Public investment watchdog

#7, August 2026

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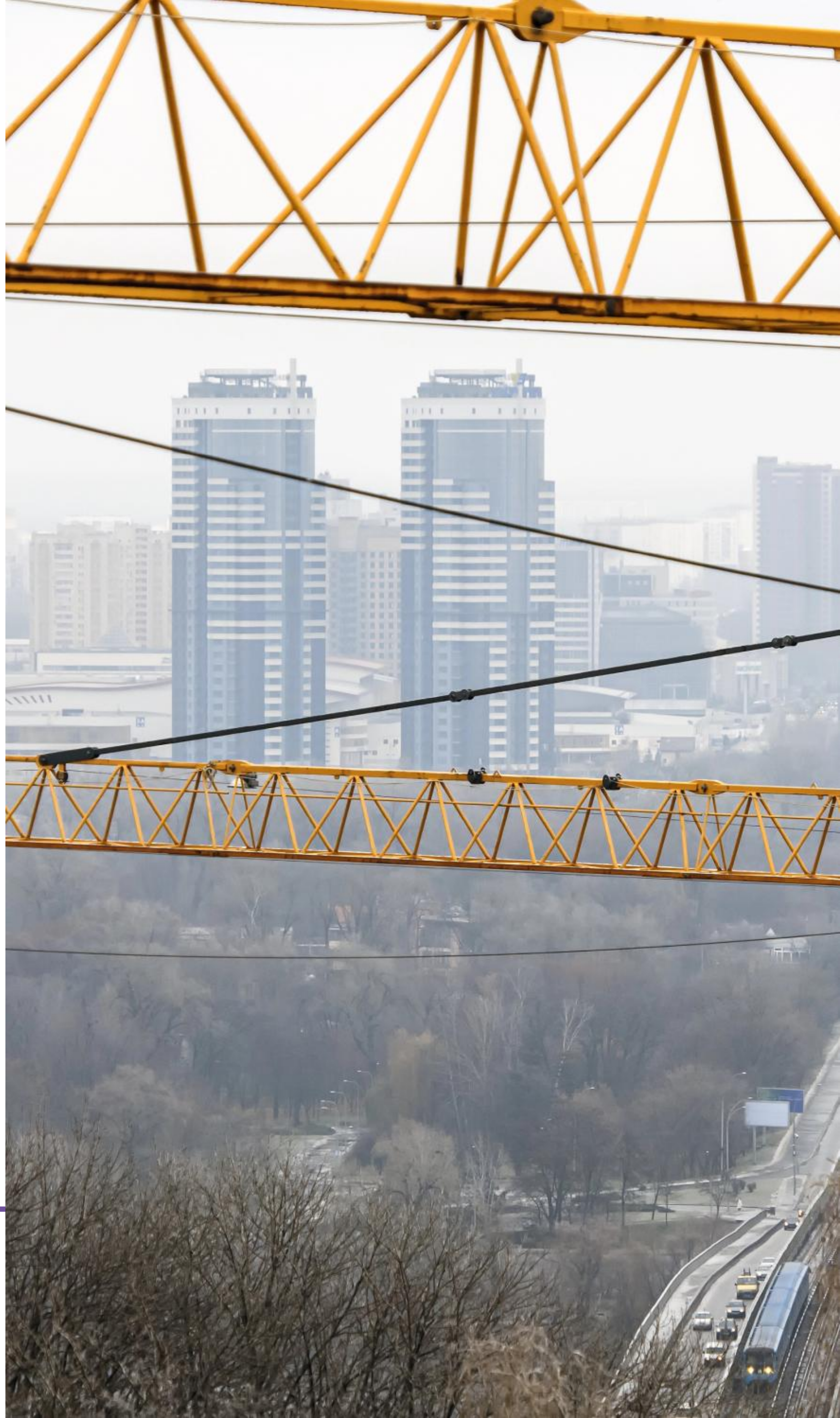

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CENTRE FOR ECONOMIC STRATEGY

INSTITUTE FOR ECONOMIC RESEARCH AND POLICY CONSULTING

TECHNOLOGY OF PROGRESS

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Executive summary

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- In August, the Government updated the key resolution on public investment management: it simplified and clarified project preparation, evaluation and adjustment, and integrated the assessment of PPP potential into the overall investment process.
- The reform is starting to move from rules to financing community projects. The Government channelled UAH 4.9 billion of an EIB loan into the state budget's special fund, allocated local administrations another UAH 1 billion under a separate EIB programme, and is preparing financing from the SFRD — all of this is funding for implementing public investment projects. However, the funds are arriving late in the year, which creates a risk that works will be completed late or inefficiently.
- The Government simplified the procedure for analysing construction prices paid for with public funds, focusing detailed checks on the main price-forming materials and providing for a phased transition to using the Price Database in the USESC.
- Community-level activity on DREAM declined in August: 300 new PIPs were registered versus 704 in July, mostly in education (141) and municipal infrastructure and services (77) — together almost 73% of all new projects. The estimated cost of the new PIPs was UAH 11.6 billion, expected financing fell to UAH 2.3 billion, and financing actually received fell to UAH 0.4 billion.
- In July 2026, the value of construction procurement was close to the level of July last year (7% higher), while the number of tenders was 12% lower. Construction procurement conducted through the electronic system prevailed by value in July.
- The main procurements in July were road repairs and facility reconstructions. Kyiv, Dnipropetrovsk and Kharkiv regions were among the leaders by number of construction procurements conducted. Kherson region had the fewest construction procurements.

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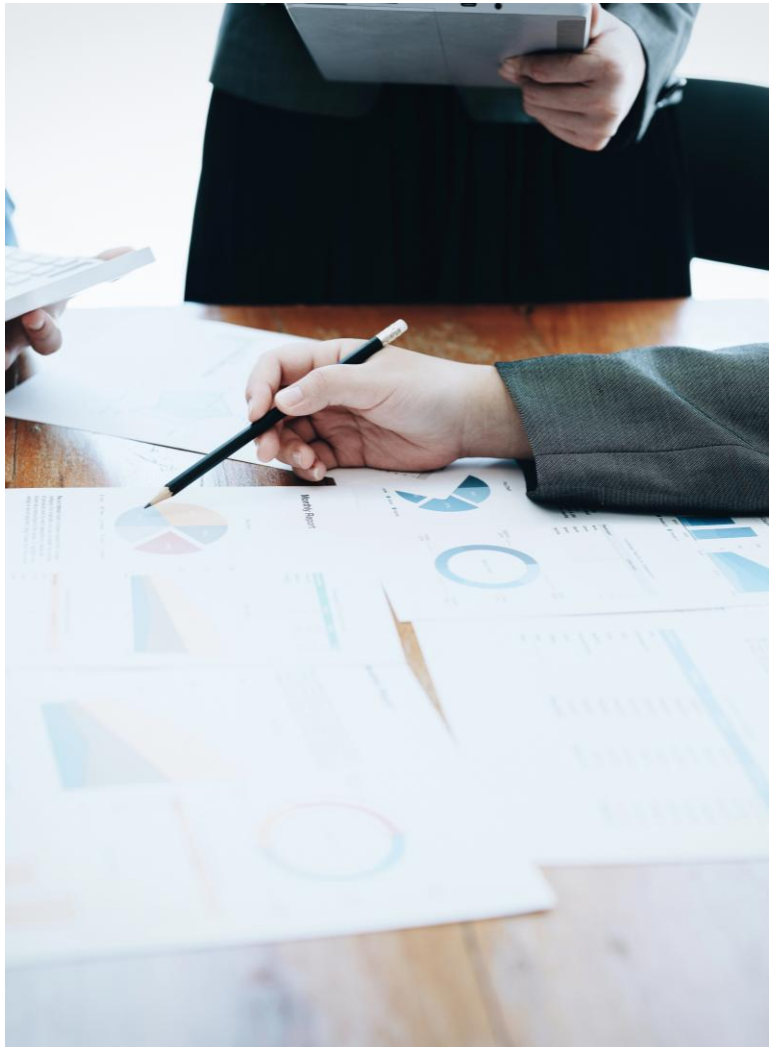

