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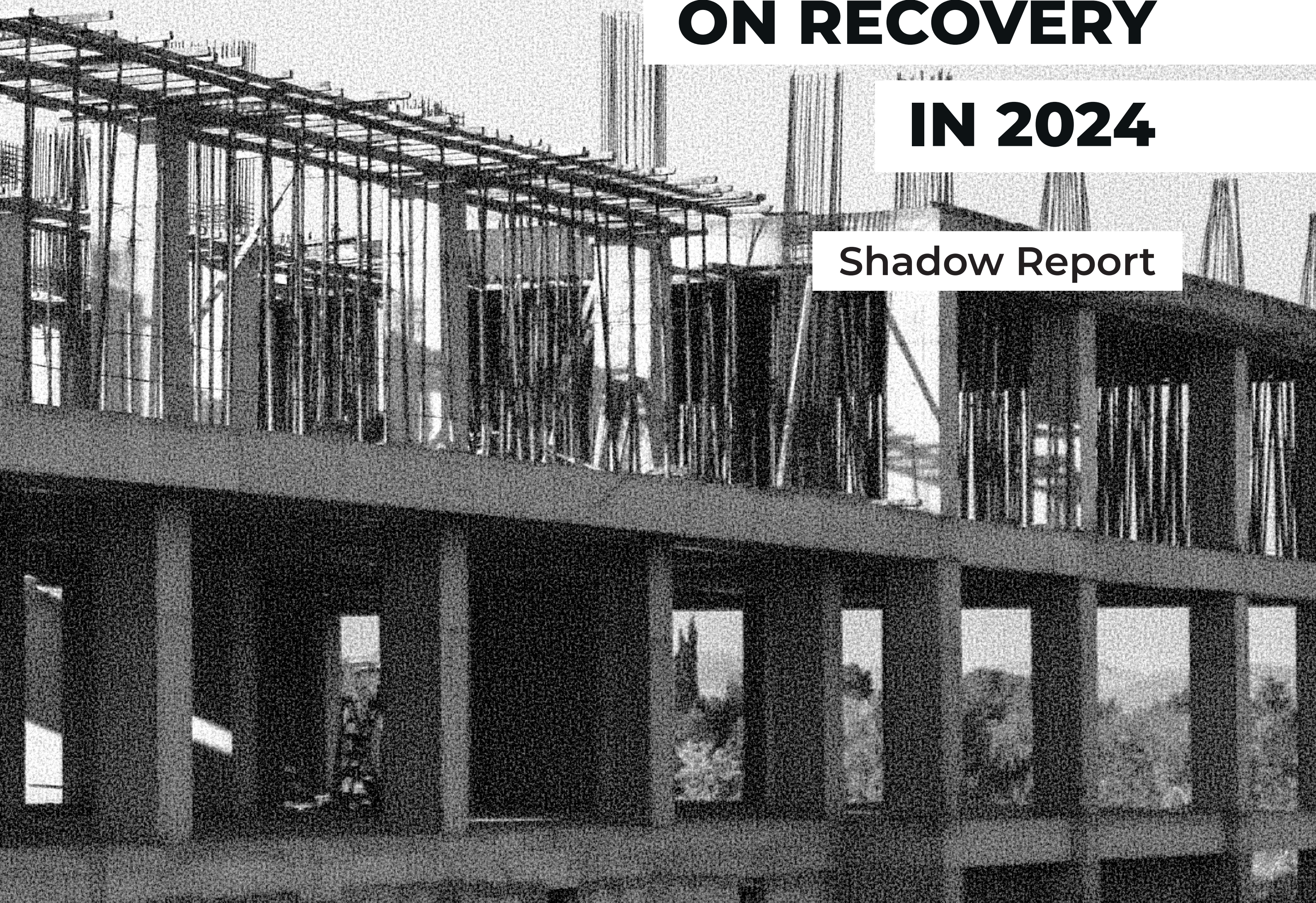
EXPENDITURES OF LOCAL BUDGETS ON RECOVERY IN 2024

Shadow Report



Expenditures of Local Budgets on Recovery in 2024

Shadow Report

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List of Symbols and Abbreviations

SASU – State Audit Service of Ukraine

HCS – Housing and Communal Services

STS – State Treasury Service of Ukraine

Budget program 7372 – Implementation of projects (measures) for the recovery of educational institutions and facilities damaged/destroyed as a result of armed aggression, financed from local budget funds

