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INTEGRATING RECOVERY FINANCING INTO UKRAINE'S DIGITAL PUBLIC INVESTMENT MANAGEMENT SYSTEM

Ukraine's large-scale recovery needs, combined with constrained budgetary resources, substantially increase the requirements for the quality of public investment management. Policy effectiveness depends not only on the ability to mobilise financial resources but also on the capacity to direct them towards priority and sufficiently prepared projects, coordinate different sources of financing, and control the use of funds throughout the investment cycle. The IMF's 2019 Public Investment Management Assessment (PIMA) identified significant institutional constraints in Ukraine's public investment management system [1]. In the context of recovery, these weaknesses become particularly important because both investment needs and the number of financing channels are increasing simultaneously.

One of the prerequisites for reform was the institutional and financial fragmentation of the system. Public capital investment was channelled through numerous streams, including state investment projects, state funds, subventions to local budgets, loans from international financial institutions and foreign governments, guarantees, public-private partnerships, and other sources. Differences in project preparation, appraisal, selection, financing, and reporting procedures complicated the formation of a unified system of priorities and consolidated investment monitoring. Overcoming this fragmentation became one of the objectives of the Roadmap for Public Investment Management Reform [2].

In the context of recovery, the problem is further intensified by the multi-component financing architecture, which combines the state and local budgets, special funds, international budget support, loans and grants from international financial institutions, donor programmes, public-private partnerships, guarantees, and blended-finance instruments. Diversification of financing sources expands opportunities for resource mobilisation but simultaneously creates a risk of parallel decision-making, project preparation, control, and reporting procedures. The key

task is therefore not to unify the financing sources themselves, which differ in their legal and financial nature, but to integrate the projects financed through them into a common management cycle.

The PIM reform envisages a system in which a public investment project is linked to strategic priorities, undergoes defined preparation, appraisal, and prioritisation procedures, is included in the relevant project portfolio, receives financing, and remains subject to monitoring throughout implementation. Resolution No. 527 of the Cabinet of Ministers of Ukraine regulates project preparation and appraisal, the formation of the unified and sectoral project portfolios, as well as the implementation and monitoring of public investments at the national, regional, and local levels [3]. Thus, the object of integration is gradually shifting from an individual financing instrument to the life cycle of an investment project.

Digitalisation is an important instrument for such integration. Its purpose should not be limited to the electronic registration of projects or disclosure of information: the digital environment should establish links between strategic planning, project portfolios, financing sources, budgeting, procurement, actual expenditure, implementation, and results assessment. In 2026, this approach received further regulatory formalisation through the approval of the Concept for Building a Unified Digital Ecosystem for Public Investment Management and its implementation plan for 2026–2028. Its key areas include the interoperability of information systems, common data standards, improved data quality, transparency, and digital support for all stages of PIM [4].

DREAM is a central component of this digital architecture, supporting key processes at different stages of public investment management and providing public access to information on projects and programmes [5]. At the same time, the system is gradually moving beyond the function of a project registry. The integration of DREAM with Prozorro makes it possible to link a project profile with data on procurement procedures, contracts, and their implementation [6]. This demonstrates a transition from accumulating information on individual objects to establishing links between data generated at different stages of investment implementation.

However, the existence of digital platforms does not in itself mean that the digital investment cycle is complete. Project, budgetary, procurement, treasury, and transactional data are generated in different information systems, while international programmes may additionally apply their own standards and reporting procedures. A high level of digitalisation

within an individual financing mechanism therefore does not necessarily mean that it is fully integrated into the national PIM system. For international financing, a key requirement is the compatibility of core data on the project, the source and amount of financing, the stage of implementation, and achieved results, without requiring the complete unification of donor procedures. Similarly, at the community level, local project needs should be linked to national priorities, project portfolios, and available financing sources [3].

Thus, the digital transformation of public investment management in Ukraine is moving from the digitalisation of individual procedures towards their institutional and informational integration. Under a multi-channel recovery financing model, a critical characteristic of the system is the ability to link a project to its strategic priority, financing source, budgetary decisions, procurement, actual expenditure, implementation progress, and final results. The Concept for a Unified Digital PIM Ecosystem approved in 2026 establishes interoperability and common data standards as distinct areas for the system's further development [4].

Further development of the digital PIM system should focus on creating an end-to-end information environment in which a project retains a persistent digital identifier from its inclusion in the project portfolio through completion and results assessment. This would make it possible to connect information on financing sources, budget allocations, procurement, actual expenditure, and physical implementation progress. At the same time, technological integration cannot compensate for institutional fragmentation: technical data exchange does not eliminate differences in project appraisal, prioritisation, and selection rules. The integration of recovery financing into the digital PIM system should therefore proceed simultaneously at two levels – through interoperability among information systems and through further alignment of management procedures for projects financed from different sources.

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