Selected abbreviations

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SE – State Enterprise

SFRD – State Fund for Regional Development

MBFM – Main Budget Fund Manager

USESC – Unified State Electronic System in Construction

SPP – Single Project Pipeline

IFI – International Financial Institutions

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 Investments

FS – Feasibility Study

PIM – Public Investment Management

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News on the public investment management reform

The Government updated key rules for public investment management

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On 13 August, the Cabinet of Ministers adopted Resolution No. 1051, which comprehensively amended Resolution No. 527 "Certain Issues of Public Investment Management."

- The requirements for preparing preliminary and full investment feasibility studies, sectoral and expert evaluation, and determining project readiness for implementation have been clarified.
- The possibility to adjust projects throughout their life cycle has been introduced. In the event of significant changes, a project must undergo re-evaluation.
- The SPP of the state, regions and local administrations may now be updated throughout the project life cycle.
- The roles and responsibilities of participants in preparing and implementing public investments have been more clearly delineated.
- Requirements for planning, monitoring and evaluating results have been strengthened.
- Restrictions have been introduced on the publication of sensitive information regarding critical infrastructure, cybersecurity and national security.
- In 2026, local administrations and regions gained the ability to include projects with already confirmed financing in the SPP and to independently determine investment directions in line with strategic documents.

***Why this matters for PIM.* The resolution shifts from one-time project selection to managing projects across their entire life cycle: from idea formation to implementation, monitoring and adjustment.**

***Challenge*. Some of the technical solutions in DREAM must be introduced within only six months.**

Source: CMU Resolution No. 1051, Government clarifications.

Public-private partnership integrated into the public investment system

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Resolution No. 1051 also established new rules for preparing and assessing public-private partnership (PPP) and concession projects.

Key changes :

- Procedures for analysing the concept note and effectiveness of PPP projects have been approved.
- For projects costing up to EUR 5.5 million, a simplified preparation procedure is provided.
- During the evaluation of a public investment project, the possibility and feasibility of engaging a private partner must be determined.
- PPP potential must also be identified for projects whose evaluation began before the resolution took effect.
- PPPs will be subject to the same planning, evaluation, prioritisation and selection principles as other public investments.
- The DREAM functionality needed for PPP and concession projects must be implemented by 1 April 2027.

What this changes. **PPP is no longer treated as a separate financing mechanism for PIPs. Now the possibility of engaging a private partner must be assessed already during the preparation of a public investment project. This is due, in particular, to the fact that available budget financing is insufficient.**

Challenge. **Simply adding a PPP assessment to the procedure does not guarantee viable partnerships will emerge. Quality financial models, risk assessment and sufficient capacity of contracting authorities to manage long-term contracts are needed.**

Source: CMU Resolution No. 1051, Government clarifications.

The Government simplified the analysis of construction prices paid for with public funds

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The Government updated Resolution No. 1512, which regulates the analysis of construction material prices in projects funded with public funds, funds of state and municipal enterprises, and international resources.

Key changes :

- For facilities costing up to UAH 1.5 million, the contracting authority will independently determine the price analysis procedure and keep the relevant document without uploading it to the Price Database in the USESC. For larger projects, the level of detail of the analysis will depend on the material's impact on the overall construction cost. A 60/30/10 principle is being introduced:
  - The most widely used categories of materials, accounting for 60% of the value of all materials — detailed analysis based on at least three price quotes;
  - Materials falling within the next 30% of value — simplified analysis using a broader list of sources;
  - The least used materials, falling within the last 10% — information from any non-prohibited sources.
- Price analysis may be delegated to third-party specialists or specialized organizations.
- Public prices on manufacturers' and suppliers' websites, electronic price quotes, and information from the Price Database are recognized as appropriate sources.
- For projects that have already started, transitional rules are provided so that the new electronic reporting requirements do not cause work to stop or require repeat expert review.

What this changes. **Price analysis should now focus on materials that most affect the cost estimate, instead of an equally detailed check of thousands of line items. For local administrations, this means less administrative burden when implementing small projects.**

Challenge. **The new model will depend on the completeness and representativeness of the Price Database (*https://e-construction.gov.ua/bdcb*). The database must be a market benchmark, not a tool for administrative price-setting.**

Source: Ministry for local administrations and Territories Development.

Submission of projects for DFRR financing closed in August

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In August, local administrations and regions submitted medium-term plans and priority projects for DFRR financing, whose 2026 budget is UAH 2 billion.

Key changes:

- By 3 August, local administrations submitted their MTP to RSAs with a list of priority PIPs included in the SPP (no more than 5).
- RSAs were to check the documents and forward them to the Ministry for local administrations and Territories Development by 13 August.
- Projects must comply with the State Strategy for Regional Development, relate to communally owned facilities, and be completed by the end of 2026.
- 30% of the DFRR is directed to projects intended to fulfil the tasks of the State Strategy for Regional Development.
- 70% of the DFRR goes to tasks of regional and community strategies, except for tasks and measures of the relevant strategies and implementation plans aimed at developing cultural facilities, road and transport infrastructure, and housing facilities.
- Projects that are ready for implementation and can be completed within the current budget year have a practical advantage
- Money is not yet being distributed through DREAM. The Government is also working on future changes to the DFRR.

What this changes. **The distribution of DFRR funds, which had been expected earlier, is finally under way. So at least part of local administrations' PIPs will be financed by the end of the year.**

Challenge. **Actually disbursing the funds will still take time, so, as usual, the traditional challenge will be completing PIP implementation before the end of 2026.**

Source: Ministry for local administrations and Territories Development

The Government channeled UAH 4.9 billion to the Ukraine Recovery Program III

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On 19 August, the Government channeled EIB loan funds under Tranche B of the Ukraine Recovery Program III into the state budget's special fund

Key facts:

- The amount channeled is UAH 4.9 billion.
- The financing is intended primarily for local administrations affected by hostilities or that have taken in significant numbers of IDPs.
- The main areas identified are modernising water supply, restoring schools and hospitals, and social housing.
- Projects for the programme must be submitted via DREAM and undergo prioritisation. After review by the Expert Working Group, the project list must be agreed with the EIB.
- The order on channeling the UAH 4.9 billion does not include the distribution of funds among specific local budgets and projects, since this will be done after selection.