Budget program 7373 – Implementation of projects (measures) for the recovery of healthcare institutions and facilities damaged/destroyed as a result of armed aggression, financed from local budget funds

Budget program 7374 – Implementation of projects (measures) for the recovery of social sector institutions and facilities damaged/destroyed as a result of armed aggression, financed from local budget funds

Budget program 7375 – Implementation of projects (measures) for the recovery of housing stock facilities damaged/destroyed as a result of armed aggression, financed from local budget funds

Budget program 7376 – Implementation of projects (measures) for the recovery of housing and communal services facilities damaged/destroyed as a result of armed aggression, financed from local budget funds

Budget program 7377 – Implementation of projects (measures) for the recovery of other municipal property facilities damaged/destroyed as a result of armed aggression, financed from local budget funds

Openprocurement – A set of open-source software tools developed to automate and optimize procurement. Free and easy to use, it enables reverse auctions in electronic form and ensures reliable storage of procurement data[1]

Spending – Unified web portal of spending public funds[2]

[1] http://openprocurement.org/en/

[2] https://spending.gov.ua/new/en

Resume

In 2024, the pace of recovery increased significantly: the number of projects rose to 987 (from 481 in 2023), and expenditures reached UAH 1.28 billion (from UAH 0.4 billion in 2023). This indicates a transition from crisis response to systematic management of recovery processes at the local level.

The expenditure structure shifted from educational institutions toward housing stock and infrastructure projects, reflecting the urgent needs of communities for basic infrastructure. At the same time, funding is concentrated in key regions – Kyiv City (45% of funds) and Donetsk region (12%) – while other regions demonstrate a more localized nature of works and require a differentiated approach to resource allocation.

Housing stock accounts for 75% of all recovery projects, with 50% of the analyzed funds spent on their implementation. The average cost of restoring a single housing project is lower than for other types of projects, underscoring the prevalence of small, low-cost repairs. In contrast, educational institutions, healthcare facilities, and critical infrastructure are characterized by high average project costs, requiring specialized resources and planning.

For the vast majority of projects, 1–3 payment orders were issued. Only a small share of projects had more than 10 payments, indicating the complexity of large-scale comprehensive works and potential bureaucratic risks. Fund returns (less than 1% of the total volume) are concentrated in large projects and allow for the identification of weaknesses in control and planning.

A significant share of funds is concentrated among the TOP-10 contracting authorities (59%) and contractors (37%), while peak activity occurs in December (41% of the annual volume), highlighting the need to revise approaches to budget planning throughout the year.

At the same time, the data verification system under budget program codes 7372–7377 demonstrates structural limitations: the data are fragmented, incomplete, and non-unified; sources contain numerous errors and technical discrepancies; and some payments do not pass through STS accounts. This complicates oversight, requires manual processing, and underscores the importance of institutional improvements – standardization of payment documents, unification of tender information, and increased transparency of processes.

This study is the result of a detailed analysis of collected information and serves as an analogue of a financial audit conducted by an independent analytical center. Its results may be used by local self-government bodies, state authorities, and donor organizations to improve the effectiveness of managing the recovery of destroyed domestic infrastructure.

Introduction

The reconstruction of infrastructure destroyed as a result of the full-scale Russian invasion is one of the key factors in ensuring state resilience and enabling communities to return to normal life. Its financing is carried out through a complex multi-level model that combines expenditures of the state and local budgets, interbudgetary transfers, international assistance, investment inflows, and private funds. In this context, systematic analysis of local budget expenditures gains particular importance, as the level of financial management closest to communities directly affects the quality and speed of reconstruction.

The study of local budget expenditures on recovery for 2023[3] became the first independent analytical project within which data on financing the reconstruction of social, housing, and communal infrastructure projects were collected, verified, and unified. The results of this analysis made it possible not only to identify priority areas of budget fund utilization but also to outline problematic aspects of financing and payment accounting, particularly at the end of the budget year. In practice, this study performed the role of a financial and analytical audit, laying the groundwork for further improvement of transparency and accountability practices in the recovery sector[4].

