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Reforming public investment management in Ukraine

An analysis of Ukraine's Single Project Pipeline

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Executive summary

Public investment management in Ukraine requires significant improvement. Efficient use of state budget resources and strong relationships with potential donors and international financial institutions are essential. Ukraine has begun planning public investments through its reformed Public Investment Management System, jointly developed with international partners. Moving forward, public investment management reform must align with Ukraine's EU accession requirements and standards from the outset.

This complex process involves defining and strategically planning public investments over the medium term while fully integrating them into the budget process. It also establishes unified approaches for preparing, assessing, and prioritising public investment projects, including their financial sources and mechanisms. Supporting this process through digitalisation and centres of expertise will be crucial for strengthening the public investment management capacities of authorities at all levels of government.¹

Since the transitional period commenced in 2024, it has become clear that significant efforts are needed to establish a transparent, accountable, and functional public investment management system that earns trust both nationally and internationally. Implementation of the system is also tied to Ukraine's commitments, particularly the structural benchmarks assigned by the International Monetary Fund under its Extended Fund Facility for Ukraine² and the country's obligations under the EU's Ukraine Facility.³

In September 2024, Ukraine's Strategic Investment Council (hereinafter referred to as the Council) approved the Single Pipeline of Public Investment Projects (hereinafter referred to as the Single Project Pipeline) to streamline public investment management. The primary aim of the pipeline is to prioritise public investment projects for timely funding and implementation. By allocating limited financial resources to the most impactful initiatives, the pipeline aims to maximise the return on public investment. Key priorities for funding include the energy sector, social security, and rapid recovery efforts.⁴

While the Single Project Pipeline is currently in its pilot phase, the updated model will be integrated into Ukraine's Digital Restoration Ecosystem for Accountable Management (DREAM) platform by the end of 2025.⁵ This transition also presents a timely opportunity for Ukrainian civil society and interested parties to actively contribute to the redesign and upgrading of the Pipeline during its second phase, scheduled to run between 2026 and 2028.

This report assesses the state of public investment management in Ukraine during the current transitional phase as well as the quality of project concepts within the Single Project Pipeline across five sectors of economic activity: transport services; energy and extractives; water, sanitation and waste management;

¹ Ministry of Finance of Ukraine, [Public investment management](#), *Ministry of Finance of Ukraine*, accessed 8 January 2025.

² International Monetary Fund, [Ukraine: Sixth Review under the Extended Arrangement under the Extended Fund Facility. Requests for Modification of a Performance Criterion, and Financing Assurances Review—Press Release; Staff Report; and Statement by the Alternate Executive Director for Ukraine](#), *International Monetary Fund*, 20 December 2025.

³ European Commission, [Ukraine Facility](#), *European Commission*, accessed 12 February 2025.

⁴ Cabinet of Ministers of Ukraine, [Strategic Investment Council approves priority directions for recovery: Denys Shmyhal](#), *Cabinet of Ministers of Ukraine*, 29 November 2024.

⁵ Government of Ukraine, [Ukraine Plan: 2024-2027](#), *Government of Ukraine*, 15 April 2024.

industry, trade and services; and agriculture, fishing and forestry. This sectoral analysis examines the extent to which these project concepts comply with existing national development strategies by identifying gaps, contradictions, and shortcomings in submission, prioritisation and evaluation.

The findings from this report, which include sector-specific recommendations, should be used to inform the future implementation of the Public Investment Management System and Single Project Pipeline. The research underpinning this report draws on available open data from official resources (primarily the DREAM website), responses to information requests from central executive authorities, and the existing public investment management legislative framework.

The Reforms Support Team at the Ministry of Economy provided Bankwatch with feedback on our initial draft of this report, and their insights on the topics of transparency, the national energy mix, and the objectives of the Single Project Pipeline for 2025 are also incorporated.

In their view, the nuclear sector remains an important element in Ukraine's long-term energy security and supply, with nuclear power providing a reliable baseload to complement more variable renewable generation. They also emphasise that investing in new nuclear projects is vital for maintaining the skills and industry needed to restore and safely operate Ukraine's existing nuclear power facilities.

However, this report, which examines the energy sector under the framework of the Single Project Pipeline, argues that the very need for baseload power contradicts the development of distributed energy systems. Both nuclear and renewable energy sources require flexible generation capacity. Indeed, Ukraine has already faced situations where renewable energy sources have been curtailed to accommodate the inflexible output of nuclear power plants, highlighting the impracticality of relying on a constant nuclear supply to complement variable renewable energy sources in meeting dynamic demand. Furthermore, planning new nuclear projects disregards the country's financial constraints and completely ignores the safety risks associated with nuclear power.

This cross-sectoral analysis of project concepts within the Single Project Pipeline identifies the following trends (see Chapter 2 and Annex 1):

- Almost 90 per cent of the projects were initiated and managed by the central government.
- Most projects within the Pipeline are currently in the design and implementation stages.
- Investment in non-renewable energy projects dominates the Pipeline, followed by rail projects.
- Railway projects receive the largest financial allocation, while road and aviation projects are the most numerous, with aviation projects receiving the lowest committed funding for 2025.
- Non-renewable projects, particularly those focused on oil, gas and electricity transmission and distribution, account for the largest share of committed funding within the sector.
- The construction of units 5 and 6 at Khmelnytskyi nuclear power plant, along with the ongoing construction of units 3 and 4, accounts for 59 per cent (UAH 725.3 billion) of the total financial allocations needed for the energy and extractives sector.

- Waste management projects have been allocated the most funding, while high-priority water supply projects, despite being the most numerous, lack committed funding.
- Within the agriculture, fishing and forestry sector, irrigation and drainage projects are the most numerous and have the largest budgets.
- The industry, trade and services sector encompasses a wide range of subsectors, from housing construction to tourism and agricultural markets.
- The largest share of funding requirements within the industry, trade and services sector is for housing construction, with agricultural markets receiving most of the committed funding.

To improve the development and implementation of the Single Project Pipeline, the following actions are recommended:

- Align legal definitions within the Public Investment Management System to better support the Single Project Pipeline. This is particularly important given the rapid adoption of amendments to Ukraine's budget code in January, which bypassed proper consultations, and the planned development of at least eight regulatory documents by the end of March 2025.⁶ Tight time frames must not reduce opportunities for stakeholder engagement or compromise document quality.
- Provide the developers of public investment projects with standardised guidelines on transitioning projects from concept to implementation. Clear guidance will enhance proposal quality and increase their chances of securing funding. These projects should also be integrated into medium-term budget planning and long-term development programmes.
- Adopt the latest version of the EU's statistical classification of economic activities (NACE) to ensure all public investment projects in Ukraine are monitored and tracked.⁷
- Mandate pre-feasibility studies for Single Project Pipeline projects to optimise the use of available funds.
- Adapt the Public Investment Management System to Ukraine's EU accession goals by mandating the adoption of relevant EU requirements and regulations, focusing particularly on sustainability and environmental considerations.
- Improve communication on public investment management to attract external expertise and enhance transparency. Engaging municipalities, civil society, and other stakeholders in project development, selection, implementation, and monitoring will strengthen governance, build trust, and foster greater ownership of the overall process.

⁶ Cabinet of Ministers of Ukraine, [Розпорядження № 588-р Про затвердження плану заходів з реалізації Дорожньої карти реформування управління державними інвестиціями на 2024-2028 роки](#), *Verkhovna Rada of Ukraine*, 18 June 2024.

⁷ Eurostat, [NACE | Overview](#), *Eurostat*, accessed 8 January 2025.

Introduction

The latest Rapid Damage and Recovery Needs Assessment (RDNA3), published on 15 February 2024, estimates Ukraine's recovery needs at USD 486 billion over the next decade.⁸ An updated assessment (RDNA4)⁹ is currently being prepared to guide priority reconstruction and development projects, leveraging both public and private investment.

In its 2022 Public Investment Management Diagnostic Assessment,¹⁰ the World Bank identified key weaknesses in Ukraine's Public Investment Management System – including fragmentation, low capacity for proper due diligence, corruption risks, lack of strategic focus, and weak institutional structures. In response to the World Bank's recommendations for addressing these shortcomings, Ukraine developed a draft Roadmap for Reforming Public Investment Management (further, Roadmap).¹¹ The Roadmap fulfils one of the structural benchmarks under the IMF's Extended Fund Facility for Ukraine.

The Roadmap envisages that all public investment decisions will be made within the framework of strategic and medium-term budget planning. Under this framework, all public investment projects, regardless of their sources or mechanisms of financing, will adopt unified and transparent approaches to selection, evaluation and prioritisation. As a next step, in June 2024, Ukraine's Cabinet of Ministers developed and adopted an action plan for implementing the Roadmap over the 2024–2028 period,¹² a key obligation that must be fulfilled under the Ukraine Facility Plan.¹³

The first stage of the Roadmap (2024–2025) introduces a temporary transitional model for public investment management. Under this system, only central executive authorities and regional state or military administrations can submit investment project concepts to the DREAM platform. These submissions are then evaluated by three ministries within their respective areas of responsibility: the Ministry of Finance, the Ministry of Economy, and the Ministry for Development of Communities and Territories.

To coordinate the process of developing, submitting and evaluating investment projects and implementing the transition model in Ukraine, in May 2024, the Cabinet of Ministers established the Strategic Investment Council¹⁴ as well as a formal procedure for implementing project concepts for the year 2025.¹⁵ The Council began operations in July 2024, announcing plans to establish a project preparation office under the Project

⁸ European Commission, [Updated Ukraine Recovery and Reconstruction Needs Assessment Released](#), *European Commission*, 15 February 2024.

⁹ Ministry for Development of Communities and Territories of Ukraine, [Мінрозвитку і Світовий банк обговорили підготовку оновленої оцінки потреб України на відновлення та відбудову RDNA4](#), *Ministry for Development of Communities and Territories of Ukraine*, 23 November 2024.

¹⁰ World Bank Group, [Ukraine – Public Investment Management Diagnostic Assessment Report](#), *World Bank Group*, 18 January 2023.

¹¹ Ministry of Finance of Ukraine, [Дорожня Карта Реформування Системи Управління Публічними Інвестиціями](#), *Ministry of Finance of Ukraine*, 22 December 2023.

¹² Cabinet of Ministers of Ukraine, [Розпорядження № 588-р Про затвердження плану заходів з реалізації Дорожньої карти реформування управління державними інвестиціями на 2024-2028 роки](#), *Verkhovna Rada of Ukraine*, 18 June 2024.

¹³ Ministry of Economy of Ukraine, [Індикатори плану для Ukraine Facility: 2024-2027](#), *Ministry of Economy of Ukraine*, 2024.

¹⁴ Cabinet of Ministers of Ukraine, [Постанова № 549 Про утворення Стратегічної інвестиційної ради](#), *Verkhovna Rada of Ukraine*, 14 May 2024.

¹⁵ Cabinet of Ministers of Ukraine, [Постанова № 903 Деякі питання підготовки, подання, оцінки та критеріїв пріоритезації концепцій публічних інвестиційних проектів на 2025 рік](#), *Verkhovna Rada of Ukraine*, 9 August 2024.

Preparation Facility. This office will support, validate, coordinate and monitor the implementation of investment projects.¹⁶

In December 2024, the Council approved the Single Project Pipeline. Thus far, a total of 50 applicants have submitted 787 project concepts across 10 sectors of economic activity. Of these, more than 100 project concepts in the areas of healthcare, education, transport and energy have been identified as priorities and proposed for inclusion in the draft 2025 state budget, bringing the total allocation for public investment projects to UAH 256.1 billion, of which UAH 186.9 billion is being supplied by international donors.¹⁷ Information on all current public investment projects is available on the DREAM platform.¹⁸

Unfortunately, project concepts added to the Single Project Pipeline in 2024 are rife with inconsistencies due to the absence of legally established definitions and methodological recommendations for project preparation, evaluation, prioritisation, selection, implementation and monitoring. Additionally, the project development process unfolded under exceptional circumstances, characterised by tight deadlines, poor communication between agencies, and limited capacity among developers for designing high-quality public investment projects.

In this report, we assess the implementation of the Public Investment Management System, focusing in particular on its core component, the Single Project Pipeline. We highlight the major issues hindering the current transitional public investment management model and propose recommendations for enhancing the effectiveness of reconstruction spending in 2025 along with valuable insights for the second phase (2026–2028). These recommendations are intended to support not only the transitional model (to be completed by the end of 2025), but also the development of Ukraine’s regional and sectoral public investment management systems.

One of the key recommendations in this report is for the Ministry of Economy to review sectoral pipelines from the current public investment project list, since these pipelines are set to be included in the Ministry’s methodological recommendations for future project developers. We focus in particular on the following sectors due to their strategic importance and potentially significant financial outlay: transport services; energy and extractives; water, sanitation and waste management; industry, trade and services; and agriculture, fishing and forestry.