What this changes. **The decision provides the budget resource for financing Tranche B projects. The next steps should be final approval of the EIB project list and distribution of the subvention among local budgets.**

Challenge. **The funds were allocated quite late. Even if money is allocated to the selected projects this year, it will be difficult to complete them by year-end.**

Sources: CMU Order

An additional UAH 1 billion has already been distributed among local administrations

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On 27 August, the Government distributed additional financing among local administrations under a separate financial agreement of the "Ukraine Recovery Program" (EIB).

Key facts:

- As early as 15 July, the programme's 2026 financing was increased by UAH 1 billion.
- In August, the additional resource was distributed among local administrations in 16 regions to finance previously selected projects.
- The total volume of programme financing in 2026 grew from UAH 987.1 million to almost UAH 2 billion.
- The funds will allow continuing implementation of existing projects and financing 25 new projects already agreed with the EIB.
- The total number of agreed projects is increasing from 138 to 163.
- The distribution took into account project readiness: availability of up-to-date documentation and a loan fund transfer agreement, procurement status, and other conditions.
- After distribution, the funds must be transferred to local budgets in the form of a subvention.
- Financing for projects under the Program is still being distributed outside DREAM.

What this changes. **The local administrations and agreed projects to which financing is being directed have been determined. This allows moving forward with signing agreements, conducting procurement, and carrying out works.**

Challenge. **The funds were distributed late. The risk of not completing the works on time is quite high.**

Sources: Ministry for local administrations and Territories Development

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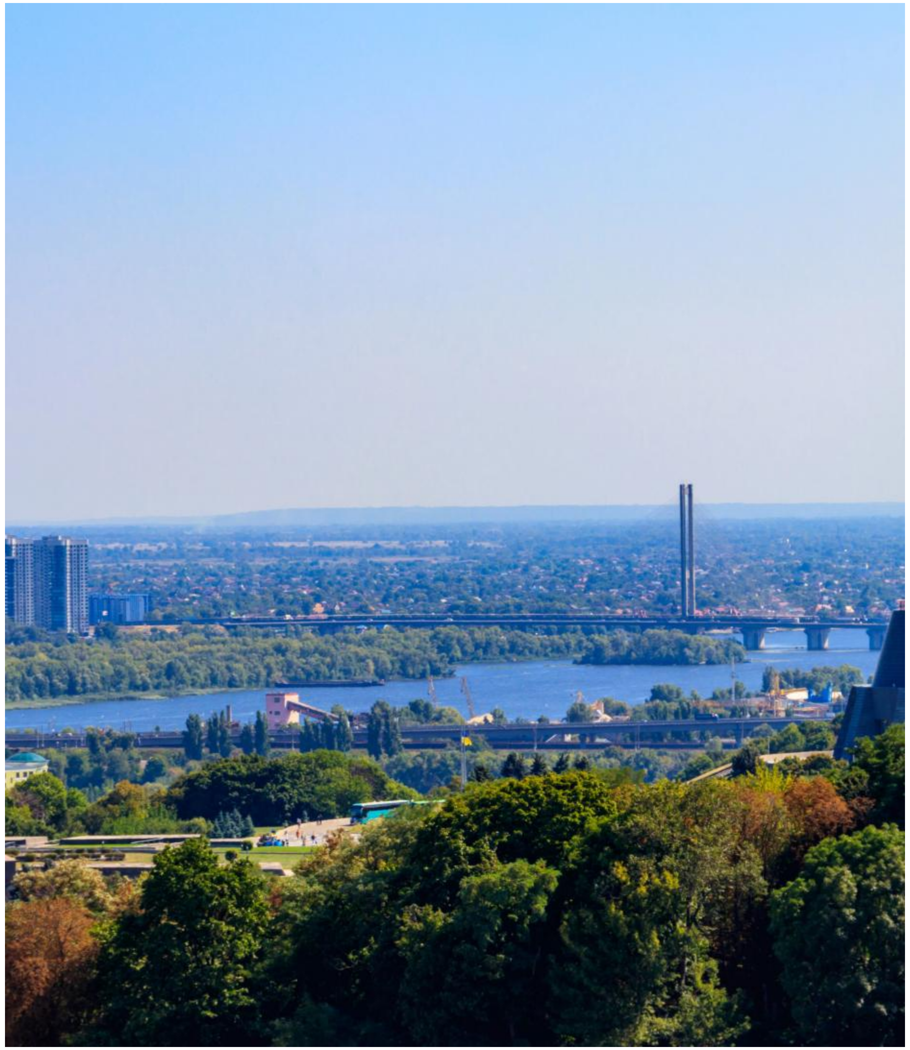
SPP updates on DREAM



Local administrations added PIPs in August mostly in education and municipal infrastructure

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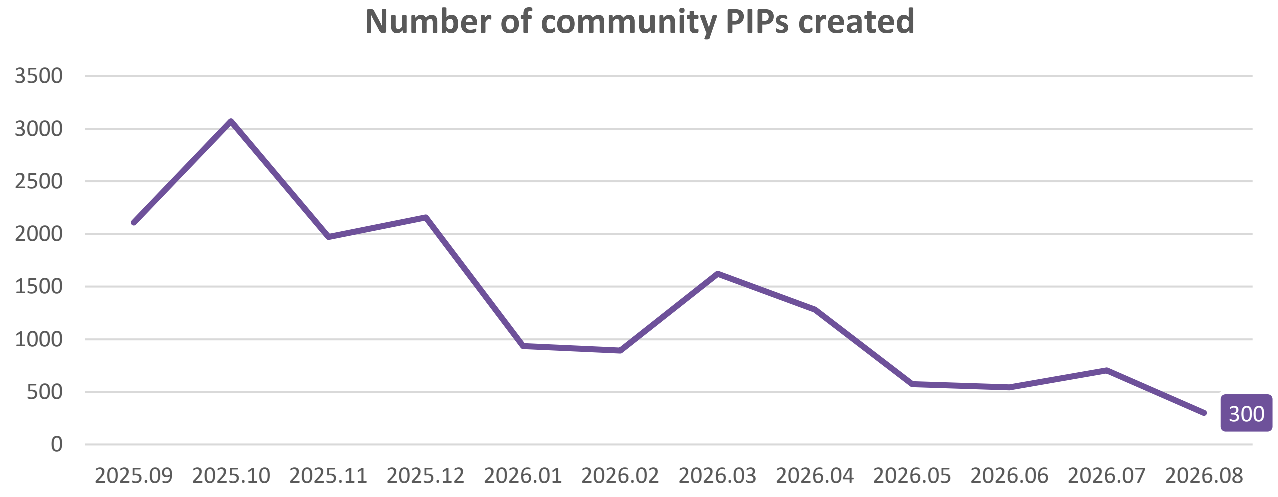

In August*, 300 new PIPs were registered on the DREAM platform.

141 of the new projects relate to education, and another 77 to municipal infrastructure and services, together accounting for almost 73% of all new community PIPs in July. This is most likely linked to the availability of allocated financing, especially in education.