The new stage of the study, conducted based on the results of 2024, was carried out using the same methodology as the analysis of local budget expenditures on recovery in 2023. The experience of the latter demonstrated that the applied data collection and verification mechanism is effective, ensures adequate information quality, and allows for obtaining a reliable picture of the financing of recovery projects. An important outcome of the research was the creation of an interactive dashboard[5], which demonstrated high practical value – it is actively used by both representatives of state authorities and the public to monitor and assess recovery processes.

It is on this basis that the study for 2024 was conducted. It retains a systemic character and makes it possible to form a consistent and comprehensive database on recovery expenditures. The analysis is a continuation of the previous stage, enabling comparison of results, tracking of dynamics, and assessment of the effectiveness of managerial decisions. This approach allows not only to deepen the analytical understanding of recovery financing but also to strengthen the institutional foundations of transparency, accountability, and openness in the use of public funds.

[3] https://fiscalcenter.org/en/analytics/en-local-budget-recovery-spending-ukraine-2023/

[4] https://fiscalcenter.org/en/news/local_recovery_data_2023-2024-2/

[5] https://fiscalcenter.org/en/project/recovery-expenditures-from-local-budgets/

1. General Analysis of Local Budget Expenditures for the Implementation of Recovery Projects

To ensure transparency and a systematic approach to accounting for local budget expenditures on recovery, the budget classification provides for separate program classification codes for expenditures and lending of local budgets (hereinafter referred to as Budget Program Code). These budget programs accumulate expenditures for the reconstruction of projects damaged or destroyed as a result of Russian armed aggression. Such codes include:

- **Budget program 7372** – Implementation of projects (measures) for the recovery of ***educational*** institutions and facilities damaged/destroyed as a result of armed aggression, financed from local budget funds;
- **Budget program 7373** – Implementation of projects (measures) for the recovery of ***healthcare*** institutions and facilities damaged/destroyed as a result of armed aggression, financed from local budget funds;
- **Budget program 7374** – Implementation of projects (measures) for the recovery of ***social sector*** institutions and facilities damaged/destroyed as a result of armed aggression, financed from local budget funds;
- **Budget program 7375** – Implementation of projects (measures) for the recovery of ***housing stock*** facilities damaged/destroyed as a result of armed aggression, financed from local budget funds;
- **Budget program 7376** – Implementation of projects (measures) for the recovery of ***housing and communal services*** facilities damaged/destroyed as a result of armed aggression, financed from local budget funds;
- **Budget program 7377** – Implementation of projects (measures) for the recovery of ***other municipal property*** facilities damaged/destroyed as a result of armed aggression, financed from local budget funds.

In order to assess the distribution and actual use of local budget funds within budget programs 7372 – 7377, comprehensive information on recovery projects and all related payments throughout 2024 was systematized and verified. The database was populated in strict adherence to the principles of structured organization, logical sequence, and phased processing.

As a result of unifying the relevant information for 2024, a verified database of such expenditures was formed for 987 projects[6], for which UAH 1.28 billion was actually utilized (Fig. 1). For comparison, in 2023 there were 481 projects with a total amount of UAH 0.4 billion, meaning that the number of projects doubled, while the volume of actual funds spent increased by more than three times. At the same time, nearly 3.7 thousand payment orders were processed.

This growth is primarily explained by the fact that in 2023, financing of recovery projects from local budgets within budget programs 7372 – 7377 began in the middle of the budget year. Accordingly, financing was provided for a limited period, which resulted in relatively small volumes of funds spent and a comparatively narrow range of implemented projects. In contrast, in 2024, these programs operated fully throughout the entire budget year, contributing to an increase in the number of projects and the volume of funds actually utilized.

Comparative dynamics for 2023–2024 demonstrate an increase in the share of low-cost projects within the structure of local recovery programs. This is likely driven both by the strengthening of the financial capacity of communities and by changes in budget planning approaches – in 2024, communities more actively used program funds to finance small-scale works, without limiting themselves to specialized recovery programs. This evolution of budgetary practice signifies a gradual shift from crisis response to the systematic management of recovery processes at the local level. Thus, 235 projects were implemented, with expenditures of up to UAH 50 thousand (totaling UAH 3.3 million), and another 90 projects – within the range of UAH 50–100 thousand (totaling UAH 6.9 million). In total, this amounts to 325 projects, or approximately 33% of the total number of projects. Such expenditures were generally directed toward addressing current and local issues, including minor repairs, replacement of windows and roofs, restoration of individual building elements, and elimination of shelling damage at housing, social, or communal infrastructure projects. This trend suggests an increasing role for communities in addressing urgent recovery tasks, without the need for large-scale financial resources or complex approval procedures.

