

Ukraine's Single Project Pipeline sectoral distribution and prioritisation: recommendations for improvements

The National Strategic Investment Council has approved the Single Public Investment Projects Portfolio (Single Project Pipeline or SPP).¹ It consists of 760 project concepts prepared by 42 applicants (mainly ministries and regional state administrations, and no municipalities). Information about SPP projects is posted on the DREAM platform.² The total resource of the State Budget of Ukraine for financing public investment projects in 2025 amounts to UAH 256.1 billion, including UAH 186.9 billion of international donors' support.³ NGOs are alarmed by the quality of the proposed investments, their sectoral distribution, and prioritisation.⁴ We have identified issues related to the SPP and offer the corresponding recommendations.

1. The transitional model of public investment management (PIM) used during the preparation of the draft Law of Ukraine 'On the State Budget of Ukraine for 2025' revealed discrepancies and inconsistencies in the databases. Specifically, the projects selected in the Single Project Portfolio,⁵ Investment Guide,⁶ and DREAM databases do not correlate.

Recommendation: Either coordinate all three databases to ensure they contain the same information or consolidate them into a single project database. This database (whether coordinated or consolidated) should be used by the Ministry of

¹ Ministry of Finance, [Single project portfolio for public sector investments](#), *Ministry of Finance*, September 2024.

² Digital Restoration EcoSystem for Accountable Management, [Single project pipeline](#), *Digital Restoration EcoSystem for Accountable Management*, accessed 12 November 2024.

³ Governmental Portal, [Strategic Investment Council approved single project pipeline for public investments](#), Governmental Portal, 16 September 2024.

⁴ The whole sectoral portfolio analysis of the energy, mining, water, sanitation and waste management, agriculture, forestry, fishing, industry, and trade sectors will be available in December 2025 on the website of CEE Bankwatch Network.

⁵ Ministry of Finance, [Single project portfolio for public sector investments](#), *Ministry of Finance*, September 2024

⁶ Ministry of Economy of Ukraine, [Investment Guide Ukraine](#), *Ministry of Economy of Ukraine*, May 2024.

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Economy, Finance, and Infrastructure, international financial institutions (IFIs), international governments, and other donors.

2. The classification of economic activity sectors in the Single Public Investment Projects Portfolio (also called the Single Project Pipeline) currently classifies economic activity sectors using the World Bank's taxonomy. However, this classification must be aligned with the European Union's (EU's) taxonomy.

Recommendation: To ensure the transparency and traceability of all public investment projects in Ukraine, the European Community's system of statistical classification of economic activities (NACE – *Nomenclature statistique des activités économiques dans la Communauté européenne*)⁷ should be adopted in Ukraine and used by all international partners.

3. The defined prioritisation criteria and their weighting coefficients in the Unified Digital System commendably prioritise 'developing small (decentralised) electricity generation' and 'generation of green electricity (sun, wind, water, biomass, etc.)' and give a maximum of 10 points for this type of concepts. However, even though only reparatory nuclear generation projects are prioritised in the single project pipeline, the database contains new nuclear generation and a project to reconstruct the flight zone of Boryspil International Airport. This is given the fact that the sky is not open to civil aviation in Ukraine at the moment. Neither of these projects will improve energy security or transport connections in Ukraine from a short- and mid-term perspective, and they are economically questionable.

Recommendation: Focus efforts on projects of immediate recovery importance and high long-term value that align with green recovery and modal shift goals to reflect the Green Deal and EU climate law. Projects which are not sustainable, like a new nuclear plant, airport or road expansion, should not be pursued. One way to implement this is by establishing exclusion criteria for such projects in the investment frameworks. Proper documentation (environmental assessment, demand assessment, and cost-benefit) should be prepared to prove a project's necessity, particularly those that do not contribute to green recovery goals.

4. A significant number of SPP's projects are still in the idea and preparation stages, with a small number in the implementation stage. This indicates a bottleneck, as feasibility studies and detailed project estimates are necessary before proceeding, potentially extending the overall timeline for project completion beyond initial expectations.

Recommendations: Develop standardised guidelines for feasibility studies and project estimates to streamline the transition from project ideas to implementation. This will help project initiators, including local communities, better prepare their proposals and increase the likelihood of successful funding applications. Establish regular review processes for ongoing projects to assess their relevance and impact, especially in light of changing socio-economic conditions due to conflicts or other crises. Feedback from local communities should be integral to these assessments.

⁷ EUROSTAT, [Glossary: Statistical classification of economic activities in the European Community \(NACE\)](#), EUROSTAT, accessed 12 November 2024.