Sector	Total as of end of July	Registered in August*
Agriculture	17	0
Public safety	462	6
Environment	131	0
Economic activity	42	0
Energy	278	5
Housing	604	17
Culture and information	461	3
Municipal infrastructure and services	3934	77
Education and science	6526	141
Healthcare	1651	17
Social sphere	503	9
Justice	1	0
Transport and postal services	833	21
Digital transformation of state and society	153	2
Sport, physical and youth education	263	2
Grand total	**15859**	**300**

*Data from September 2025.
Since September 2025, DREAM has presented national, regional and local MTPs and SPPs; all previous projects can be found in the DREAM archive
Source: DREAM

Note: SPP – Single Project Pipeline
PIP – Public Investment Project
Community level – the project is initiated by a territorial community

August drop in indicators: fewer new PIPs, and lower expected and received financing at the community level

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Month	Number of PIPs, units	Financing received, UAH bn	Expected financing, UAH bn	Estimated cost, UAH bn
April	1283	0.9	5.6	48.5
May	573	0.6	2.0	26.0
June	544	0.3	6.5	27.5
July	704	3.2	47.2	47.4
August	300	0.4	2.3	11.6
Total in DREAM*	16159	41.3	210.4	UAH 1.2 tn

In August*, local administrations registered 300 PIPs versus 704 in July.
Expected financing was only UAH 2.3 billion (of which UAH 604 million – capital repair of a sidewalk in Mykolaiv, and almost UAH 362 million – modernisation of the wastewater system in Nadvirna, Ivano-Frankivsk region), while financing received was UAH 0.4 billion. At the same time, the estimated cost of new projects (the total expected cost of projects, including those with no financing at all) amounted to UAH 11.6 billion.

Note: SPP – Single Project Pipeline
PIP – Public Investment Project

* Data as of 1 September 2026. Overall, the data covers the period from September 2025 to August 2026. Since September 2025, DREAM has presented national, regional and local MTPs and SPPs; all previous projects can be found in the DREAM archive
Source: DREAM

At the *regional* level, the August growth was mostly driven by projects in healthcare and education

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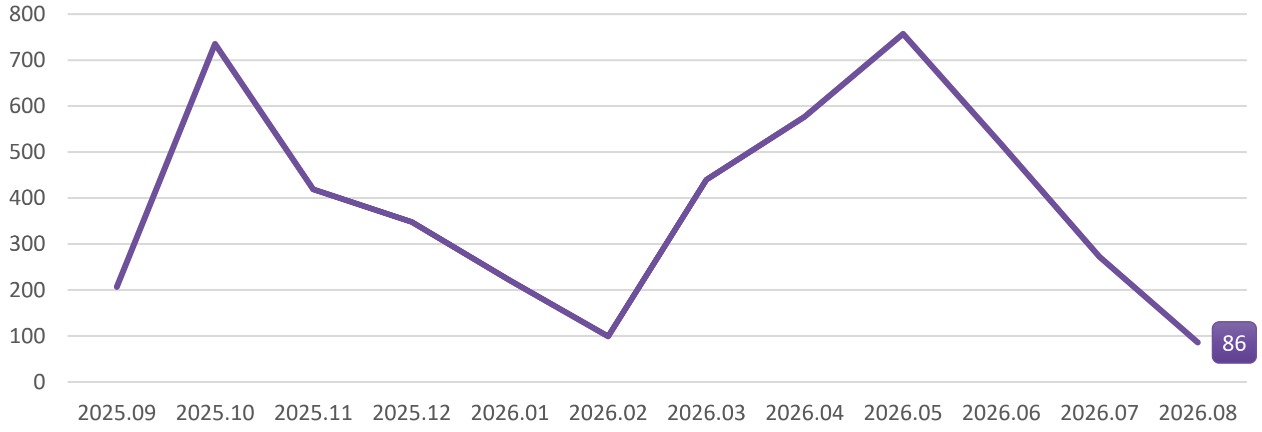
Number of regional-level PIPs created



In August, 86 new PIPs were registered at the regional level.

Most of them are in healthcare: 50 projects, with another 15 PIPs in education.

Sector	Total as of end of July*	Registered in August*
Agriculture	16	0
Public safety	207	1
Environment	52	0
Energy	83	1
Housing	961	7
Culture and information	207	4
Municipal infrastructure and services	232	2
Education and science	1518	15
Healthcare	615	50
Mine action	1	0
Public finance	4	0
Social sphere	276	2
Justice	1	0
Transport and postal services	311	2
Digital transformation of state and society	31	2
Sport, physical and youth education	77	0
Grand total	**4592**	**86**

Note: SPP – Single Project Pipeline
PIP – Public Investment Project
Regional level – the project is initiated by a regional or Kyiv city administration

*Data from September 2025.
Since September 2025, DREAM has presented national, regional and local MTPs and SPPs; all previous projects can be found in the DREAM archive
Source: DREAM

Fewer projects at the regional level, but financing received has grown

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Month	Number of PIPs, units	Financing received, UAH bn	Expected financing, UAH bn	Estimated cost, UAH bn
April	577	7.2	9.8	96.4
May	757	0.7	23.2	95.5
June	517	0.5	2.1	13.3
July	272	0.3	2.5	14.0
August	86	0.4	1.5	3.0
Total*	4678	19.0	64.9	UAH 3.8 tn

In August, the number of new PIPs and financial indicators were substantially lower than in July.
The estimated cost of July's projects was almost five times lower than in July.
In August, the most expensive regional PIPs registered were the reconstruction of the cardiology building (Zaporizhzhia, UAH 900 million) and the reconstruction of Kyiv City Children's Clinical Hospital No. 2 (Kyiv, UAH 212 million).

Note: SPP – Single Project Pipeline
PIP – Public Investment Project

* Data as of 1 September 2026 for the period from September 2025 to August 2026.
Since September 2025, DREAM has presented national, regional and local MTPs and SPPs; all previous reconstruction projects can be found in the DREAM archive
Source: DREAM

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Reconstruction procurement as of July 2026*

*operational data may be revised

In July, the number and value of construction procurement* were close to last year's figures