For comparison, financing from the State Fund for Liquidation of Consequences of Armed Aggression[7] was primarily directed toward capital projects focused on the comprehensive recovery of critical infrastructure, housing stock, and social institutions that had suffered significant destruction. Thus, a clear differentiation in financing approaches is observed

[6] Including 1 project in Kherson region related to the capital repair of premises and the roof of the academic building of Malooleksandrivka Secondary School (Grades I–III), of Mala Oleksandrivka village, Beryslavskyi district, Kherson region, which in 2024 recorded exclusively refunds amounting to UAH 285.2 thousand (part of the funds transferred to the contractor under payment orders in 2023).

[7] https://fiscalcenter.org/en/analytics/en-fund-liquidation-recovery-spending-2024/

– local budgets focus on numerous small construction and repair works, while state budget funds are allocated to large-scale, long-term investments with systemic impact.

In 2024, implementation continued at 140 projects starting in 2023. These represent 14% of all projects in 2024 and utilized UAH 240.2 million (nearly 19% of the local budget). For comparison, UAH 169.7 million was spent on these projects in 2023 (42% of that year's local budget funds). Of the 140 projects, 63 (45%) were housing stock recovery, and 59 (42%) involved educational institutions. More than half of these were in the Donetsk region.

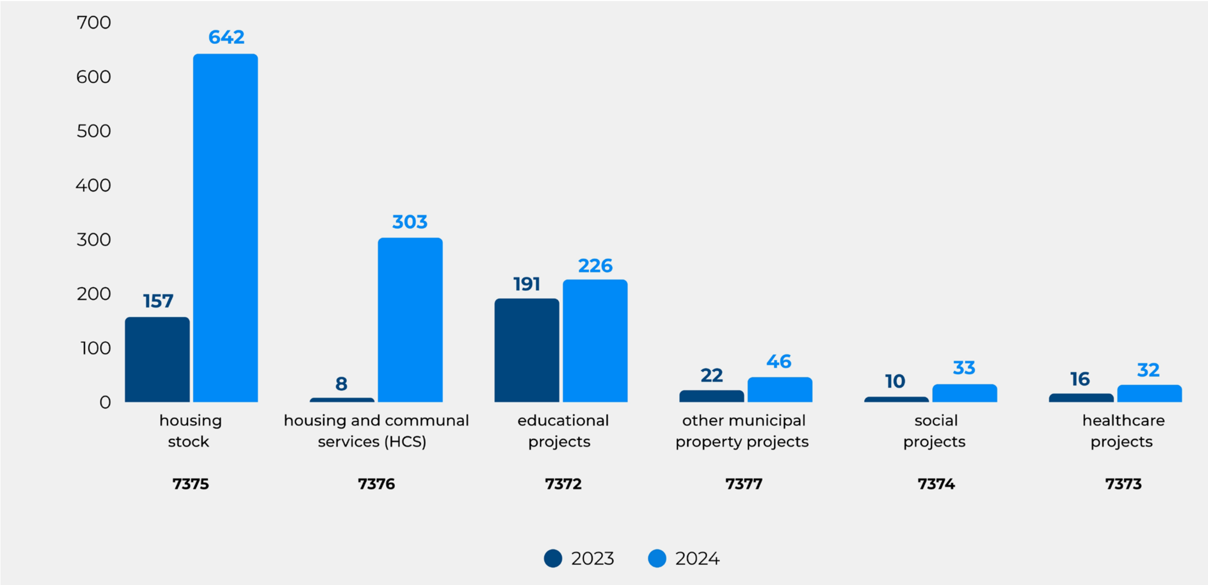

Figure 1. Distribution of local budget expenditures by budget program code (7372 – 7377) (UAH million)

Source: authors' calculations.

According to the analysis (Fig. 1), in 2024, within the budget programs 7372 – 7377, the structure of local budget expenditures changed significantly compared to 2023. The largest amounts were allocated to the recovery of:

- housing stock – UAH 642 million (a fourfold increase, or +308.1%);
- educational projects – UAH 226 million (an increase of 18.7%).