The report draws on publicly available data from official resources, primarily the DREAM platform, responses to information requests from central executive authorities, and the existing legislative framework governing public investment management.

¹⁶ Cabinet of Ministers of Ukraine, [Перше засідання Стратегічної інвестиційної ради: пріоритет на прозорість та ефективність публічних інвестицій](#), *Cabinet of Ministers of Ukraine*, 24 July 2024.

¹⁷ Cabinet of Ministers of Ukraine, [Стратегічна інвестиційна рада ухвалила Єдиний портфель інвестпроектів](#), *Cabinet of Ministers of Ukraine*, 16 September 2024.

¹⁸ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), *Digital Restoration EcoSystem for Accountable Management*, accessed 6 December 2024.

This report is particularly timely given ongoing amendments to the state budget code,¹⁹ the Public Investment Management System, and the Single Project Pipeline. It is also highly relevant to the implementation of the Ukraine Facility, which is allocating 20 per cent of the Ukraine Plan's non-repayable financial support to the recovery, reconstruction and modernisation needs of Ukraine's subnational authorities, particularly local self-government.²⁰

The target audience for this study is Ukraine's Ministry of Finance, Ministry of Economy, and Ministry for Development of Communities and Territories, the Strategic Investment Council, the European Commission (represented by the Directorate-General for Enlargement and the Eastern Neighbourhood), and the Ukraine Donor Platform, which brings together governments (serving as permanent and temporary members and observers), international financial institutions and civil society organisations.

Current status of the public investment management transitional model

Legal background

The first phase of the action plan for implementing the Public Investment Management System Reform Roadmap (2024–2025) is currently underway (see Annex 2). This phase is crucial for establishing the preconditions enabling the transition to a new public investment management model. The government must address six key objectives during this phase:

- establish a legislative framework for standardised public investment management procedures;
- implement a strategic public investments plan;
- develop a methodological framework for public investment management;
- improve medium-term budget planning for public investments by assessing the financial sustainability of public investments at all stages of the investment cycle and strengthening fiscal risk management at both state and local budget levels;
- create an IT architecture for public investment management based on the updated methodological framework; and
- strengthen the institutional capacity of public investment management bodies.

This report specifically focuses on the methodological framework for public investment management and the formation of the Single Pipeline of Public Investment Projects.

Recent developments

In October 2024, the International Monetary Fund approved an update to the Memorandum of Economic and Financial Policies (hereinafter referred to as the Memorandum), resulting in the fifth review of the

¹⁹ Verkhovna Rada of Ukraine, [Проект Закону № 12245 Про внесення змін до Бюджетного кодексу України щодо актуалізації та удосконалення деяких положень](#), Verkhovna Rada of Ukraine, 25 November 2024.

²⁰ Ministry of Economy of Ukraine, [План України](#), Ministry of Economy of Ukraine, 18 March 2024.

Extended Fund Facility for Ukraine. This approval allows Ukraine to receive a new tranche of approximately USD 1.1 billion.²¹

Annex 1 of the Memorandum,²² specifically the Fiscal Structural Reforms section, includes a dedicated subsection on strengthening public investment management. This subsection proposes several structural benchmarks, two of which are particularly relevant:

- Adoption of amendments to Ukraine’s budget code in alignment with the public investment management action plan (by the end of January 2025).
- Approval of a methodology for evaluating public investment projects (by the end of February 2025).

To fulfil the first benchmark, a draft law²³ was developed and subsequently adopted to improve specific provisions of the budget code. This legislation officially introduces key terms into the legal framework, including ‘public investment’, ‘public investment projects’, ‘public investment programmes’, and the ‘Single Project Pipeline of Public Investment Projects’. The law also stipulates the various sources of public investment. These include loans from foreign states and international financial institutions, the State Regional Development Fund, the State Road Fund, the State Radioactive Waste Management Fund, the State Water Development Fund, the State Inland Waterways Fund, and the State Fund for Decarbonisation and Energy-Efficient Transformation. The legislation also introduces new procedures for planning and implementing public investment projects and programmes.

Submitted at the end of November 2024, the draft law presents a number of challenges, not least the need for public discussion on many of its provisions and the complexity of Ukraine’s legislative process. Despite these obstacles, the law was rapidly adopted on 16 January 2025. However, the next step, which involves the Cabinet of Ministers approving the necessary bylaws to implement the budget code amendments by the end of February – creates a chain of tightly scheduled tasks. This packed timeline raises concerns about feasibility and the potential risk of compromising the quality of the developed documents.

Methodological framework for the Public Investment Management System

The Memorandum also states that after the amendments to the budget code are adopted, the Cabinet of Ministers, in accordance with the third task of the action plan, should approve the methodological framework necessary for the full functioning of the Public Investment Management System.

This framework consists of 12 methodologies, the vast majority of which should be approved once the Cabinet of Ministers passes the relevant acts. These methodologies are expected to regulate the preparation, evaluation, selection, implementation and monitoring of public investment projects, the

²¹ Bogdan Skavron, [Україна отримає понад 1 мільярд доларів від МВФ: на що Уряд витратить кошти](#), *Television News Service*, 18 October 2024.

²² Ministry of Finance of Ukraine, [Лист про наміри та Меморандум про економічну і фінансову політику](#), *Ministry of Finance of Ukraine*, 4 October 2024.

²³ Verkhovna Rada of Ukraine, [Проект Закону № 12245 Про внесення змін до Бюджетного кодексу України щодо актуалізації та удосконалення деяких положень](#), *Verkhovna Rada of Ukraine*, 25 November 2024.

formation of the Single Project Pipeline, and the identification of sources and mechanisms for financing public investment projects.²⁴

Two of these methodologies are set to be developed and adopted by the end of February 2025, forming part of the second structural benchmark. The first methodology outlines the procedure and criteria for selecting state-supported public investment projects for further financing from the budget, while the second sets out the procedure for evaluating these projects, including socio-economic, financial, environmental and risk analyses.

However, thus far, there has been no public disclosure regarding the methodological framework for the system, or the departments or individuals involved in its development. The ambitious task of completing eight regulatory documents by the end of March 2025 will require the mobilisation of expert technical assistance and intellectual resources from across academia, international technical assistance projects, reform support offices within ministries, professional associations, think tanks, as well as international and national civil society organisations.

Strategic Investment Council

In May 2024, the Cabinet of Ministers established the Strategic Investment Council to coordinate the development, submission and evaluation of investment projects, as well as the implementation of the transition model.²⁵ Its 23 members – essentially comprising the full Cabinet of Ministers – have now been approved. However, according to the regulations on the Strategic Investment Council, it functions as a temporary advisory body to the Cabinet of Ministers, meaning its members are responsible for consulting, providing advice, and developing proposals and recommendations themselves.

Yet, given their primarily political backgrounds, the Council members likely lack the professional expertise required to thoroughly assess the technical, economic, social and environmental components of the proposed projects. Additionally, it is unclear how these various responsibilities will be distributed between the Council and Ukraine's Interagency Commission for Public Investments. Established in 2015, the Commission – which includes representatives of the Ministry of Finance, the Ministry of Economy, and the Ministry of Reconstruction – is tasked with selecting state-supported public investment projects for further financing from the budget, as outlined in paragraph 37 of the Roadmap action plan.

The Strategic Investment Council has the right to engage representatives from executive authorities, members of the Ukrainian parliament, local self-government bodies, enterprises, institutions, and organisations (provided their leadership consents), as well as independent experts and representatives from the public and the media, subject to their agreement. The Council is also authorised to establish working groups, as needed, to carry out its responsibilities.

However, the Council has shown very little transparency thus far. Indeed, there is a notable lack of information on the activities of the Council, particularly in relation to the range of issues being considered,

²⁴ Cabinet of Ministers of Ukraine, [Розпорядження № 588-р Про затвердження плану заходів з реалізації Дорожньої карти реформування управління державними інвестиціями на 2024-2028 роки](#), *Verkhovna Rada of Ukraine*, 18 June 2024.

²⁵ Cabinet of Ministers of Ukraine, [Постанова № 549 Про утворення Стратегічної інвестиційної ради](#), *Verkhovna Rada of Ukraine*, 14 May 2024.

its decisions, and the working groups tasked with developing the methodological framework for the Public Investment Management System.

The Reform Support Office at the Ministry of Economy has informed Bankwatch that development of the system will involve greater external engagement in the first half of 2025. They contend that the work of the Strategic Investment Council is already receiving the support of academics, international stakeholders and technical experts, and that mandating additional external involvement in decision-making – as opposed to project development – risks unnecessarily delaying decisions.

However, going forward, it is essential that this engagement is conducted in a transparent and inclusive manner. Nonetheless, the planned reforms to significantly increase the involvement of external experts and civil society in this crucial process are welcome.

Ukraine also has an opportunity to improve the planning, selection and monitoring of public investment projects by adopting the practices of committees responsible for monitoring the use of EU funds. Under the European Code of Conduct on Partnership, EU Member States and the European Commission are legally bound to involve the public in the use of the European Structural and Investment Funds.²⁶ To align with this approach, the Cabinet of Ministers resolution establishing the Strategic Investment Council²⁷ should be amended to mandate the involvement of local government representatives, specialised associations, scientists, independent experts, as well as members of the public and the media in the Council's activities.

Box 1. Strategic Investment Council activities

At its first meeting in July 2024, the Strategic Investment Council proposed establishing a project preparation office under the Project Preparation Facility Programme. The office is expected to be responsible for supporting, validating, coordinating and monitoring the implementation of investment projects.²⁸ At its second meeting in September 2024, the Council approved the Single Project Pipeline and began compiling a list of priority projects for funding in 2025.²⁹

No information on the third and fourth Council meetings was disclosed. However, minutes from the fifth meeting provide a list of the priority public investment projects selected to be financed in 2025 (see Annex 3), along with the corresponding distribution of financial resources.³⁰ The list shows that 92 public investment projects across eight sectors will receive funding in 2025, which constitutes 11.7 per cent of the total number of public investment project concepts published on the DREAM website.

²⁶ European Commission, [Commission Delegated Regulation \(EU\) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds](#), European Commission, 17 January 2014.

²⁷ Cabinet of Ministers of Ukraine, [Постанова № 549 Про утворення Стратегічної інвестиційної ради](#), Verkhovna Rada of Ukraine, 14 May 2024.

²⁸ Cabinet of Ministers of Ukraine, [Перше засідання Стратегічної інвестиційної ради: пріоритет на прозорість та ефективність публічних інвестицій](#), Cabinet of Ministers of Ukraine, 24 July 2025.

²⁹ Cabinet of Ministers of Ukraine, [Стратегічна інвестиційна рада ухвалила Єдиний портфель інвестпроектів](#), Cabinet of Ministers of Ukraine, 16 September 2024.

³⁰ Ministry of Finance of Ukraine, [Unified portfolio of public investment projects \(list of priority public investment projects\)](#), Ministry of Finance of Ukraine, 8 November 2024.

Of these, 36 projects will be financed from the state budget, 35 through loans and grants from international financial institutions, 13 through state guarantees based on international agreements, and another 8 projects will be financed by the Ukrainian and other national governments.

At the sixth meeting in November 2024, the following priority areas for recovery in 2025 were approved: social sectors, including housing reconstruction, education and science, healthcare, and social protection; the reconstruction of infrastructure, including the protection of energy facilities, transport, water supply and sewerage; and explosive hazard management and civil protection, including the construction of shelters in line with best practices from Finland.³¹

However, to ensure effective progress and accountability, the transparency of the Strategic Investment Council's work must improve significantly.

Definitions: Public investment project and the Single Project Pipeline

The term 'public investment project' was first introduced in the 2024–2028 Roadmap for Reforming the Management of Public Investment Projects.³² Initial efforts to assess and prioritise public investment projects were made before the adoption of the 2025–2027 budget declaration.³³

The budget declaration serves as a medium-term budget planning document that establishes the principles of budget policy, setting state budget indicators for the medium term. It also provides the foundation for drafting the state budget and forecasting local budgets.

However, the strategic priorities outlined in the 2025–2027 budget declaration are somewhat vague. The document identifies key areas for concentrating the state's limited financial resources, including European integration, a new veteran policy, education, the national defence shield, an effective digital state, the social transition, a sustainable economy, energy independence, modern medicine, and rebuilding destroyed infrastructure.

On 19 December 2024, a draft law amending the budget code³⁴ was adopted at the first hearing. The law proposes new definitions (see below) for key concepts underpinning the Public Investment Management System.

³¹ Information Agency Interfax Ukraine, [Стратегічна інвестрада розглянула пріоритетні напрями відновлення на 2025 рік](#), *Interfax Ukraine*, 29 November 2024.