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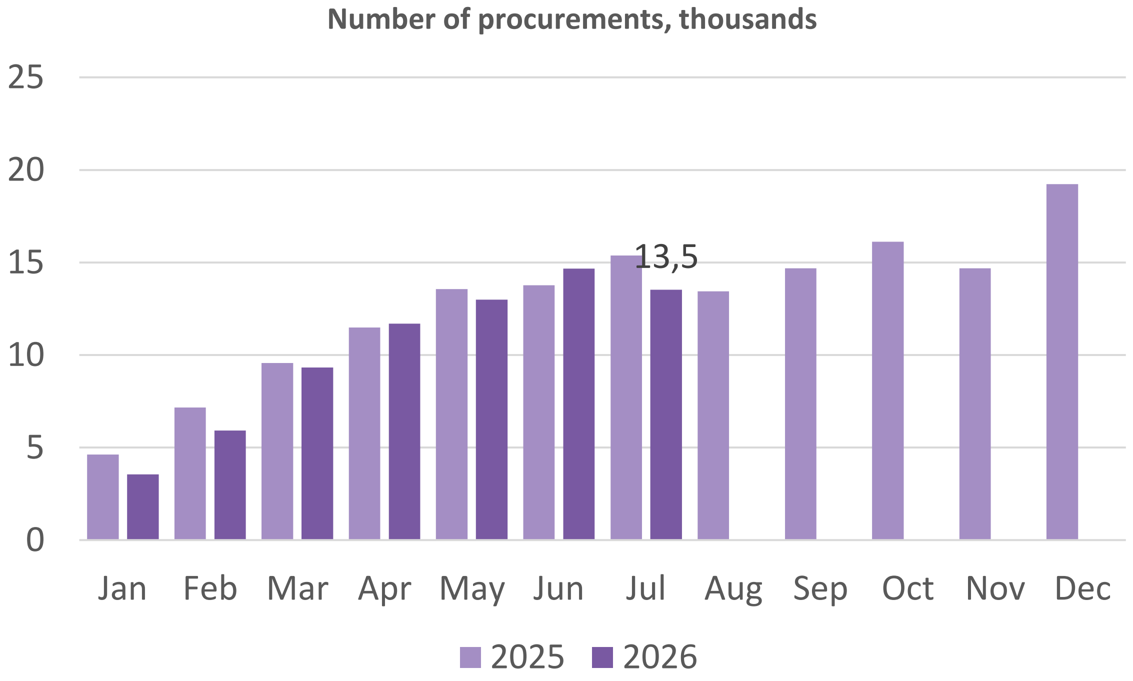
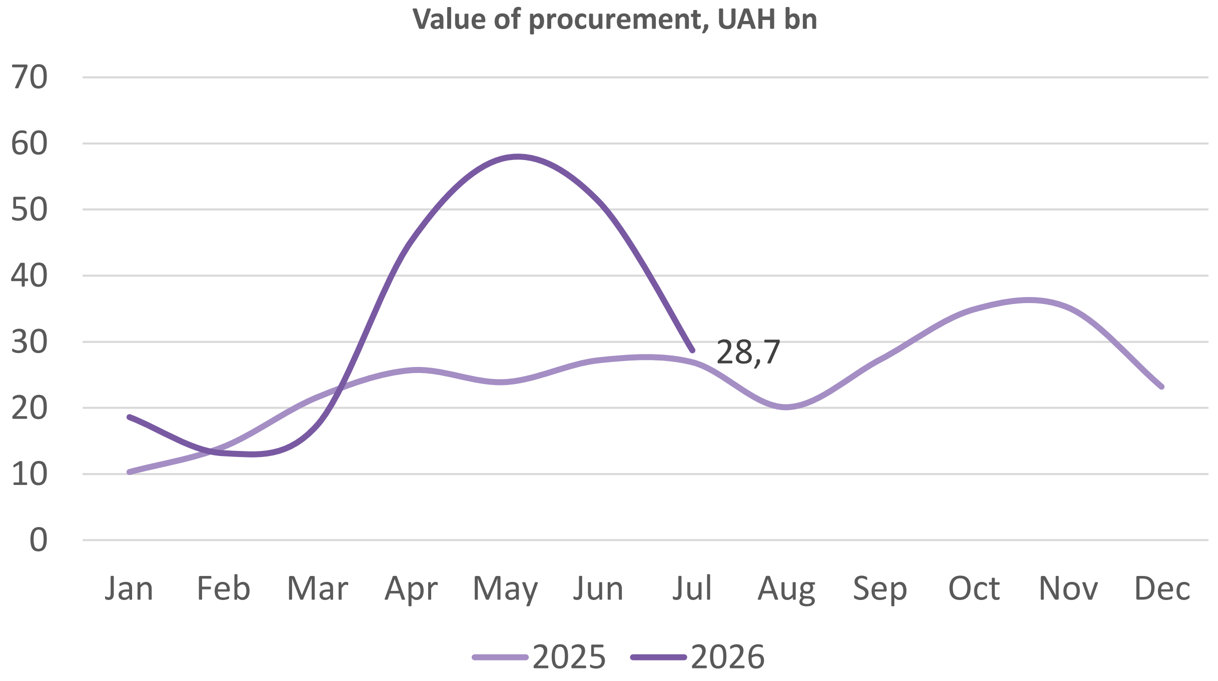
- The vast majority of procurements announced in July 2026 have already been completed — 13 thousand (90%). Another 1% are still ongoing, 7% did not take place, and 2% were cancelled.
- The number of procurements in July 2026 was 12% lower than in July last year, while the value was 7% higher y/y.
- The largest procurement organizer in July was the Capital Construction Department of the Kharkiv RSA with a total of UAH 3.2 billion, notably for the construction of drinking-water boreholes.





Source: BI Prozorro

*procurement for construction works and current repairs

The largest organizers accounted for half of completed construction procurement* in July

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Top 10 organizers (UAH bn)

1.	Capital Construction Department of the Kharkiv RSA	3.2
2.	ME “Kyivteploenerho”	2.4
3.	Regional Development Department of the Kyiv RSA	0.9
4.	SE “Local Roads of Zaporizhzhia Region”	0.9
5.	ME “Vodokanal”	0.8
6.	ME “Kharkiv Heat Networks”	0.6
7.	Infrastructure Recovery and Development Service in Kirovohrad Region	0.5
8.	SE “Roads of Kharkiv Region”	0.4
9.	ME “Buchaservice” of Bucha City Council	0.3
10.	ME “Vinnytsiamiskteploenerho” of Vinnytsia City Council	0.3

Top-10 share of all procurement 50%

Top 10 winners (UAH bn)

1.	“Slobozhanska Budivelna Kompaniia Sargon” Ltd	1.7
2.	“Building Group” Consortium	1.2
3.	“Avtomahistral-Pivden” Ltd	1.0
4.	“ALD Engineering and Construction” Ltd	0.8
5.	“La-Croix” Ltd	0.7
6.	Construction and Assembly Directorate No. 460 Ltd	0.7
7.	“Kalmius Construction Company” Ltd	0.6
8.	“Avtostrada Group of Companies” Ltd	0.6
9.	“IBC Atmosfera Management” Ltd	0.5
10.	“Ukrbud-Project-Reconstruction” Ltd	0.3