A significant increase in financing was also observed in the following areas:

- housing and communal services (HCS) – from UAH 8 million to UAH 303 million;

- social projects – from UAH 10 million to UAH 33 million;
- healthcare projects – from UAH 16 million to UAH 32 million;
- other municipal property projects – from UAH 22 million to UAH 46 million.

Thus, in 2024, local budget priorities shifted from educational projects toward housing and infrastructure projects. This may indicate growing needs for the restoration of basic community infrastructure after destruction, as well as an increase in the cost of implemented projects due to more complex recovery conditions.

2. Regional Distribution

Regional analysis makes it possible to assess the territorial structure of local budget fund utilization, identify disparities between regions, and determine regions where recovery dynamics are the most or least intensive.

Compared to 2023, the regional distribution of regions covered by the analysis changed in 2024. While in 2023 the sample included, in particular, Cherkasy and Chernivtsi regions, in 2024 these regions were not represented. Instead, Ternopil region and Kyiv City were included, reflecting a shift in regional coverage priorities. Overall, the number of regions analyzed in the study increased from 14 to 15 (Fig. 2, Annex 1).

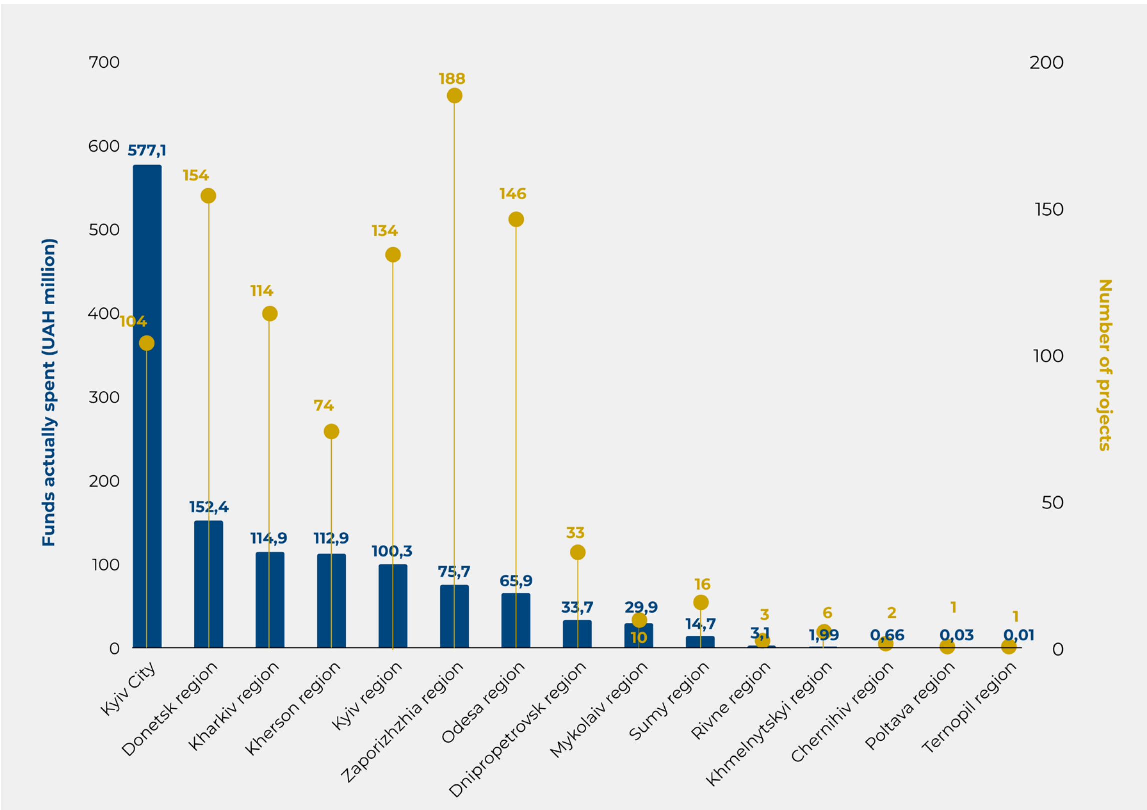

Figure 2. Regional distribution of projects and local budget expenditures on recovery[8]

Figure 2 and Annex 1 demonstrate the regional distribution of funds used for the recovery of projects in 2024 across key areas: housing, education, healthcare, culture, and administrative projects. Kyiv City became the leader in terms of expenditures, where UAH 577.1 million was spent on the recovery

[8] The distribution of local budget expenditures by budget programs 7372 – 7377 is presented.

of 104 projects, accounting for 45% of all funds, while the average cost of restoring one project was the highest – nearly UAH 5.6 million.