³² Ministry of Finance of Ukraine, [Дорожня Карта Реформування Системи Управління Публічними Інвестиціями](#), *Ministry of Finance of Ukraine*, 22 December 2023.

³³ Cabinet of Ministers of Ukraine, [Постанова № 751 Про схвалення Бюджетної декларації на 2025-2027 роки](#), *Verkhovna Rada of Ukraine*, 28 June 2024. *Rada of Ukraine*, 28 June 2024.

³⁴ Verkhovna Rada of Ukraine, [Проект Закону № 12245 Про внесення змін до Бюджетного кодексу України щодо актуалізації та удосконалення деяких положень](#), *Verkhovna Rada of Ukraine*, 25 November 2024.

Public investment project

A public investment project is defined as a set of measures – organisational, legal, managerial, analytical, financial, engineering and technical – designed in line with the national system of strategic planning documents. These measures support the development, reconstruction and restoration of industries, economic sectors, regions and territorial communities.

The aim is to create, reconstruct or upgrade fixed assets, other non-current tangible assets, and intangible assets with an expected useful life exceeding one year. These projects are not limited to a single asset and are fully or partially funded through public investments, including public–private partnerships. However, this does not include projects related to the state’s defence capabilities.

Single Project Pipeline for Public Investment

The Single Project Pipeline for Public Investment is defined as a set of public investment projects and programmes that are evaluated, prioritised and selected based on established procedures. The Strategic Investment Council or relevant local investment council approves these projects, which are then eligible to receive financial support for preparation and implementation.

The definitions introduced in the 2024–2028 Roadmap provoked critical discussions within the expert community.³⁵ The importance of precise definitions for further development of the Public Investment Management System system cannot be overstated. However, there was no broad public debate on the wording of these definitions, a process that should have taken place as part of the budget code amendments, drawing on input from specialised professional lawyers, investment bankers, academics, and civil society organisations.

A comprehensive pipeline of public investment projects must be developed and fully integrated into medium-term budget planning and long-term development programmes. This requires considering not only the priorities for reconstruction and recovery, but also the wider goals and objectives of long-term national and regional development strategies.

Public investment project databases

The Ministry of Finance website³⁶ provides information on 787 public investment project concepts, matching those listed on the DREAM platform. However, a presentation on the Single Project Pipeline delivered at the second meeting of the Strategic Investment Council³⁷ indicated that, as of 31 August 2024, the pipeline consisted of 750 projects worth UAH 2.363 billion, including two subsidy programmes.

³⁵ Vasyl Fediuk, [Аналіз Дорожньої Карті Реформування Управління Публічними Інвестиціями. 14-та спроможність ОЕСР](#), *Institute of Civil Society*, 3 March 2024.

³⁶ Ministry of Finance of Ukraine, [Єдиний проектний портфель здійснення публічних інвестицій: засідання Стратегічної інвестиційної Ради](#), *Ministry of Finance of Ukraine*, 10 September 2024.

³⁷ Ministry of Finance of Ukraine, [Єдиний проектний портфель здійснення публічних інвестицій: засідання Стратегічної інвестиційної Ради](#), *Ministry of Finance of Ukraine*, 10 September 2024.

On the Ministry of Economy website, as of 30 September 2024, the Single Project Pipeline also listed 750 public investment project concepts. However, by 8 November 2024, this number had risen to 787.³⁸ This raises questions about whether certain deadlines for submitting project concepts are set under the transitional model or if the submission process is open-ended.

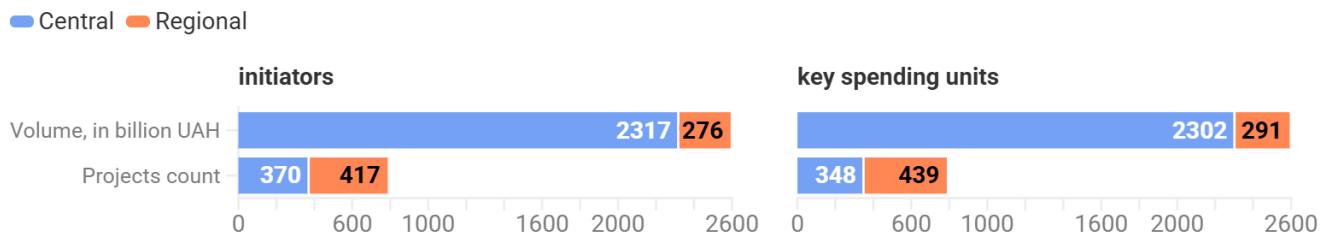
All public investment project databases must be mutually consistent and contain the same information wherever possible. This consistency is essential not only for Ukraine's central executive authorities but also for international financial institutions, international partners, and other national governments.

Regrettably, the current methodology does not allow for amendments to the Single Project Pipeline, even though updates are necessary and are already being made. Therefore, the new methodology should define a clear and formal process for handling them.

Proposers of public investment projects

The transitional model allows public investment projects to be submitted only by central executive authorities and regional state and military administrations. Consequently, in 2024, most projects were proposed by central executive authorities. However, in the context of the overall pipeline, a larger number of projects were proposed by regional state and military administrations. This is because local projects, typically managed by regional administrations, are generally less financially demanding, whereas national authorities tend to focus on larger and more expensive infrastructure projects (Figure 1).

Figure 1. Public investment projects by proposers and key spending units.³⁹

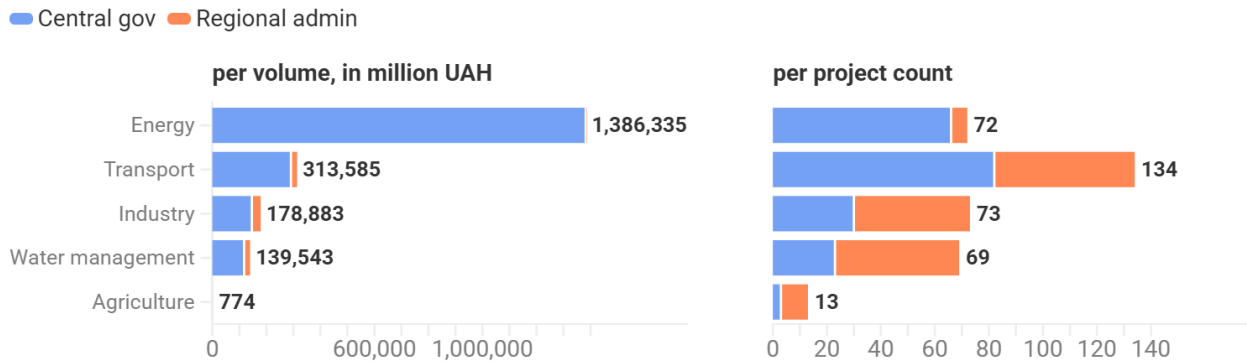


Centralised management includes funds managed by Ministries and/or government agencies. In case both central and regional bodies initiated the project, we calculate it under regional.

Figure 2 illustrates the distribution of centralised and regional fund management across various sectors. The transport and energy sectors receive the most significant proportion of centrally managed funds.

³⁸ Ministry of Economy of Ukraine, [Управління публічними інвестиціями](#), *Ministry of Economy of Ukraine*, accessed 8 January 2025.

³⁹ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), *Digital Restoration EcoSystem for Accountable Management*, accessed December 2024.

Figure 2. Central and regional fund management by sector based on volume and project count.⁴⁰

Centralised management includes funds managed by Ministries and/or government agencies

The financial coverage of projects from regional state administrations is almost 10 times lower than that of central executive authorities. The majority of submitted projects (524 in total) have no funding at all and require an investment of UAH 1.52 billion. A further 126 projects, with a total budget of UAH 430.8 billion, have partial funding, which covers 27.4 per cent of the planned costs. It is unclear why 137 projects, with a total budget of UAH 641.88 billion and marked as fully funded, should be included in the Single Project Pipeline. As the Public Investment Management System continues to develop and improve, regional and sectoral single project pipelines should be created, enabling local communities and regional businesses to submit projects.

Implementation of public investment project concepts

Notably, 236 of the public investment project concepts submitted in 2024 – almost 30 per cent of the total – are still in the early stages of development. Though the necessary feasibility studies and detailed estimates for these projects have yet to be carried out, the total budget indicated for these projects amounts to UAH 478 billion. In many cases, the project budgets are precisely given, down to the nearest hryvnia. This suggests that some project proposers are currently submitting incorrect or unreliable data for their project budgets.

To address these inconsistencies, standardised guidelines for (pre-)feasibility studies and project estimates must be developed, optimising the transition from project concept to implementation. These guidelines will help proposers prepare more effective proposals and increase the likelihood of successful funding applications. Regular processes should also be established to review ongoing projects and assess their relevance and impact, especially in light of changing socio-economic conditions due to conflict or other crises. Feedback from local communities should also be an integral part of these evaluations.

To improve project preparation, the Ukrainian government should draw on international best practices for project preparation facilities. For example, this might involve the creation of not just a single central office, but multiple sectoral and regional project preparation offices. In the EU, project preparation facility

⁴⁰ Ibid.

mechanisms are designed to enhance the preparation and development of viable, investment-ready infrastructure projects, including those related to climate, urban and social development.

Once established in Ukraine, project preparation offices will address gaps in technical expertise and financial resources during the project preparation stage by providing assistance with feasibility studies, project design, stakeholder consultations and risk assessments. These offices will also help proposers improve project preparation, including the drafting of tender documents, terms of references and technical specifications.

Sustainability considerations within Single Project Pipeline projects

The Roadmap specifies that the target model for the Public Investment Management System should consider the need to comply with the principles and standards of sustainable development, ensuring environmental protection, inclusiveness and barrier-free access. However, the current low quality of project concept preparation indicates that the transitional model has not clearly communicated to the proposers the requirements for submitting project concepts. These requirements should ideally cover organisational, technical, environmental, social, legal, economic and financial factors.

In 2024, as part of the transitional model, project concepts were developed for both new and ongoing projects earmarked for state budget funding in 2025. Notably, seven projects launched before 2010 are still in progress. The longest-running of these is a project submitted by the Ministry of Environmental Protection and Natural Resources aimed at ensuring comprehensive flood protection in rural settlements and agricultural land in the Lviv region.⁴¹ This 50-year project, with a budget of almost UAH 1.3 billion, was launched in 1979. As of 2024, however, only 20 per cent of the project has been completed. The existence of such protracted projects within the Single Project Pipeline indicates the absence of a system for pre-screening projects regardless of their relevance to modern strategic planning documents.

The Roadmap outlines the development of a procedure to address this gap. Clause 18 of the action plan specifies the creation of a procedure for forming sectoral pipelines as well as a single pipeline of public investment projects. This includes the screening (preliminary analysis) and prioritisation of public investment projects based on strategic relevance, financial feasibility, social and economic efficiency, technical feasibility, institutional capacity and climate resilience, with a clear division of functions among participants. The procedure is expected to be developed by the end of February 2025.

As Ukraine works towards EU accession and aligns its legislation and standards with the EU *acquis*, it is essential to incorporate the best available technologies in public investment projects, while also ensuring that future facilities are not at risk of being stranded.

Sectors of economic activity

Under the interim model, public investment project concepts are classified by sectors of economic activity according to the World Bank taxonomies. Currently, projects in the Single Project Pipeline are divided into

⁴¹ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Measures to ensure comprehensive anti-flood protection against the harmful effects of water in rural settlements and agricultural lands in the Lviv region](#), Digital Restoration EcoSystem for Accountable Management, accessed January 2025.

10 sectors and 50 subsectors. The energy and extractives sector has the most subsectors with 9, while the transport services and industry, trade and services sectors each have 7 subsectors. However, there is currently no formal procedure for assigning projects to a particular sector of economic activity. Effectively, this allows proposers to arbitrarily categorise projects of similar focus under different sectors of the pipeline. For example, waste management projects appear not only in the water, sanitation and waste management sector, but also in the industry, trade and services,⁴² and energy and extractives⁴³ sectors.

Therefore, to ensure greater transparency and traceability of all public investment projects in Ukraine, the Single Project Pipeline should adopt and use the EU's statistical classification of economic activities system (NACE).⁴⁴

Prioritisation and selection of projects within the Single Project Pipeline

Socially oriented projects dominate the list of public investment projects selected for the for state budget funding in 2025⁴⁵, while priority projects in critical sectors, such as energy, are notably absent. The lack of a clear methodology and transparency in the work of the Strategic Investment Council leads to cases where projects with low prioritisation scores in the DREAM system still secure financing. For instance, in 2025, UAH 100 million is set to be allocated from the state budget for a project aimed at restoring and modernising healthcare institutions in the Sumy region,⁴⁶ despite the fact that the project receives the lowest prioritisation score of just 0.92 points.