Top-10 share of all procurement 39%

Source: BI Prozorro

*procurement for construction works and current repairs

Energy, water supply and roads – leaders in procurement* in July

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No	Procurement subject	Organizer	Winner	Procurement value, UAH bn
1	New construction of artesian boreholes for drinking-water supply	Capital Construction Department of the Kharkiv RSA	“Slobozhanska Budivelna Kompaniia Sargon” Ltd	1.7
2	Construction of the “Regional Oncology Center” MNE complex, Kharkiv	Capital Construction Department of the Kharkiv RSA	“Building Group” Consortium	1.2
3	Reconstruction of a ME “Kyivteploenerho” facility with physical protection arrangements	ME “Kyivteploenerho”	“La-Croix” Ltd	0.6
4	Construction of a power supply crossing	ME “Kyivteploenerho”	Construction and Assembly Directorate No. 460 Ltd	0.6
5	Construction of a power supply crossing	ME “Kyivteploenerho”	“IBC Atmosfera Management” Ltd	0.5
6	Substation reconstruction	SE “Local Roads of Zaporizhzhia Region”	“Kalmius Construction Company” Ltd	0.5
7	Current repair of the Oleksandrivka-Kropyvnytskyi-Mykolaiv motor road	Infrastructure Recovery and Development Service in Kirovohrad Region	“Avtostrada Group of Companies” Ltd	0.5
8	New construction of a facility	SE “Roads of Kharkiv Region”	“Avtomahistral-Pivden” Ltd	0.4
9	Reconstruction of a facility in Zaporizhzhia	ME “Vodokanal”	“ALD Engineering and Construction” Ltd	0.4
10	New construction of a water supply network in the Bucha community	ME “Buchaservice” of Bucha City Council	“Ukrbud-Project-Reconstruction” Ltd	0.3

Source: BI Prozorro

*procurement for construction works and current repairs

In July, procurement* conducted through the electronic system prevailed by value but not by number

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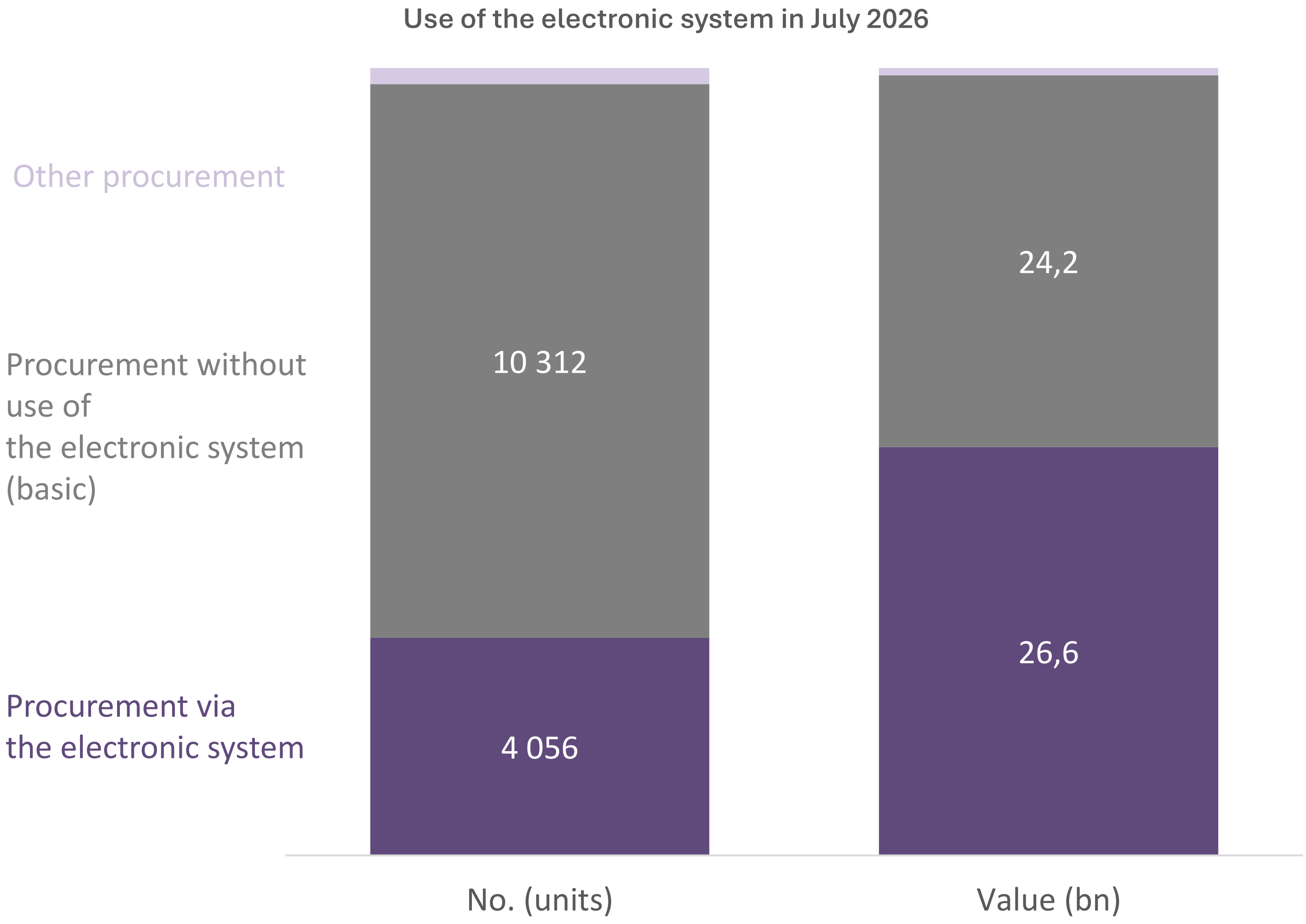

- The electronic system was used for 4.1 thousand completed procurements (28% of all completed) worth UAH 26.6 billion (52% of all procurement) in July 2026.
- 72% of the procurements completed in July took place outside the electronic system, accounting for 47% of the total value.