The most expensive projects in the capital, with total expenditures of UAH 314.3 million or 54% of the city's funds, were:

- Capital repair at Pukhivska street 1a – UAH 125.5 million;
- Capital repair of boilers No. 5 and No. 7 at Zhylianska street 85 – UAH 96.8 million;
- Capital repair with partial dismantling of the residential building Lypkivskoho street 37v – UAH 90 million.

Second place in terms of actual expenditures was occupied by the Donetsk region: UAH 152.4 million was spent on 154 projects (16% of the total number of projects and 12% of the total amount of funds), with the largest share directed to housing and educational projects (a total of 138 projects or 90%).

Kherson and Odesa regions remain important recovery focus points, as expenditures were directed toward the comprehensive reconstruction of housing and social projects. At the same time, in a number of regions – Sumy, Mykolaiv, Dnipropetrovsk, Kharkiv, and Kyiv regions – recovery works were more localized or focused on individual significant projects. This dynamic indicates uneven distribution of resources, determined both by the scale of damage and by strategic priorities in the recovery of different territories.

The smallest amounts of analyzed funds were spent on:

- Ternopil region – 1 project totaling UAH 9.5 thousand – technical inspection and testing services for a residential building in the village of Naraiv;
- Poltava region – 1 project totaling UAH 30.3 thousand – technical supervision of the reconstruction of a public building in the village of Nekhvoroshcha at Korchukova street 2v into a residential building for internally displaced persons;
- Chernihiv region – 2 projects totaling UAH 662.3 thousand – reconstruction of Building No. 1 of Talalaivka Hospital of the Talalaivka Village Council, Nizhyn District, Chernihiv region, at Shkilna street 1 in the village of Talalaivka (UAH 248.1 thousand) and capital repair of a residential building damaged as a result of armed aggression of the Russian Federation in the village of Kunashivka, Franka Street 271 (UAH 414.2 thousand).

3. Quantitative and Cost Distribution of Projects by Type

For a deeper understanding of the structure of the analyzed expenditures, it is important not only to assess their regional distribution but also to analyze which types of projects received funding and the cost of their recovery (Fig. 3, Annex 1).