At the same overall, 1,013 projects are registered on the DREAM platform under the medical institutions and construction subsector, while 131 similar projects are registered under the public investment projects section, with at least 20 projects scoring between 4 and 6.35 points.

To prevent projects assigned low prioritisation scores in the DREAM system from being included in the financing process, the Strategic Investment Council needs to establish a clear methodology and ensure greater transparency across all its operations. This approach will also help eliminate the influence of vested political interests.

Strategic recovery planning

Proactive municipalities are now busy updating strategic documents and preparing recovery plans and programmes to better engage with public investors, donors and partners. At the national level, the State

⁴² Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Restoration of sorting lines and waste processing plants in the Kherson region](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁴³ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Construction of waste processing plants of the Kharkiv cluster](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁴⁴ Eurostat, [Statistical classification of economic activities in the European Community \(NACE\)](#), *Eurostat*, accessed January 2025.

⁴⁵ Ministry of Finance of Ukraine, [Перелік пріоритетних публічних інвестиційних проєктів у Державному бюджеті України на 2025 рік](#), *Ministry of Finance of Ukraine*, assessed 8 January 2025.

⁴⁶ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Restoration and development of health care institutions of the Sumy region](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

Strategy for Regional Development's investment instruments will introduce new ways of managing public investment across regional policy planning and implementation.

The Roadmap for implementing the Public Investment Management System emphasises that decisions on new public investments will be guided by strategic and medium-term budget plans. Currently, sectoral strategies are still being developed, which means that the relevant governmental concepts and documents set to shape the post-2025 Single Project Pipeline have yet to be developed.

Sectoral analysis of projects within the Single Project Pipeline

As of December 2024, a total of 50 key spending units have entered data on 787 public investment project concepts into the public investment projects section of the DREAM platform.⁴⁷ For context, the number of public investment projects represents only 9 per cent of the total number of projects in the DREAM system (8,783 projects). However, the budget for public investment projects is 4.5 times larger than the combined budget of all DREAM projects.

This section analyses general trends as well as specific elements within the following sectors of the Single Project Pipeline: transport services; energy and extractives; water, sanitation and waste management; industry, trade and services; and agriculture, fishing and forestry. Projects within these individual sectors are also examined, providing a detailed breakdown by sector. Additionally, the advantages of identifying red-line projects – those considered potentially problematic and unsuitable for financing – are highlighted.

Transport services

Total transport allocations within the DREAM Single Project Pipeline amount to UAH 313.6 billion, whereas the Single Project Pipeline published by the Ministry of Finance lists UAH 248 billion. This is equivalent to 12 per cent of the total funds in the DREAM investment pipeline. The average priority score assigned to transport projects is 2.9.

A significant portion (27 per cent) of all transport projects cite the National Strategy for Regional Development⁴⁸ as a strategic foundation for project proposals. There is, however, little mention of the revised 2030 National Transport Strategy,⁴⁹ which should serve as the principal document guiding any future transport-related initiatives and development strategies.

This strategy accentuates Ukraine's integration within the EU through the Trans-European Transport Network, implementation of the European Green Deal, and the development of quality passenger transport. Ideally, these priorities should be reflected in the project selection process for the Single Project Pipeline.

⁴⁷ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), *Digital Restoration EcoSystem for Accountable Management*, accessed 6 December 2024.

⁴⁸ Cabinet of Ministers of Ukraine, [Постанова № 940 Про внесення змін до Державної стратегії регіонального розвитку на 2021-2027 роки](#), *Verkhovna Rada of Ukraine*, 13 August 2024.

⁴⁹ Cabinet of Ministers of Ukraine, [Постанова № 1550 Про схвалення Національної транспортної стратегії України на період до 2030 року та затвердження операційного плану заходів з її реалізації у 2025–2027 роках](#), *Cabinet of Ministers of Ukraine*, 27 December 2024.

Instead, most projects typically rely on the Cabinet of Ministers resolution approving the 2030 National Transport Strategy⁵⁰ as their strategic foundation.

The largest project within the transport sector is the development of the Trans-European Transport Network, with allocations amounting to UAH 22.9 billion. Other notable projects include the purchase of new rail stock, border infrastructure development, and the construction of a new runway at Kyiv Boryspil Airport.

The project with the highest priority score of 6.4 is the renewal of the state-owned Danube Shipping Company fleet, followed by projects involving the purchase of high-speed Korean trains, development of the EU–Ukraine Solidarity Lanes Action Plan, and the metropolitan expansion of Dnipro city.

Figure 3. Transport services categorised by volume, priority score and project count.⁵¹

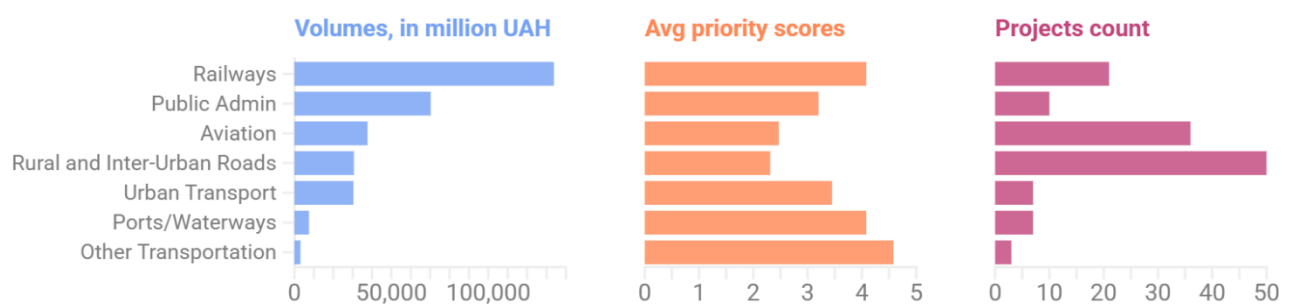


Figure 3 shows that while road and aviation projects outnumber railway projects, the latter have received a larger share of the financial allocation. Although airport and road projects represent 64 per cent of all projects listed in the transport category by number, they account for only 22 per cent of the total financial volume.

Investment in Kyiv Boryspil Airport, including the construction of a new runway⁵² and the expansion of the passenger terminal,⁵³ is expected to receive 86 per cent of all airport-related financing. This comes despite the fact that, as of now, Ukraine's skies remain closed to civil aviation. In short, there is no immediate need for terminal expansion or additional runways to accommodate a higher number of passengers. Certainly, the expected annual demand of 10 million passengers mentioned in the DREAM project documentation⁵⁴ is unlikely to be reflected in actual figures when the airport resumes operations.

⁵⁰ Cabinet of Ministers of Ukraine, [Розпорядження № 430-р Про схвалення Національної транспортної стратегії України на період до 2030 року](#), Verkhovna Rada of Ukraine, 30 May 2018.

⁵¹ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), Digital Restoration EcoSystem for Accountable Management, accessed December 2024.

⁵² Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Reconstruction of flight zone No. 2 of Boryspil State Enterprise](#), Digital Restoration EcoSystem for Accountable Management, accessed January 2025.

⁵³ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Reconstruction of the passenger terminal "D" with the extension of the gallery from the K-N/68 axis in the State Enterprise "Boryspil" \(inv. no. 47578\)](#), Digital Restoration EcoSystem for Accountable Management, accessed January 2025.

⁵⁴ Ibid.

The most recent passenger data for the airport prior to the full-scale invasion was 9.4 million.⁵⁵ Additionally, the runway upgrades to Kyiv Boryspil Airport have attracted controversy, with residents having previously raised concerns about noise and air pollution in neighbouring areas. These concerns were documented in a 2020 environmental impact assessment⁵⁶ under the European Investment Bank (EIB) rules for the provision of guarantees.

Ukraine's national tolling system is the largest road project, with a budget of UAH 6.3 billion and a priority score of 2.75.⁵⁷ This initiative is particularly relevant, especially given the need to raise funds for road recovery⁵⁸ and align Ukraine's transport policy with EU legislation, especially the Eurovignette Directive,⁵⁹ which establishes road tolls for heavy-duty vehicles. Despite its importance, no funds have been allocated for this project in 2025, and the affordability of, and alternatives to, paid roads have been overlooked. Additionally, the project has been given a lower ranking compared to other less sustainable projects.

Regarding the territorial distribution of projects, the Zakarpattia and Kyiv regions are each expected to receive 27 transportation projects, while other regions receive less attention. For instance, the Ternopil, Poltava and Zhytomyr regions have no transportation projects in the pipeline. More than half of the road projects (26 out of 50) are bound for the Zakarpattia region in western Ukraine, while the Vinnytsia and Odesa regions each have 8 road (re)construction projects. This does not imply that all regions should receive equal funding, but rather that funding should be distributed based on a needs assessment. Nonetheless, some regional equity considerations could be introduced to ensure a fairer allocation of funds.

The DREAM platform indicates that 58 per cent of project budgetary needs have been theoretically met through committed funding (Figure 4). Aviation has the lowest rate of committed funding, at just 1 per cent of total budgetary needs. Approximately 28 per cent of the total funding has been allocated for 2025. However, there is an inconsistency between the committed volumes and the planned spending for 2025. Some projects have a portion of their 2025 budget allocated, but this is not reflected in the committed funding category. Approximately 62 per cent of the total budget allocated to roads is expected to be spent in 2025, in contrast to less than a quarter (23 per cent) of the railway budget.

⁵⁵ Ministry of Economy of Ukraine, [Стратегічний план розвитку Державного підприємства «Міжнародний аеропорт «Бориспіль» на 2021-2025 роки](#), Ministry of Economy of Ukraine, 1 September 2022.

⁵⁶ Institute UKRDORPROECT LLC, [Report on the Environmental Impact Assessment: Reconstruction of Maneuvering Area No. 2" of SE International Airport 'Boryspil'»](#), European Investment Bank, 14 August 2020.

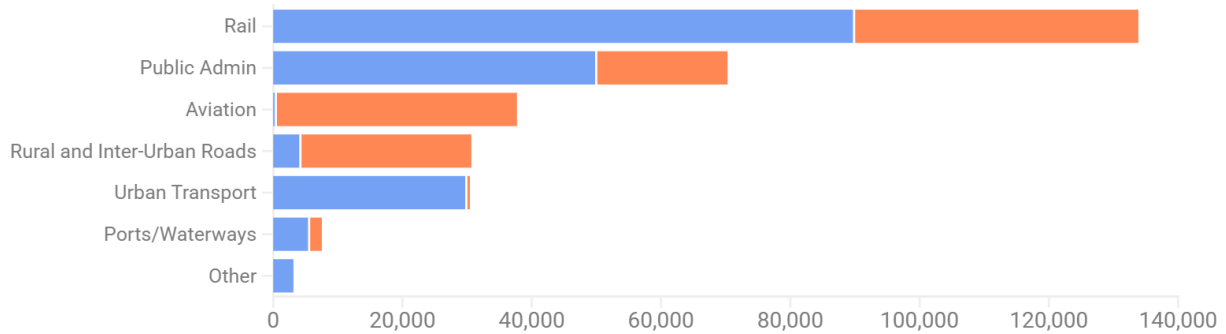
⁵⁷ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | National Tolling System](#), Digital Restoration EcoSystem for Accountable Management January 2025.

⁵⁸ Anastasiia Nahorna, [Building back better: Ukraine's transport infrastructure](#), European Federation for Transport and Environment, 4 December 2024.

⁵⁹ European Parliament, Council of the European Union, [Directive \(EU\) 2022/362 of the European Parliament and of the Council of 24 February 2022 amending Directives 1999/62/EC, 1999/37/EC and \(EU\) 2019/520, as regards the charging of vehicles for the use of certain infrastructures](#), EUR-Lex, 24 February 2022.

Figure 4. Transport services subsectors categorised by committed funding and remaining budget needs.⁶⁰

Financial coverage: ■ Committed funding, in million UAH ■ Remaining budget needs, in million UAH



For some categories, e.g. roads and aviation projects, the committed funding is lower than the previewed 2025 budget which might indicate that those are of immediate priority to the government despite the lack of committed finance.

A sizeable portion of the total project volume (31 per cent) is currently in the design documentation stage. Another 29 per cent are in the very early stages of development, either at the project concept or initiation phase. The remaining 40 per cent are either being implemented or are ready for procurement.

Of the projects ready for procurement, the largest is a UAH 13.8 billion project to extend metro line 3 in Kharkiv.⁶¹ The largest project at the earliest stage of development is a UAH 14.6 billion plan to modernise the Ukrainian Railways electric train fleet. In October 2024, the European Bank for Reconstruction and Development confirmed its readiness to provide funding for the purchase.⁶²

The average project implementation time span is 3.8 years, or 45 months. For aviation, this time frame is notably short – approximately 24 months – while road projects take about 29 months. In contrast, port and waterway projects have an exceptionally long duration, extending over 12 years. The earliest projects began in 2004, and the latest are due to be completed by 2056.