Source: BI Prozorro

*procurement for construction works and current repairs

Single-bidder procurement* continues to dominate

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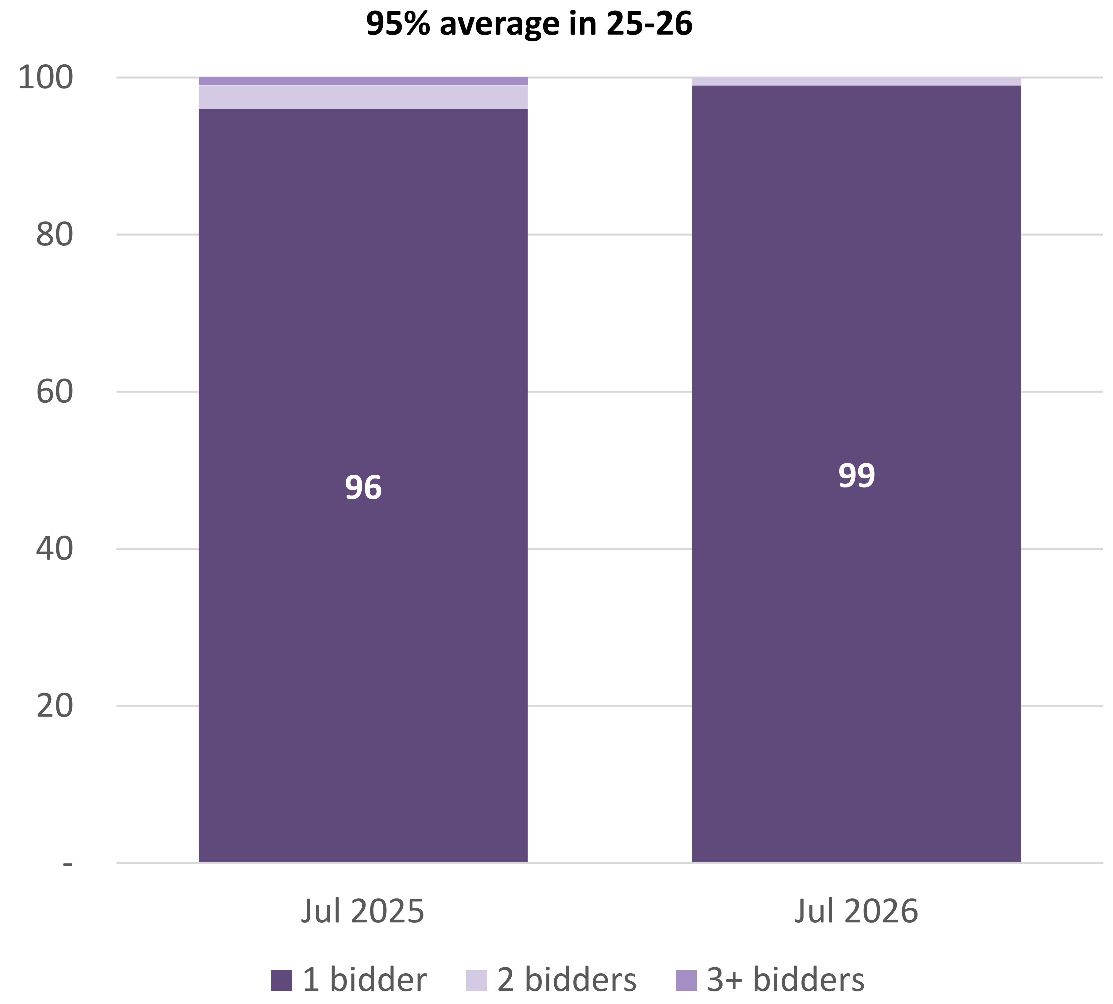
- In July, the share of single-bidder procurement remained at the previous month's level (99% of all completed procurements, accounting for 95.9% of the total procurement value).
- Using the electronic system, the share of completed construction procurements with a single bidder was 90.8% of the total number, accounting for 88.9% of the value (Appendix 1).
- Meanwhile, for January-July 2026, the share of single-bidder procurement using the electronic system was 84.7% of the number of procurements, accounting for 79.3% of the total procurement value.
- In July there was 1 procurement with 6 bidders (procurement value fell 1% compared to the expected value) and 2 procurements with 5 bidders (procurement value fell by an average of 26% from the expected value).

Share of procurement by number of bidders, %



Source: BI Prozorro

*procurement for construction works and current repairs

In procurement* with more bidders, the price dropped noticeably

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No.	Procurement subject	Organizer	Winner	Value, UAH mn expected/final		Bidders
All procurement						
1	Window glazing installation services	ME “Oblvodokanal” of Zaporizhzhia Regional Council	“Complite” Ltd	0.3 / 0.3	(-1%)	6
2	Current road repair, Bila Tserkva district	Housing and Utilities Department of Rokytne Regional Council	“Traffic Management Group” Ltd	0.6 / 0.4	(-29%)	5
3	Current repair of Mykolaiv Lyceum No. 40 building	Education Department of Mykolaiv City Council	“Okonika” Ltd	0.4 / 0.3	(-22%)	5
Procurement worth more than UAH 20 million						
1	Construction of well pad No. 154	JSC “Ukrnafta”	“Naftogazburinnia” Ltd	35.8 / 32.0	(-11%)	4
2	New construction of a water supply network in Bucha community	ME “Buchaservice” of Bucha City Council	“Ukrbud-Project-Reconstruction” Ltd	380.5 / 323.6	(-15%)	3
3	Current repair of the street and road network of Poltava territorial community	Housing and Utilities Directorate of Poltava City Council	“Avtoshliakh 2020” Ltd	34.6 / 30.2	(-13%)	3

Source: BI Prozorro

*procurement for construction works and current repairs

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Most procurement* is completed very quickly — within 3 days

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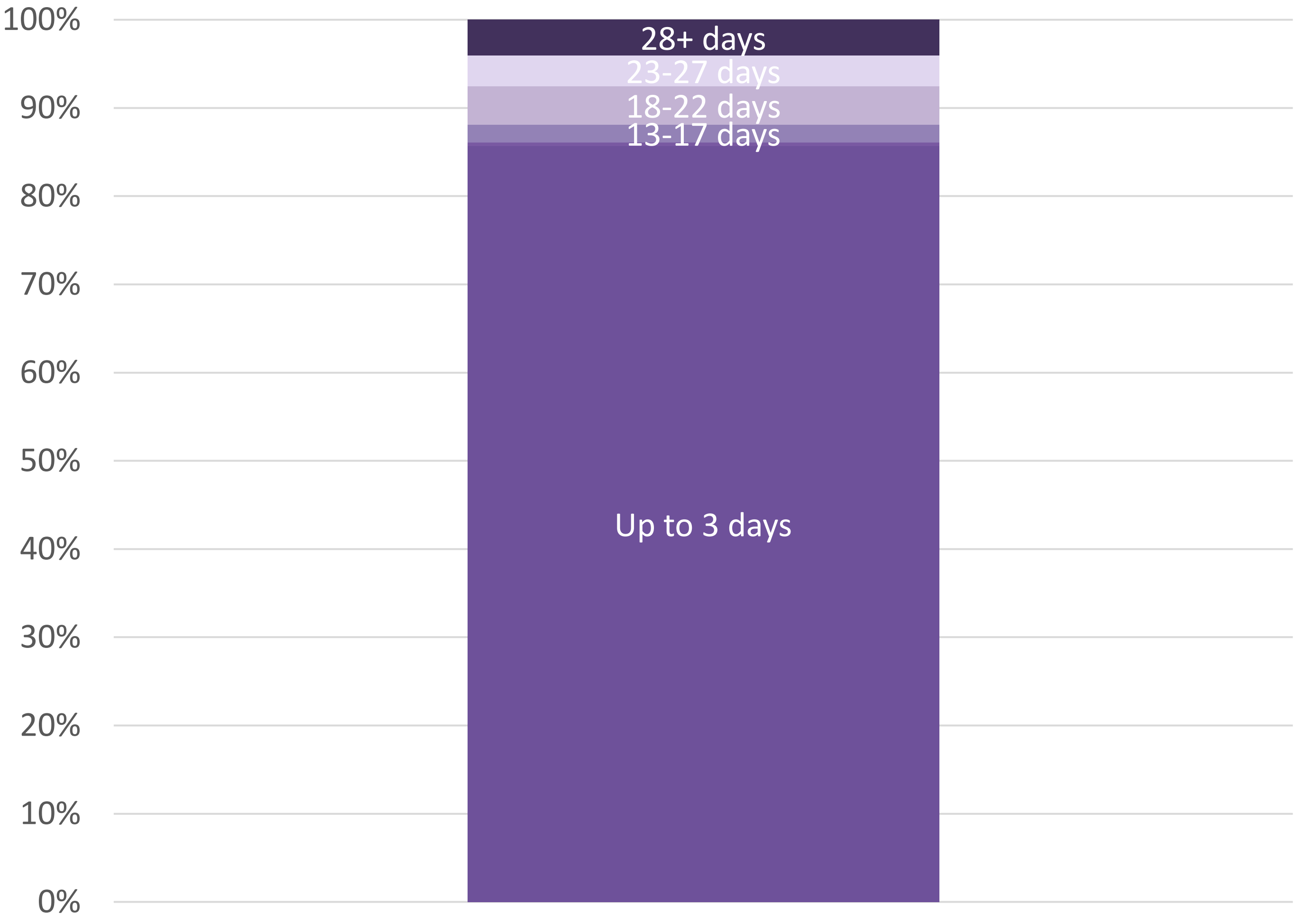
Share of construction procurement by duration