- While the Public Investment Management (PIM) framework emphasises the role of local self-governments, it often fails to incorporate them. Submitting projects to the SPP is only possible through regional state administrations or ministries. The evaluation of project concepts bypasses self-governments and is conducted by the three Ministries: Economy, Finance, and Infrastructure.

Recommendations: Amend regulations to ensure municipalities can influence investment priorities directly affecting their communities. The current level of participation of local governments in the reform of public investment management is neither systematic nor sustainable. The equal participation of local governments in planning fosters capacity building for local self-government representatives in key areas: project management, funding applications, and sustainable development practices. Empowering local governments will enhance their ability to manage public investments effectively.

- The activities of the Strategic Investment Council are regulated by the Resolution,⁸ which gives the Council the right to involve representatives of executive authorities, people's deputies of Ukraine, local governments, enterprises, institutions and organisations in its work, as well as independent experts, members of the public and the media.

Recommendation: Amend Resolution on Strategic Investment Council⁹ regarding the mandatory involvement of representatives of local governments, specialised associations, scientists and independent experts, representatives of the public, and the media in the work of the Strategic Investment Council. Ukraine can enhance its project planning and programming by adopting EU funds' monitoring committee practices.¹⁰ The EU Member States and the European Commission use public participation in line with the European Code of Conduct on partnership, which is obligatory for all EU Member States according to the Common Provision Regulation.

- Currently, the procedure for preparation, submission, assessment and determination of criteria for prioritisation of concepts of public investment projects for 2025 is active in Ukraine.¹¹ This procedure narrows the powers of the Strategic Investment Council (only three ministries make decisions) and limits the participation of local governments in the preparation of projects.

Recommendation: To improve quality and consistency with EU regulations, it is necessary to adjust the timing for preparing certain documents in the adopted action plan for implementing the PIM roadmap. This plan¹² provides for the development of several documents directly related to the provision of the PIM system and SPP. Most of them are scheduled to be adopted in February-March 2025. It is expected that the EIB/JASPERS on-site consultancy project for institutional strengthening in Ukraine will be aimed at

⁸ Cabinet of Ministers of Ukraine, [Resolution No. 549 On the Establishment of the Strategic Investment Council](#), Cabinet of Ministers of Ukraine, 14 May 2024.

⁹ Cabinet of Ministers of Ukraine, [Resolution No. 549 On the Formation of the Strategic Investment Council](#), part 2 paragraph 5, Cabinet of Ministers of Ukraine, 14 May 2024.

¹⁰ CEE Bankwatch Network, [The European Partnership Principle: The Key to Public Involvement in Ukraine's Reconstruction](#), CEE Bankwatch Network, October 2024.

¹¹ Cabinet of Ministers of Ukraine, [Resolution No. 903 'Some issues of preparation, submission, evaluation and criteria for prioritization of concepts of public investment projects for 2025'](#), Cabinet of Ministers of Ukraine, 9 August 2024.

¹² Cabinet of Ministers of Ukraine, [Order of No. 588-r On approval of the plan of measures for the implementation of the Roadmap for reforming the management of public investments for 2024-2028](#), Cabinet of Ministers of Ukraine, paragraphs 16, 18-20, 22-24, 26, 18 June 2024.

supporting the prioritisation of investment projects in critical sectors of SPP, and the implementation of the PIM roadmap in Ukraine will start operating in Ukraine next year.

5. Violation of the proportionality principle between the project concepts and their handlers (ninety-one per cent of transport funding is managed by the Ministry of Development of Communities, Territories, and Infrastructure, while only nine per cent is handled by other regional authorities administrations). This should not be the primary task of the Ministry to take care of the urban mobility budget. Instead, local municipalities and administrations should be asked to submit their investment needs for funding.

Recommendation: Decentralise funds distribution based on the existing needs of the municipalities and communities, particularly in the urban public mobility subsector, as there is a growing need to modernise ailing urban transport infrastructure, improve public transportation options, decongest Ukrainian cities, and boost the inclusivity of public transport.

6. The DREAM platform currently lacks comprehensive information on many projects, particularly regarding sources of funding, technical characteristics, and selection criteria for municipalities in relevant projects. This lack of transparency can hinder local communities' effective participation in the project selection process.

Recommendation: Improve transparency on the DREAM Platform: upgrade the DREAM platform to provide detailed information about project requirements, selection criteria, and progress updates. Ensuring that all stakeholders have access to relevant data will foster trust and collaboration among various levels of government.