Almost 93 per cent of total transport funding is handled by the Ministry for Development of Communities and Territories, with only 7 per cent managed by regional administrations. This centralisation is likely due to the significant allocation of railway funding, which is managed at the national level. In contrast, urban transport mobility receives only 10 per cent of the total projected funding, with just seven projects planned, mainly focusing on metro construction in Kharkiv and Dnipro.

⁶⁰ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), *Digital Restoration EcoSystem for Accountable Management*, accessed December 2024.

⁶¹ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Extension of the third metro line in Kharkiv](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁶² Centre for Transport Strategies, [EBRD Confirms Readiness to Provide Loan for Purchase of 50 Electric Locomotives for Ukrzaliznytsia](#), *Centre for Transport Strategies*, 31 October 2024.

The UAH 13.8 billion allocation dedicated exclusively to urban transport (under two EIB-funded urban public transport programmes^{63,64}) is not enough to bridge the substantial urban transport mobility gap, estimated at over EUR 13 billion.⁶⁵ For instance, these programmes aim to replace up to 75 passenger trams in the major cities of Lviv, Kyiv, Dnipro and Odesa. However, the country's current tram fleet numbers 2,314, half over 30 years old and in need of replacement.⁶⁶

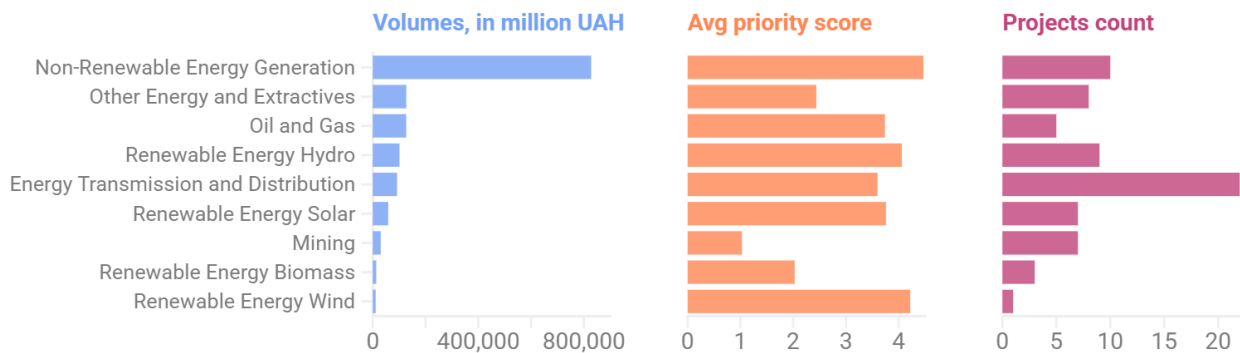
Addressing urban mobility should not rest solely on the Ministry for Development of Communities and Territories. Local municipalities and regional administrations should also be encouraged to submit their investment needs for funding.

Energy and extractives

Encouragingly, the Single Project Pipeline prioritisation criteria and weighting coefficients developed by the Ministry of Finance focus on developing small-scale, decentralised electricity generation and expanding green energy sources such as solar, wind, hydropower and biomass. Project concepts in these categories receive the maximum score of 10 points. Overall, 72 energy projects have been proposed, requiring an estimated UAH 1.39 trillion in investment (Figure 5).

The largest of these projects is the construction of units 5 and 6 at Khmelnytskyi nuclear power plant. With an estimated budget of UAH 591.1 billion, the project accounts for almost half of the sector's total investment needs. In contrast, the smallest is a solar installation project aimed at improving the energy independence of an administrative building in the village of Baikovets in the Ternopil region, valued at a mere UAH 2.3 million.

Figure 5. Distribution of energy and extractives projects by investment volume, priority score and project count.⁶⁷



⁶³ Digital Restoration EcoSystem for Accountable Management, [DREAM Single projet pipeline | Urban public transport of Ukraine](#) Digital Restoration EcoSystem for Accountable Management, accessed January 2025.

⁶⁴ Digital Restoration EcoSystem for Accountable Management, [DREAM Single projet pipeline | Urban public transport of Ukraine II](#), Digital Restoration EcoSystem for Accountable Management, accessed January 2025.

⁶⁵ Mathias Merforth, [Urban Mobility in Ukraine: The 13 billion Euro gap](#), Deutsche Gesellschaft für Internationale Zusammenarbeit, April 2014.

⁶⁶ Verkhovna Rada of Ukraine, [Проект Закону про ратифікацію Фінансової угоди "Міський громадський транспорт України II" між Україною та Європейським інвестиційним банком та фінансово-економічне обґрунтування](#), Verkhovna Rada of Ukraine, 18 November 2021.

⁶⁷ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), Digital Restoration EcoSystem for Accountable Management, accessed December 2024.

The rehabilitation of hydroelectric power stations belonging to the state-owned hydropower company Ukrhydroenergo is considered a top priority,⁶⁸ receiving a score of 5.91. Overall, the country's hydropower infrastructure requires urgent financing, both to repair damage from enemy attacks and to upgrade equipment for improved efficiency. However, all upgrades should be subject to comprehensive environmental impact assessments in adherence with EU legislation. The construction of units 5 and 6 at Khmelnytskyi represents almost 50 per cent of the planned investments, with completion projected for late 2036. However, the overall cost, which includes the construction of units 3 and 4, rises to almost 59 per cent (UAH 725.3 billion).

Given the extensive damage to Ukraine's energy system, particularly its coal-based balancing capacity, and Russia's continued attacks on nuclear power plant substations, establishing a stable energy supply is critical. However, building new nuclear generation projects fails to address the country's immediate and medium-term energy needs. Therefore, financing should prioritise decentralised solutions like energy efficiency measures, renewable energy sources and storage systems. These options offer a more effective way of enhancing community energy security and resilience within the next two to five years.

The project also contradicts the goals of another project within the Single Project Pipeline, which aims to finance socio-economic risk compensation measures for the approximately 500,000 people living within 30 kilometres of the observation areas of the Rivne, Khmelnytsky, and South Ukraine nuclear power plants.⁶⁹ The project in question, scoring 4.78 points, acknowledges that the construction of units 5 and 6 at Khmelnytsky will increase the number of people affected.

Legislation on the use of nuclear energy and radiation safety grants residents in areas with uranium ore mining and processing, nuclear installations, and radioactive waste facilities the right to socio-economic risk compensation. This compensation covers the construction and repair of civil defence shelters, the provision of personal respiratory protection and stable iodine preparations, training residents on the use of specialised social infrastructure and personal respiratory protection, and building specialised social infrastructure.

The project allocates UAH 4.6 billion for storage facilities and radiation shelters within the nuclear power plant observation zone. The aim is to protect residents not only from radiation exposure in the event of an accident, but also from potential missile attacks. However, expanding nuclear power generation and constructing new units would be a major step backwards for Ukraine's green recovery.

While Ukraine's Energoatom is looking to Westinghouse Electric Company for future investment, the track record of this American manufacturer raises concerns. Their recent abandonment of two partially completed reactors in the United States demonstrates limited expertise in reactor construction.⁷⁰ Securing

⁶⁸ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Project "Rehabilitation of Hydroelectric Power Stations" PJSC "Ukrhydroenergo"](#), *Digital Restoration EcoSystem for Accountable Management*.

⁶⁹ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Funding of socio-economic risk compensation measures for the population living in the territory of 30 km of the monitoring zone of operating nuclear power plants](#), *Digital Restoration EcoSystem for Accountable Management*.

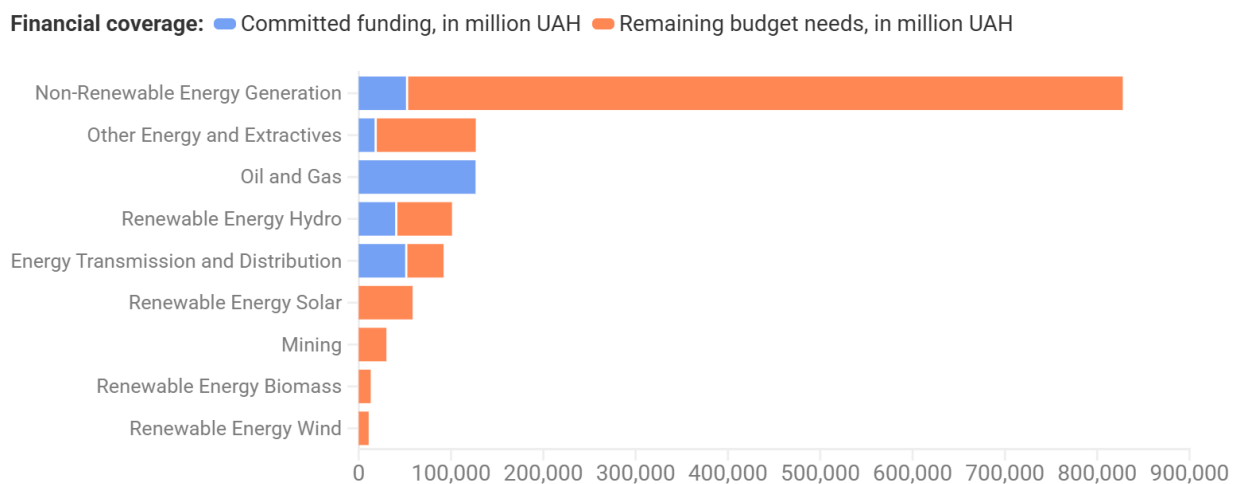
⁷⁰ Harriet McLeod, [Utilities ditch reactors that launched U.S. nuclear renaissance](#), *Reuters*, 1 August 2017.

international financing for Ukrainian nuclear projects would place unreasonable pressure on the state, which would be required to guarantee these investments.

Within the energy and extractives sector, only 29 projects (40.3 per cent of the total) have secured funding, totalling UAH 289.6 billion – a mere 20.9 per cent of the sector’s total project budget. The remaining 43 projects (59.7 per cent) lack committed funding. Funding is concentrated in just five subsectors. The oil and gas subsector, with a total budget of UAH 126.57 billion, boasts 100 per cent funding coverage.

In energy transmission and distribution, half of the 22 registered projects have secured UAH 51.4 billion in funding. In the non-renewable energy sector, 6 out of 10 projects have secured funding totalling UAH 52.4 billion. The renewable energy (hydropower) subsector has 4 funded projects out of 9, amounting to UAH 40.7 billion. The smallest amount of committed funding, worth UAH 18.4 billion, supports 3 of the 8 projects in the subsector devoted to other energy sources and extractives.

Figure 6. Energy and extractives subsectors categorised by committed funding and remaining budget needs.⁷¹



For many categories, e.g. mining, RES, and non-RES, the committed funding is lower than the previewed 2025 budget which might indicate that those are of immediate priority to the government despite the lack of committed finance.

Although some emphasis is placed on renewable energy sources (19 projects, representing 33.3 per cent of the total, with the largest being a UAH 54 billion solar power park in the Chernobyl exclusion zone), there is a significant bias towards more expensive, protracted and high-risk nuclear and large-scale hydropower projects. This further demonstrates the government’s highly centralised approach, which could prove detrimental in the medium-to-long term. The sheer volume of projects requiring ministerial approval, an often laborious process hampered by understaffing and overwork, risks creating implementation bottlenecks.

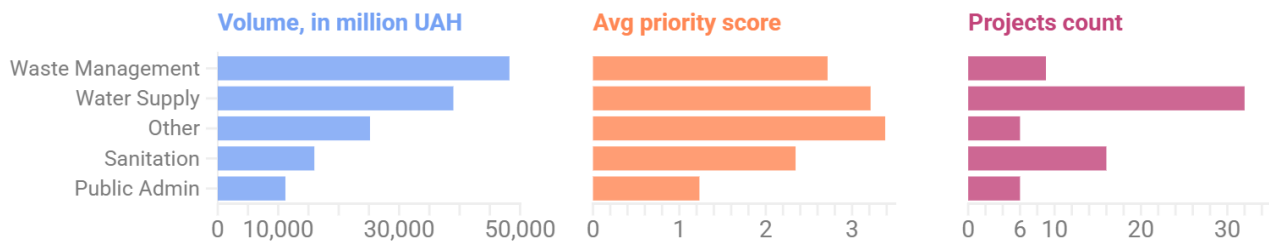
Turning to mining projects, only 7 public investment project concepts are registered in the DREAM system, all submitted by the Ministry of Environmental Protection and Natural Resources. Of these, 4 have yet to advance from the project idea stage.

⁷¹ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), Digital Restoration EcoSystem for Accountable Management, accessed December 2024.