- In July, about 86% of tenders lasted up to 3 days. At the same time, 92% lasted up to 22 days.
- For 2026, the share of tenders lasting less than 3 days was 81%, and for 2023-2026 it was 83%.
- Compared with the pace of tender processing in June, July 2026 moved further from average levels (due to a 3 p.p. increase in the share of tenders lasting up to 3 days).
- The share of tenders lasting more than 28 days remained at 4% in July, the same as in June.
- The vast majority of tenders lasting up to 5 days have only a single bidder. This indicates very low competitiveness in procurement.

Source: BI Prozorro

*procurement for construction works and current repairs

Procurement* is concentrated in the largest regions, especially Kyiv city and Kyiv region

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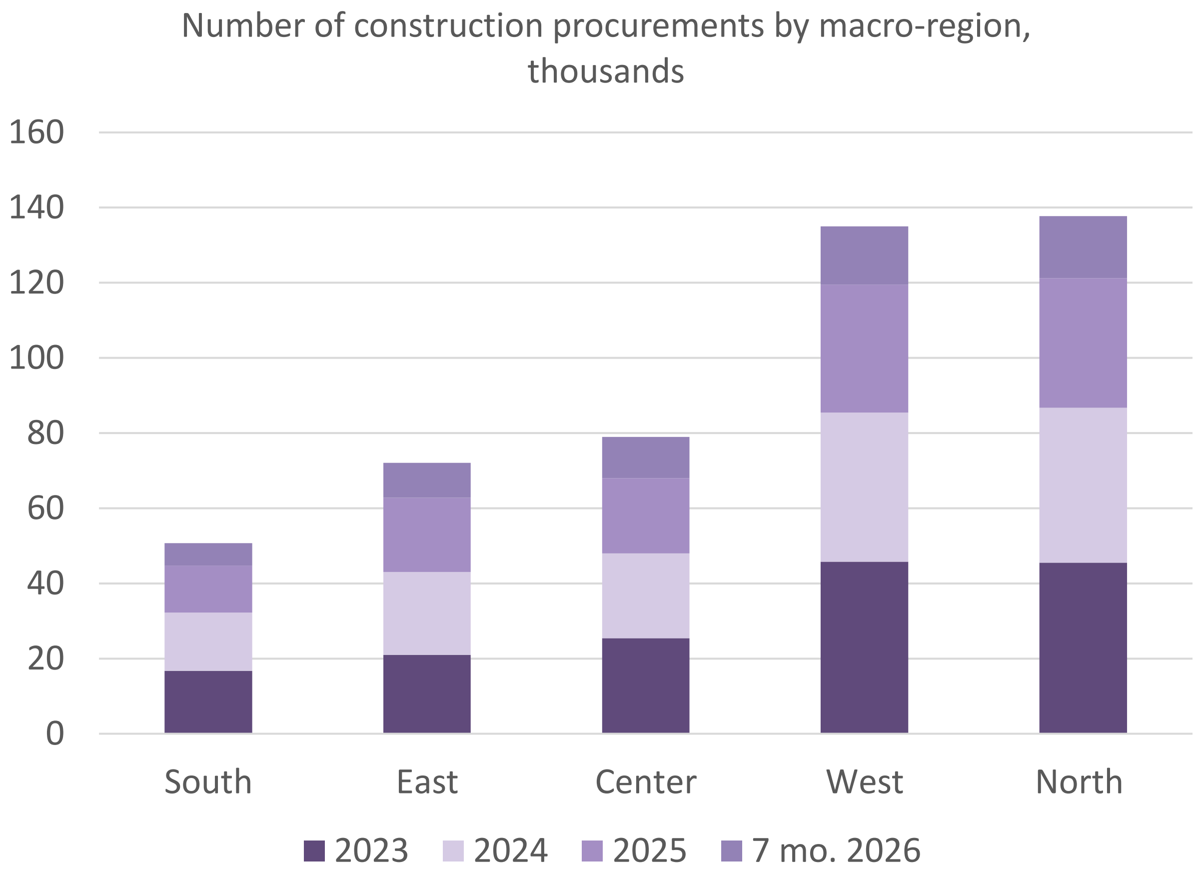
- The largest number of completed construction procurements in July took place in Kyiv, Lviv and Dnipropetrovsk regions. Procurement in these regions accounted for 36% of all construction procurement. The fewest were in Kherson and Luhansk regions.
- Almost half of all construction procurement in the South took place in Odesa, while 70% of procurement in the North took place in Kyiv region and Kyiv city.
- At the same time, 22% of all procurement was organized in Kyiv region and Kyiv city. Among Kyiv's largest construction procurements is the reconstruction of ME “Kyivteploenerho”.
- The two largest construction procurements in July were organized by the Capital Construction Department of the Kharkiv RSA. Overall, almost 6% of all procurement was organized in Kharkiv region.



** South: Autonomous Republic of Crimea, Zaporizhzhia, Mykolaiv, Odesa and Kherson regions
North: Zhytomyr, Kyiv region and Kyiv city, Sumy, Chernihiv regions
West: Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytskyi, Chernivtsi regions
East: Dnipropetrovsk, Donetsk, Luhansk, Kharkiv regions
Center: Vinnytsia, Kirovohrad, Poltava, Cherkasy regions

Source: BI Prozorro

*procurement for construction works and current repairs

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Appendix

Appendix 1. Procurement* using the electronic system

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No. of bidders	No. and % of procurements Jan-Jul		Value (bn) and % of procurements Jan-Jul		No. and % of procurements in July		Value (bn) and % of procurement in July	
1 bidder	10,216	84.7	108.8	79.3	1,326	90.8	6.1	88.9
2 bidders	1,276	10.6	21.4	15.6	98	6.7	0.3	4.9
3 bidders	339	2.8	5.1	3.7	30	0.2	0.4	5.7
4 bidders	136	1.1	0.9	0.7	3	0.0	0.0	0.5
5 bidders	57	0.5	0.9	0.6	2	0.0	0.0	0.0
6 bidders	20	0.2	0.1	0.1	1	0.0	0.0	0.0
7-17 bidders	23	0.2	0.1	0.1	0	0.0	0.0	0.0
Total completed procurement using the electronic system	**12,067**	**100.0**	**137.2**	**100.0**	**1,460**	**100.0**	**6.9**	**100.0**

Source: BI Prozorro

*procurement for construction works and current repairs

Big Recovery Portal

Thank you for your attention!

Project “Public Investment Control”

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Funded by the European Union

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