, Kropyvnytskyi	Education Department of Kropyvnytskyi City Council	Vitalii Yuriiovych Bondarenko, Sole Trader	0.8 / 0.4	(-51%)	6
3	Routine road repair, Sumy Oblast	Chupakhivka Village Council	Hadyachshlyakhbud Ltd	7.8 / 5.6	(-28%)	5
Procurements totalling over 20 million UAH						
1	Modernisation of the canteen building at a lyceum in Sumy	Sumy Regional Academic Lyceum	Pandorf Ltd	38.7 / 36.2	(-6%)	3
2	Major refurbishment of the intensive care unit and operating block	Capital Construction Department	Construction Technologies 2000 Ltd	48.0 / 47.8	(-0%)	2
3	New construction of external water supply networks	Eastern Client Management Office	SAB-Construction Ltd	33.3 / 33.0.	(-0%)	2

Most procurements* are completed very quickly — within 3 days

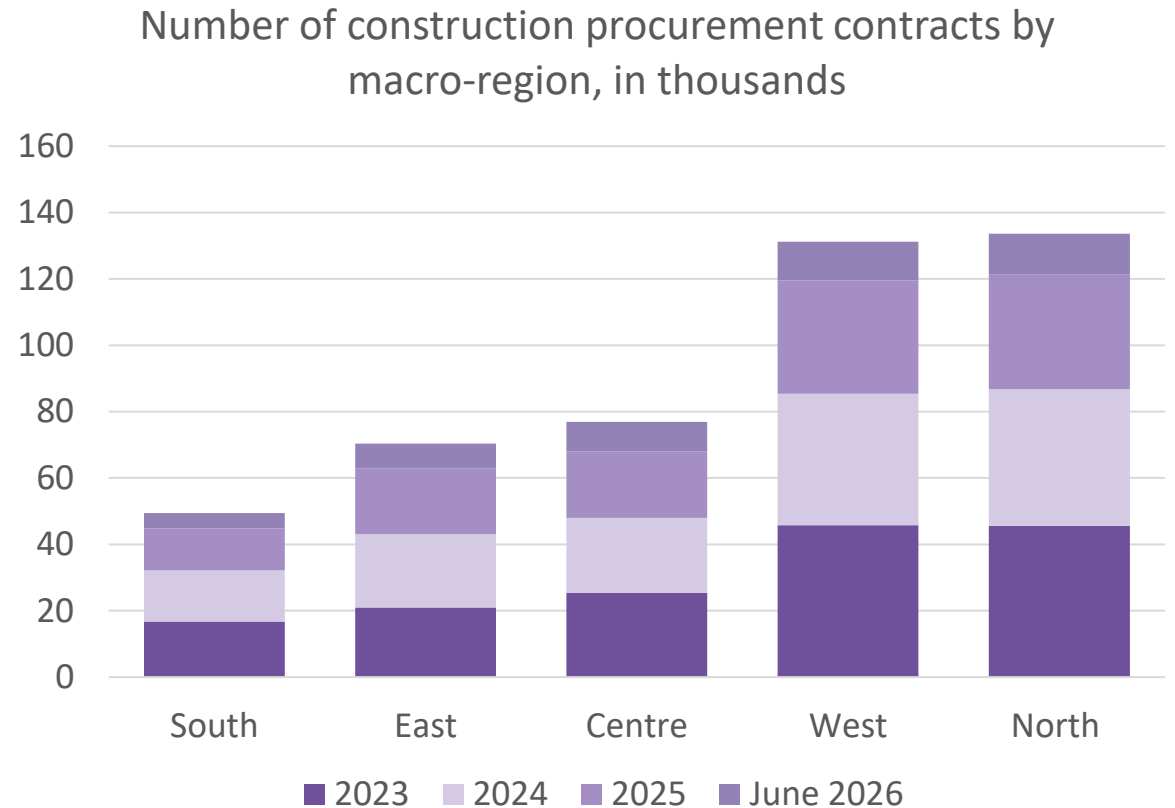
Proportion of construction procurements by duration



- In June, around 83% of tenders lasted up to 3 days. At the same time, 93% lasted up to 22 days. The rapid completion of tender procurement procedures also restricts competition, as it reduces the time available for a wide range of participants to prepare high-quality bids.
- In 2026, the proportion of tenders lasting less than 3 days stood at 80%, whilst for the period 2023-2026 it was 83%.
- Compared with the pace of tender procedures in May, June 2026 deviated from the average figures (due to a 3 p.p. increase in the proportion of tenders lasting up to 3 days).
- The proportion of tenders lasting more than 28 days fell in June compared to May 2026 – from 7% to just under 4%.

Procurement* in frontline regions focused on construction of defensive structures

- The highest number of completed construction procurements in June took place in the Kyiv, Dnipropetrovsk and Kharkiv regions. Procurements in these regions accounted for 39% of all construction procurements. The lowest number was recorded in the Kherson and Luhansk regions.
- In the Donetsk, Luhansk, Zaporizhzhia and Kherson regions, the majority of construction procurement contracts related to the repair of damaged buildings, the installation of anti-drone corridors and shelters, and the preparation of facilities for the heating season.



** South: Autonomous Republic of Crimea, Zaporizhzhia, Mykolaiv, Odesa and Kherson regions

North: Zhytomyr, Kyiv and the city of Kyiv, Sumy and Chernihiv regions

West: Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytskyi and Chernivtsi regions

East: Dnipropetrovsk, Donetsk, Luhansk and Kharkiv regions

Centre: Vinnytsia, Kirovohrad, Poltava and Cherkasy regions



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Appendix

Appendix 1. Procurement* projects using the electronic system

Number of bidders	Number and % of projects in January–July		Value (UAH bn) and % of projects in January–July		Number and % of projects in July		Value (UAH bn) and % of projects in July	
1 bidder	8 768	84.8	94.2	78.9	1 762	91.9	13.6	96.7
2 bidders	1 068	10.3	19.3	16.1	117	6.1	0.4	2.7
3 bidders	286	2.8	4.0	3.5	23	1.2	0.1	0.5
4 bidders	123	1.2	0.7	0.6	11	0.6	0.01	0.1
5 bidders	50	0.5	0.9	0.8	3	0.2	0.01	0.0
6 bidders	18	0.2	0.1	0.1	1	0.1	0.0	0.0
7-17 bidders	21	0.2	0.1	0.1	1	0.1	0.0	0.0
Total number of completed procurement projects using the electronic system	10 334	100.0	119.3	100.0	1 918	100.0	14.1	100.0

Thank you for your attention!

The “Public Investment Watchdog” Project



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