Water, sanitation and waste management

The water, sanitation and waste management sector within the DREAM public investment projects section has received 69 project concept submissions (Figure 7).⁷²

Figure 7. Water supply, sanitation and waste management subsectors categorised by fund volume, priority score and project number.⁷³



The largest project, receiving the highest priority score of 6.92, is Ukraine's Municipal Infrastructure Development Programme.⁷⁴ The programme encompasses 12 subprojects across Lozova, Ternopil, Sumy, Lutsk, Zaporizhzhia, Brovary, Kamianske, Mykolayaiv, Dnipro and Lviv, focusing on reconstruction, renovation and minimising infrastructural damage associated with heat and water supply, wastewater treatment, energy efficiency in schools and hospitals, street lighting, and household waste management.

Central executive authorities have submitted one-third of the project concepts, with regional state administrations submitting the remaining 46. The total budget for submitted project concepts is UAH 139.54 billion. Only 17 of the 69 projects in this sector are currently in the implementation stage. One project – submitted by Chernihivska, one of the largest gas producers in Ukraine – has been ongoing since 2018, while all other projects are set to be implemented between 2025 and 2028.

Several project concepts seem to be miscategorised. For instance, a project aimed at restoring sorting lines and waste processing plants in the Kherson region⁷⁵ is listed under the industry, trade and services sector, while a waste processing construction project in Kharkiv⁷⁶ and another construction project in Poltava⁷⁷ feature in the biomass subsector under energy and extractives.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Restoration of sorting lines and waste processing plants in the Kherson region](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁷⁶ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Construction of waste processing plants of the Kharkiv cluster](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁷⁷ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Construction of four waste processing plants on the territory of Poltava region](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

A project concept involving the construction of waste processing plants in the Transcarpathian cluster⁷⁸ is particularly problematic. Proposed by the Ministry of Environmental Protection and Natural Resources, the project would see the construction of four plants with a combined processing capacity of 439,000 tonnes of waste. The locations of the plants are slated for the Berehivska, Mukachivska, Polyana and Svaliavska communities within the Transcarpathian region.

However, the region's current waste management plan⁷⁹ indicates that only 134,000 tonnes of solid household waste was generated in 2020, representing 93 per cent of the total waste generated. This means that the total processing capacity of the four plants would be nearly three times the region's current waste generation, making the scale of the project unjustifiable.

At the sixth meeting of the Strategic Investment Council, the government prioritised a number of projects aimed at rebuilding the country's water supply and wastewater disposal infrastructure. These projects are of particular relevance for southern Ukraine, where water supply was severely disrupted due to the destruction of the Kakhovka dam in June 2023. Within the water supply subsector, 10 of 32 projects predate Russia's full-scale invasion in 2022. These projects are currently in various stages of completion – 6 are less than 50 per cent complete and 4 are more than 50 per cent complete. Lastly, a project that aims to supply drinking water to settlements in the Dnipropetrovsk region,⁸⁰ scoring 4.24 points, is surprisingly absent from the 2025 budget, despite its urgent importance.

Agriculture, fishing and forestry

As of February 2024, the full-scale war has inflicted an estimated USD 10.3 billion in damage to Ukraine's agricultural sector, with total losses, including indirect impacts, reaching USD 80.1 billion.⁸¹ This places agriculture among the five sectors hardest hit by Russia's aggression. Reconstruction needs assessments indicate that the recovery and development of agricultural production will require over USD 56 billion over the next decade, excluding an additional USD 35 billion for explosive hazard management.⁸² Additionally, sectoral development must be viewed within the broader context of sustainable rural development in Ukraine. Recovery should prioritise not only production growth, but also long-term sustainability to support Ukraine's pursuit of EU membership.⁸³ In 2024, the Ukrainian government developed and approved a strategy for agriculture and rural development until 2030,⁸⁴ focusing on aligning national governance with

⁷⁸ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Construction of four waste processing plants of the Transcarpathian cluster](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁷⁹ Department of Ecology and Natural Resources of the Transcarpathian Regional State Administration, [Регіональний план управління відходами Закарпатської області до 2030 року](#), *Transcarpathian Regional State Administration*, 20 December 2021.

⁸⁰ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Supply of drinking water to populated areas of Dnipropetrovsk region](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁸¹ World Bank Group, Government of Ukraine, European Commission, United Nations, [Ukraine | Third Rapid Damage and Needs Assessment | RDNA3 | February 2022 – December 2023](#), 102, *World Bank Group*, 31 December 2023.

⁸² *Ibid.*, 15.

⁸³ CEE Bankwatch Network, Ecoaction, [Agriculture: priorities for sustainable investments to aid Ukraine's recovery](#), *CEE Bankwatch Network*, 19 June 2023.

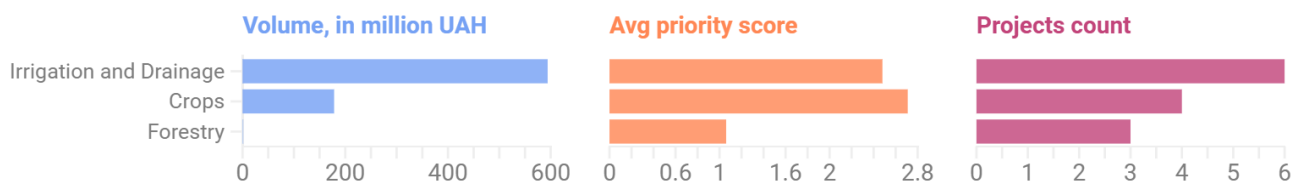
⁸⁴ Cabinet of Ministers of Ukraine, [Розпорядження № 1163-р Про схвалення Стратегії розвитку сільського господарства та сільських територій в Україні на період до 2030 року та затвердження операційного плану заходів з її реалізації у 2025-2027 роках](#), *Verkhovna Rada of Ukraine*, 15 November 2024.

EU standards, strengthening institutions, implementing crucial land reform, supporting small-scale producers and rural communities, and defining environmental and climate measures.

Addressing the war's direct impacts on agriculture is also essential. This includes establishing a soil monitoring system to assess pollution and ensure the safety of war-affected agricultural land. Another major challenge lies in reconstructing infrastructure for managing livestock by-products, as state veterinary sanitary plants have long been in disrepair, a situation worsened by the war.⁸⁵ These sectoral needs and development challenges are not yet reflected in the Single Project Pipeline.

Irrigation and drainage projects are the most numerous and have the largest budget (Figure 8). The development of irrigation systems in southern Ukraine has been widely promoted as a necessary climate change adaptation measure. For decades, irrigation systems in the region have languished in poor condition. However, given the inherent complexity of these systems, sound and efficient water management requires establishing environmental monitoring using advanced meteorological data. Additionally, affordable and time-efficient alternatives are needed to secure the future of these lands through decentralised, climate-smart irrigation solutions.⁸⁶

Figure 8. Agriculture, fishing and forestry subsectors categorised by fund volume, priority score and project count.⁸⁷



Agriculture, fishing and forestry projects under the Single Project Pipeline comprise⁸⁸ 10 out of 13 projects focusing on the reconstruction and development of irrigation and drainage systems, categorised under the irrigation and drainage subsector or the crop-farming subsector.

The regional distribution is not representative, as 9 of these projects are located in the Odesa region, and only 1 located in the Zaporizhzhia region. Additionally, 3 forestry projects proposed by the Ministry of Environmental Protection and Natural Resources of Ukraine, amounting to UAH 1.3 million, are intended

⁸⁵ Press Service of the Verkhovna Rada of Ukraine, [У Парламенті обговорили проблемні питання ветеринарно-санітарного благополуччя населення та захисту довкілля](#), *Verkhovna Rada of Ukraine*, 26 October 2023.

⁸⁶ Ecoaction, World Wide Fund for Nature Ukraine, Ukrainian Nature Conservation Group, [Ecoaction, WWF-Ukraine, and the Ukrainian Nature Conservation Group: Joint Position on Irrigation in Ukraine](#), *Ecoaction*, 25 January 2022.

⁸⁷ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), *Digital Restoration EcoSystem for Accountable Management*, accessed December 2024.

⁸⁸ Ministry of Finance of Ukraine, [Unified portfolio of public investment projects \(list of priority public investment projects\)](#), *Ministry of Finance of Ukraine*, accessed September 2024.

for implementation across the entire country.⁸⁹ Most of the sector projects (8 out of 13) are currently under project preparation, meaning they are still in the very initial stage of development.

The industry, trade and services sector includes the 2023–2025 Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) project, which has a total budget of UAH 8.3 billion.⁹⁰ However, the project could potentially be categorised or referenced under the agriculture, fishing and forestry sector. The ARISE project, funded by the World Bank Group, aims to improve the access of farmers to affordable credit through the 5-7-9 state programme, which supports small and medium-sized enterprises in Ukraine.⁹¹

Industry, trade and services

As of 13 December 2024, the industry, trade and services sector comprises 73 projects (9.3 per cent of the total number of project concepts in the Single Project Pipeline), with a total value of UAH 178.88 billion (6.9 per cent of the total value).

The sector covers a number of different subsectors, ranging from housing construction to tourism and agricultural markets, all of which overlap with the agriculture sector. Housing construction boasts the largest number of projects (Figure 9).

Figure 9. Industry, trade and services subsectors categorised by fund volume, priority score and project count.⁹²



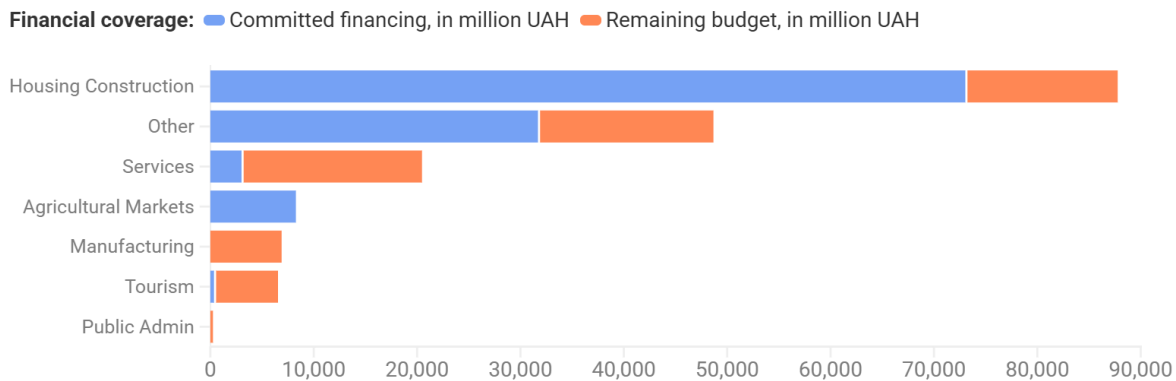
Most projects in the industry, trade and services sector are currently in the concept or preparation phase (38.4 per cent), with overall financial coverage at 65.3 per cent (Figure 10).

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Sergiy Zorya, [Project Information Document – Ukraine Agriculture Recovery Inclusive Support Emergency \(ARISE\) Project](#), World Bank Group, 28 July 2023.

⁹² Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), Digital Restoration EcoSystem for Accountable Management, accessed December 2024.

Figure 10. Industry, trade and services subsectors categorised by committed and remaining funding.⁹³

For some categories, e.g. manufacturing or tourism, the year 2025 budget is higher than the total committed funding which might indicate that those are of immediate priority to the government despite the lack of committed finance.

The agricultural markets subsector receives the highest proportion of committed funding (Figure 10)⁹⁴ thanks to a special support programme funded by the International Bank for Reconstruction and Development (IBRD), part of the World Bank Group. Housing construction and other subsectors exhibit a similar pattern, with financing provided under various international development bank support programmes.

Seven wartime support programmes funded by multilateral development banks are currently underway across the country. The procedure for utilising recovery funds is defined by separate financial agreements with each bank. However, it is unclear how the Single Project Pipeline will coordinate these conditions and procedures.

The largest project is the Housing Repair for People’s Empowerment (HOPE) project, again funded by the IBRD. Scoring 5.26 points⁹⁵ and boasting 100 per cent financial coverage of UAH 35.4 billion, the project aims to restore the housing rights of war-affected citizens by providing compensation for destroyed housing and undertaking capital repairs of damaged apartment buildings.

The highest priority project is the EIB-funded Ukraine restoration programme (5.56 point),⁹⁶ with 100 per cent financial coverage of UAH 13.6 billion. The project is currently in the implementation stage. Encouragingly, a resolution passed by the Cabinet of Ministers in December 2021 established state budget subventions to local budgets for implementing projects under the programme.

⁹³ Ibid.

⁹⁴ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | “Emergency project of providing inclusive support for the recovery of agriculture in Ukraine” \(ARISE\)](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁹⁵ Digital Restoration EcoSystem for Accountable Management, [Housing Repair for Human Empowerment \(HOPE\)](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

⁹⁶ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Program for the restoration of Ukraine](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

Conclusions and recommendations

Enhancing public investment management in Ukraine is crucial for supporting the country's rapid recovery, post-war reconstruction, resilience and growth, while meeting its public infrastructure needs. In 2024, the Ukrainian government began developing a new Public Investment Management System. The Roadmap charting the development of this process outlines a timeline that extends until 2028. This involves the implementation of a number of measures over two stages.

The first stage (2024–2025) focuses on establishing the groundwork for the new public investment management model. Ambitious deadlines have been set (see Annex 2), and while implementers are working to meet them, our analysis of this phase reveals a number of challenges that could negatively impact the creation of a coherent and effective system. Additionally, our investigation of project concepts listed in the Single Project Pipeline highlight potential inconsistencies in public financing proposals across all sectors (see below).

Transport services

Investments in Kyiv Boryspil Airport, which include the construction of a new runway and the expansion of passenger terminals, are set to receive 86 per cent of airport-related funding. However, with civilian aviation currently suspended, there is no immediate need for these measures. Airport and road projects account for 64 per cent of all projects listed in the transport category, representing 22 per cent of total investment, while urban mobility investments account for just 10 per cent.

Energy and extractives

While 20 out of 72 projects focus on renewable energy, there is a strong preference for large-scale, expensive and protracted nuclear and hydropower projects. This underscores the government's risky and highly centralised approach, which may prove harmful in the medium-to-long term.

For example, in the Kirovohrad region, Smolinska village council has raised concerns about a lithium mining project currently being developed by the private mining enterprise UkrLithiumMining.⁹⁷ They have expressed dissatisfaction with the company's failure to fulfil project terms of agreement and fear the project will ultimately hinder the economic development of the region.

Water, sanitation and waste management

A project concept involving the construction of four waste processing plants in the Transcarpathian cluster raises a number of concerns.⁹⁸ The combined processing capacity of the plants would be almost three times greater than the total amount of waste currently generated in the region.

⁹⁷ Persha, [Що відбувається на родовищі літієвих руд Сполінської громади](#), *Persha*, 29 November 2023.

⁹⁸ Digital Restoration EcoSystem for Accountable Management, [DREAM Single project pipeline | Construction of four waste processing plants of the Transcarpathian cluster](#), *Digital Restoration EcoSystem for Accountable Management*, accessed January 2025.

Agriculture, fishing and forestry

The current project selection fails to address the broader impacts of war or align with Ukraine's strategic EU accession goals for sustainable agricultural recovery and resilience. The regional and thematic representation is notably unbalanced: of the 13 sectoral projects, 9 are situated in the Odesa region and just 1 in the Zaporizhzhia region, while all 10 focus solely on the reconstruction of irrigation and drainage facilities.

Industry, trade and services

The industry, trade and services sector encompasses a diverse range of ongoing projects supported by international finance institutions. The sector covers a number of different subsectors, ranging from housing construction to tourism and agricultural markets, all of which overlap with the agriculture sector. Housing construction boasts the largest number of projects.

Conclusion 1

There is a lack of clear and consistent communication from state officials regarding the rationale for reforming the Public Investment Management System, its progress and the specifics of its implementation. This has resulted in limited stakeholder awareness and engagement.

Recommendation:

Increase awareness-raising activities promoting the Single Project Pipeline and provide specialised training for potential proposers and participants in public investment projects. International technical assistance projects as well as non-governmental organisations, including from abroad, have roles to play in supporting these initiatives.

Conclusion 2

Government activities related to the reform of the Public Investment Management System lack transparency. Information on the issues discussed at Strategic Investment Council meetings and on the decisions taken during these meetings is currently fragmented and incomplete.

Recommendation:

Enhance transparency by providing regular, in-depth coverage of Strategic Investment Council meetings on the government portal or a dedicated website. This coverage should include details on issues discussed during these meetings, decisions, the formation of working groups, and participating organisations. Increased transparency will help build stakeholder trust, mitigate potential political influence, and prevent lobbying by certain regional and business groups for public investment fund allocations within the Single Project Pipeline.

Conclusion 3

The section of the DREAM platform devoted to public investment projects is not a fully developed uniform project pipeline but rather an unstructured repository of public investment project concepts. Furthermore, it is inconsistent with departmental databases of public investment projects.

Recommendation:

Adopt the EU's statistical classification system for economic activities (NACE) and apply it to all project investment concepts to ensure the transparency and traceability of all public investment projects in Ukraine.

Conclusion 4

The involvement of the expert community and civil society organisations in reforming the Public Investment Management System is insufficient. While the Reforms Support Team has acknowledged that members of the Strategic Investment Council receive technical advice from experts and institutions such as the Kyiv School of Economics, this process lacks transparency.

Recommendation:

Verify that advisers are being engaged and that the process is transparent and accountable, and amend the Cabinet of Ministers resolution establishing the Strategic Investment Council to formally involve local government representatives, specialised associations, scientists, independent experts, members of the public, and the media in the work of the Council. Ukraine can also improve public investment planning, selection, and monitoring by following the best practices of EU cohesion policy fund monitoring committees.

Conclusion 5

Building a coherent, transparent and understandable Public Investment Management System requires a unified terminology to standardise investment approaches across funding sources, financing mechanisms, and different levels of government.

Recommendation:

Launch a broad public discussion on terminology and definitions for newly adopted and proposed legislation in respect of the Public Investment Management System. This process should involve specialised lawyers, investment bankers, experts from the academic community, and civil society organisations.

Conclusion 6

A significant number of Single Project Pipeline concepts lack feasibility studies and cost estimates, which allows project proposers to submit unrealistic and overinflated budget figures.

Recommendation:

Develop standardised guidelines for feasibility studies, cost-benefit analyses and project estimates. These guidelines will help proposers prepare stronger project applications and improve the efficiency of funding allocations.

Conclusion 7

Current project investment projects, which focus primarily on recovery and reconstruction, typically neglect sustainability considerations and compliance with the principles of green recovery, despite the Roadmap requiring public investment projects to take environmental sustainability, inclusivity and accessibility considerations into account.

Recommendation:

Develop comprehensive sectoral and regional single project pipelines aligned with medium-term budget planning and long-term development strategies. Sustainable development principles must be incorporated into project planning in line with Ukraine's EU accession ambitions and relevant regulations.

Conclusion 8

Establishing a robust public investment management framework is critical for the long-term future of public investment in the country. However, the timeline outlined in the Roadmap action plan for developing the framework is overly ambitious and should be adjusted to reflect realistic implementation, particularly given the incompleteness of existing strategic and planning documents.

Recommendation:

Develop the eight regulatory documents on the methodological framework by the end of March 2025, utilising the available analytical and intellectual resources from academia, international technical assistance projects, reform support teams at Ukrainian ministries, professional associations and think tanks, as well as international and national civil society organisations.

Conclusion 9

The public investment projects section of the DREAM website requires significant revisions. Specifically, there is a lack of verifiable data on various sources and the supporting rationale for key content. For example, the proposed use of 49 'government priorities' for project classification is problematic due to a lack of transparency regarding their origin, methodology, and duration. Furthermore, there is practically no information on project compliance with sustainable development standards. Finally, the environmental questionnaire on the platform barely touches on environmental issues, containing only one relevant question out of four.

Recommendation:

Update the DREAM platform to improve content by removing unnecessary, unclear and insignificant data, and adjust the questionnaire by adding the following components: an assessment of project environmental

sustainability, the results of concept evaluations conducted by the Ministry of Economy, the Ministry of Finance and the Ministry for Development of Communities and Territories, and a list of Strategic Investment Council project recommendations for financing from the state budget and international financial institutions.

Conclusion 10

Local self-government bodies play a role in public finance management alongside ministries and state institutions.

Recommendation:

Ensure local self-government authorities are treated as equal partners within the Public Investment Management System by incorporating relevant measures into the 2026 action plan for reforming the system.

Annex 1. Additional information on public investment projects registered in the DREAM system (2024)

Figure 11. Total distribution of funds across five selected sectors and subsectors listed in the single Project Pipeline.⁹⁹

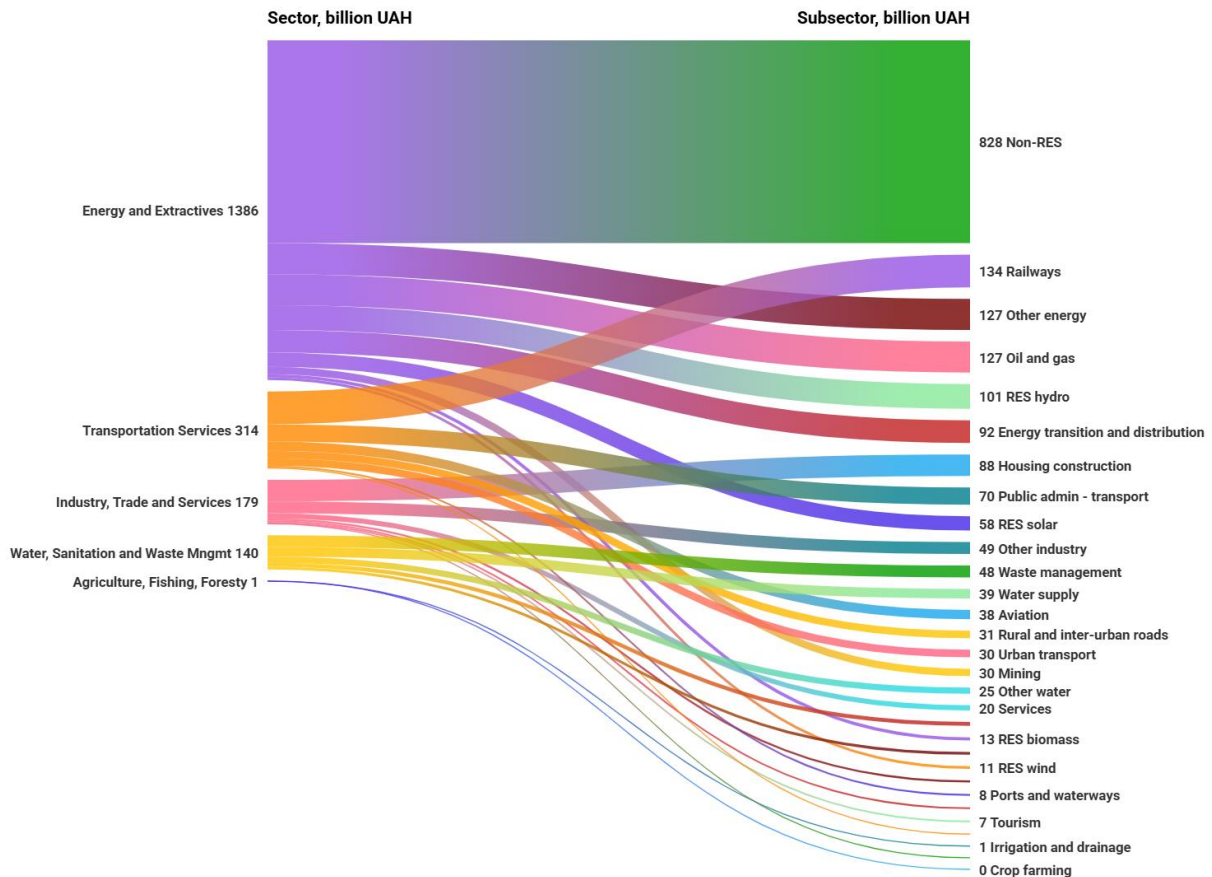
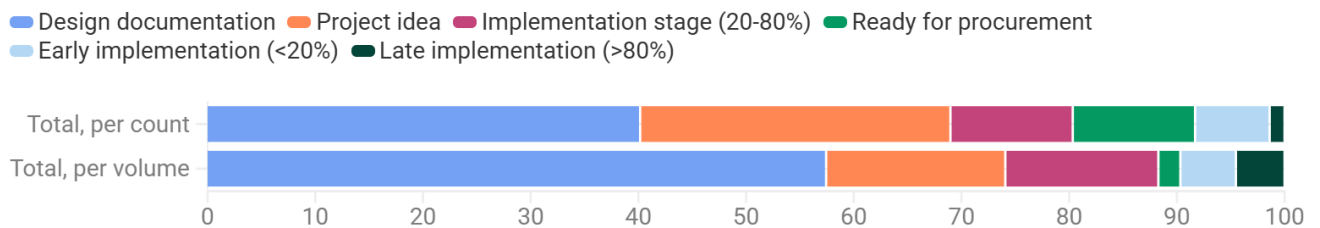


Figure 12. Number and volume of public investment projects based on the project cycle.¹⁰⁰



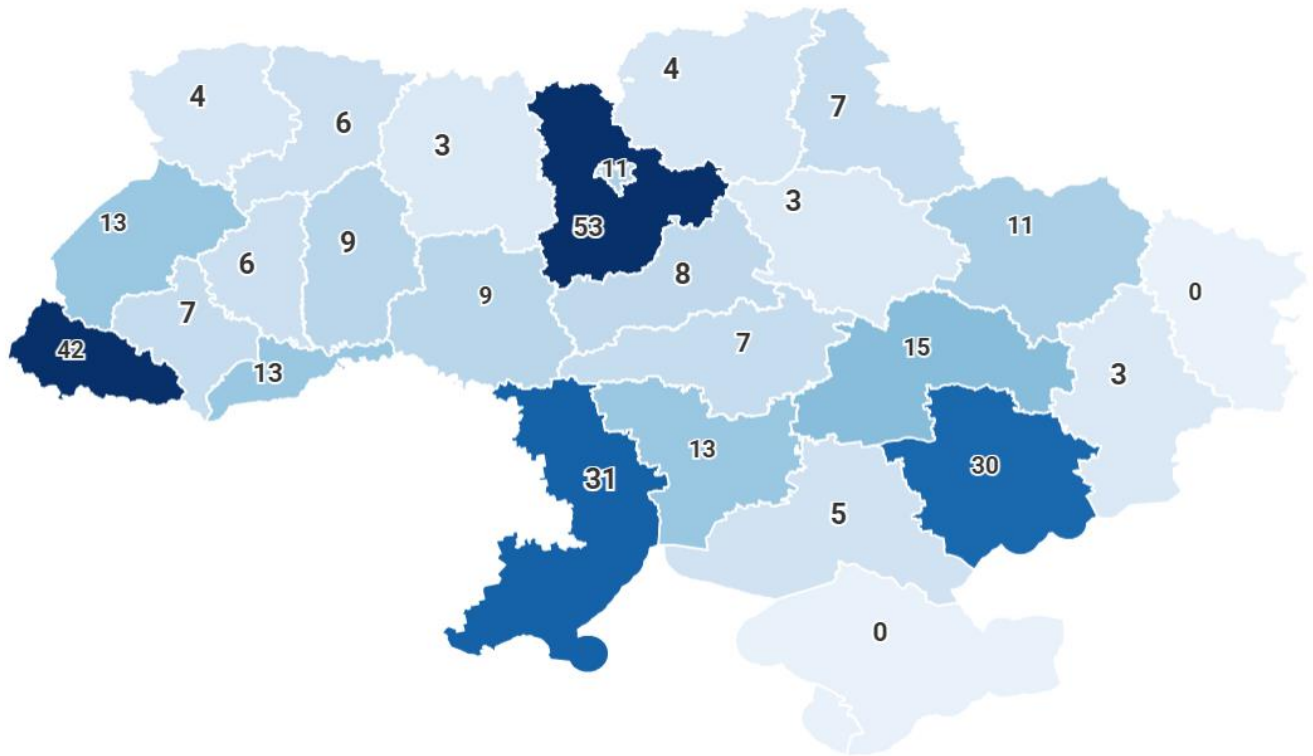
We included the 5 sectors in our scope of analysis

⁹⁹ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), Digital Restoration EcoSystem for Accountable Management, accessed December 2024.

¹⁰⁰ Ibid.

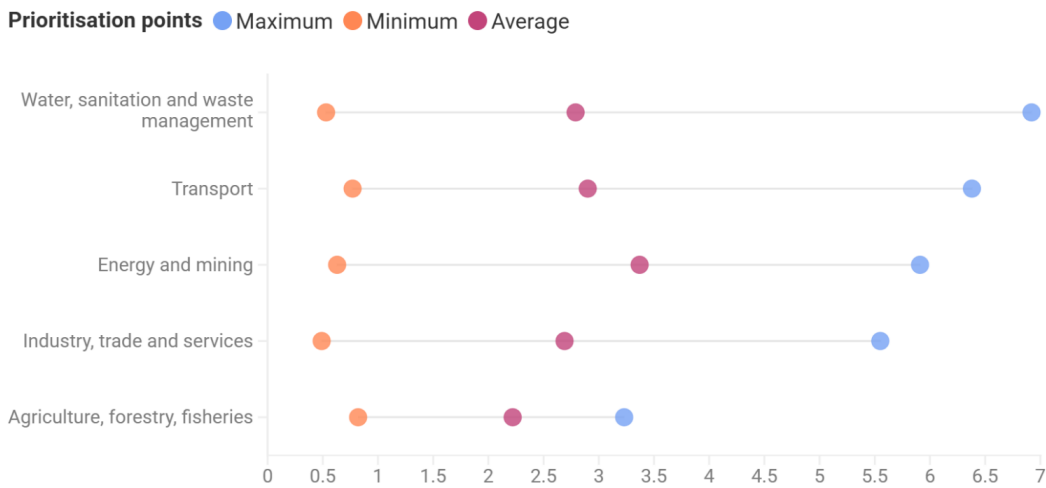
Figure 13. Distribution of public investment projects across the five sectors by region.¹⁰¹

Project count: 0  53



Projects spanning multiple regions are counted in each relevant region, which may result in double counting.

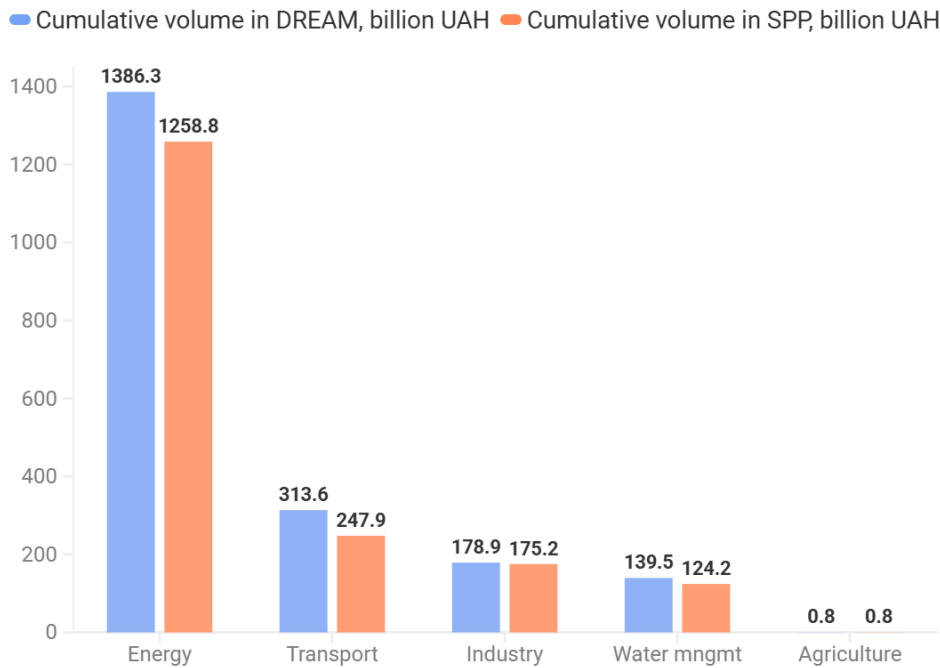
Figure 14. Prioritisation of public investment projects by sector, showing maximum, minimum and average scores.¹⁰²



¹⁰¹ Ibid.

¹⁰² Ibid.

Figure 15. Differences in investment between the DREAM Single Project Pipeline and the Ministry of Finance Single Project Pipeline.^{103,104}



¹⁰³ Digital Restoration EcoSystem for Accountable Management, [DREAM Analytics | Public investment projects](#), *Digital Restoration EcoSystem for Accountable Management*, accessed 6 December 2024.

¹⁰⁴ Ministry of Finance of Ukraine, [Єдиний проектний портфель здійснення публічних інвестицій: засідання Стратегічної інвестиційної Ради](#), *Ministry of Finance of Ukraine*, 10 September 2024.

Annex 2. Single Project Pipeline: Transition period tasks and current status (end of 2024)

Task	Current status
Legislating unified procedures for public investment management	In progress In December 2024, the Cabinet of Ministers passed a draft law amending the budget code of Ukraine, including updates to key provisions. However, further steps are required before it takes effect.
Implementing strategic investment planning	Not started The regulations needed to support strategic planning have yet to be developed, delaying progress.
Establishing the Strategic Investment Council	Completed In May 2024, the Cabinet of Ministers passed a resolution establishing the Strategic Investment Council, which is currently operational.
Developing a national strategy for investment planning	Not started No clear framework or sectoral strategies have been developed to guide long-term public investments.
Aligning medium-term investment planning with the budget declaration	Partially completed The 2025–2027 budget declaration was approved in June 2024, but a supporting medium-term investment plan has yet to be developed.
Updating the methodological framework for managing public investments	Ongoing The Roadmap Action Plan outlines a list of regulatory documents and legal terms, but key regulations still need to be finalised.
Standardising how public investment projects are planned, prioritised and evaluated	Partially completed In August 2024, the Cabinet of Ministers issued temporary regulations, including prioritisation criteria for projects slated for 2025, but a standardised evaluation system has yet to be put in place.
Creating a single pipeline of public investment projects	Unclear There is no legal definition of what the pipeline should include, making progress hard to measure. However, a list of priority projects for 2025 has been added to the DREAM system.

<p>Developing an IT architecture for public investment management</p>	<p>Not completed</p> <p>Plans for a unified digital ecosystem for public investment management, which would connect the DREAM platform, the ProZorro electronic procurement system, and the Ministry of Finance’s IT system, are still in development, with end-to-end management yet to be implemented.</p>
<p>Strengthening the capacity of project proposers and public investment management specialists</p>	<p>Ongoing</p> <p>A project preparation office is expected to be established as part of the Project Preparation Facility. Various international programmes are also providing technical assistance, primarily at the community level. For example, the EIB’s Joint Assistance to Support Projects in European Regions (JASPERS) programme is set to provide on-site consultancy for Ukrainian institutions.</p>

Annex 3. Sectoral distribution and funding sources for public investment projects in 2025

A total of 92 public investment projects across 8 sectors will receive funding in 2025, representing 11.7 per cent of the total project concepts published on the DREAM website. The combined budget for these projects is UAH 620.3 billion, with UAH 220.7 billion (approximately 35.6 per cent) allocated for implementation in the 2025 budget. The vast majority of projects (77.1 per cent) will be financed through the state budget, in addition to loans and grants from international financial institutions.

Specifically, the state budget will fund 36 projects, all proposed by central executive authorities; 35 projects will be financed through loans and grants from international financial institutions, 13 projects will receive funding via state guarantees based on international agreements; and 8 projects will be supported by funding from Ukrainian and other national governments.

Table 1. Sectoral distribution of public investment projects receiving funding in 2025.

Sector	Number of projects	Min-max score	Average score	Total budget (UAH billion)	Considered in 2025 state budget (UAH)	Percentage of funding in 2025
Transport services	17	1.73–5.62	4.04	164.342	93.518	56.9
Energy and extractives	13	3.20–5.57	4.04	96.842	51.471	53.1
Education	9	3.59–6.06	5.05	89.974	17.505	19.5
Healthcare	22	0.92–5.99	3.48	76.811	10.746	14.0
Industry, trade and services	7	2.10–5.55	4.23	74.951	15.422	20.6
Social protection	9	1.25–5.00	3.73	57.591	7.694	13.4
Water, sanitation and waste management	9	2.36–6.92	4.08	52.044	22.729	43.7
Public administration	5	1.60–5.66	4.22	7.674	1.581	20.6
Culture*	1	3.48	3.48	0.100	0.070	70.0

*Not included in the Single Project Pipeline project classification.

Table 2. Sectoral distribution of public investment projects receiving funding in 2025.

Source(s) of financing	Total number of projects	Number of projects by sector		Total budget (UAH billion)	Considered in 2025 state budget (UAH billion)	Percentage of funding in 2025
State budget	36	Healthcare	18	209.797	36.429	17.4
		Social protection	6			
		Education	6			
		Public administration	3			
		Transport services	1			
		Water, sanitation and waste management	1			
		Other (culture)*	1			
State guarantees based on international agreements	13	Energy and extractives	8	130.754	112.557	86.1
		Transport services	5			
Loans and grants from international financial institutions	35	Transport services	9	260.883	64.356	24.7
		Industry, trade and services	7			
		Water, sanitation and waste management	6			
		Energy and extractives	5			
		Social protection	3			
		Education	3			
		Healthcare	2			
Funding by Ukrainian and other national governments	8	Transport services	2	18.796	7.393	39.3
		Healthcare	2			
		Water, sanitation and waste management	2			
		Public administration	2			

*Not included in the Single Project Pipeline project classification.