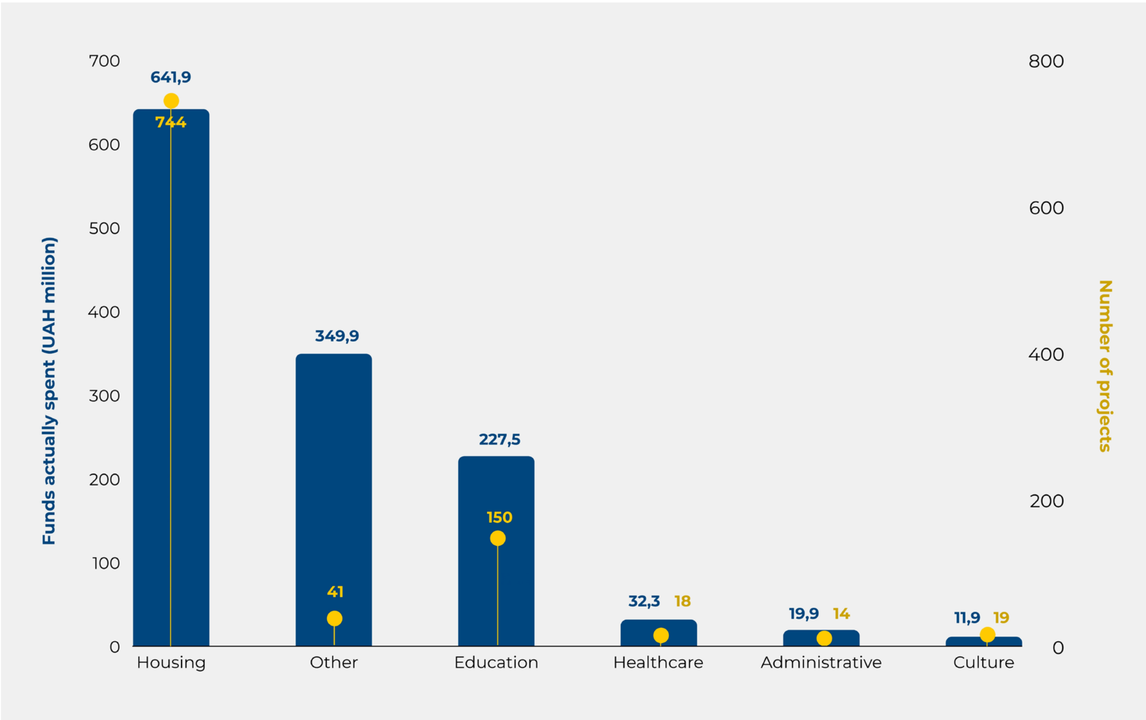

Figure 3. Quantitative and cost distribution of projects by type[9]

Source: authors' calculations

Figure 3 shows that 75% of all projects rebuilt in 2024, using the analyzed portion of local budget funds related to housing construction and recovery, 744 projects. The largest volumes of housing recovery works were carried out in:

- Zaporizhzhia region – 185 buildings, of which 154 projects (or 83%) are located in Zaporizhzhia City;
- Odesa region – 123 buildings, of which 110 projects (or 89%) are located in Izmail City;

[9] The distribution of projects financed from local budget expenditures by budget programs 7372 – 7377 is presented.

- Kyiv region – 103 buildings, of which 41 projects (or 40%) are located in Hostomel urban-type settlement, while the remaining projects are located in 18 other localities of the Kyiv region (Makariv, Irpin, Horenka, Moshchun, Bucha, Borodianka, Boryspil, etc.).

Almost another 27% of works concerned the recovery of various infrastructure projects across nearly all regions covered by the study. The main share of funds in this category was directed to energy projects in Kyiv City that sustained significant damage, reflecting the critical need to restore energy infrastructure to ensure the functioning of the city and the uninterrupted provision of communal services to the population.

At the same time, educational projects ranked second by number, 150 projects, with UAH 227.5 million spent on their recovery. The largest expenditures were allocated to 74 educational institutions in the Donetsk region, the Kyiv region, and Kyiv City – a total of UAH 105.3 million, or 46%.

The regional distribution of local budget expenditures (Fig. 2 and Annex 1) and the quantitative and cost distribution of projects by type (Fig. 3) indicate significant unevenness both in the number of recovery projects and in their total cost. In some regions, only a few projects are implemented, while in others, there are dozens of projects of various types. Such disproportions make it impossible to correctly compare the average cost of recovery. In view of this, to ensure analytical accuracy, regions were grouped into two clusters:

- Cluster I – regions where the number of recovery projects does not exceed 50;
- Cluster II – regions with more than 50 recovery projects.

This grouping makes it possible to avoid statistical distortions, create more comparable conditions, and obtain more objective estimates of the average cost of recovery per project within each group (Table 1 and Fig. 4).

Table 1

Average cost of expenditures for the recovery of one project by type, UAH million

	Housing	Education	Other	Healthcare	Administrative	Culture	TOTAL
Cluster I – up to 50 recovery projects							
/ Poltava region, Ternopil region, Rivne region, Khmelnytskyi region, Chernihiv region, Mykolaiv region, Dnipropetrovsk region, Sumy region /							
Number of projects	39	19	5	3	2	4	72
Funds spent	32,31	38,06	4,44	5,77	0,77	2,76	84,10
Average cost of recovery per project	0,83	2,0	0,89	1,92	0,38	0,69	1,17
Cluster II – more than 50 recovery projects							
/ Kherson region, Kyiv City, Kyiv region, Odesa region, Kharkiv region, Donetsk region, Zaporizhzhia region /							
Number of projects	705	131	36	15	12	15	914
Funds spent	609,6	189,4	345,5	26,5	19,2	9,1	1199
Average cost of recovery per project, UAH million	0,86	1,45	9,6	1,77	1,6	0,61	1,31

Source: authors' calculations.

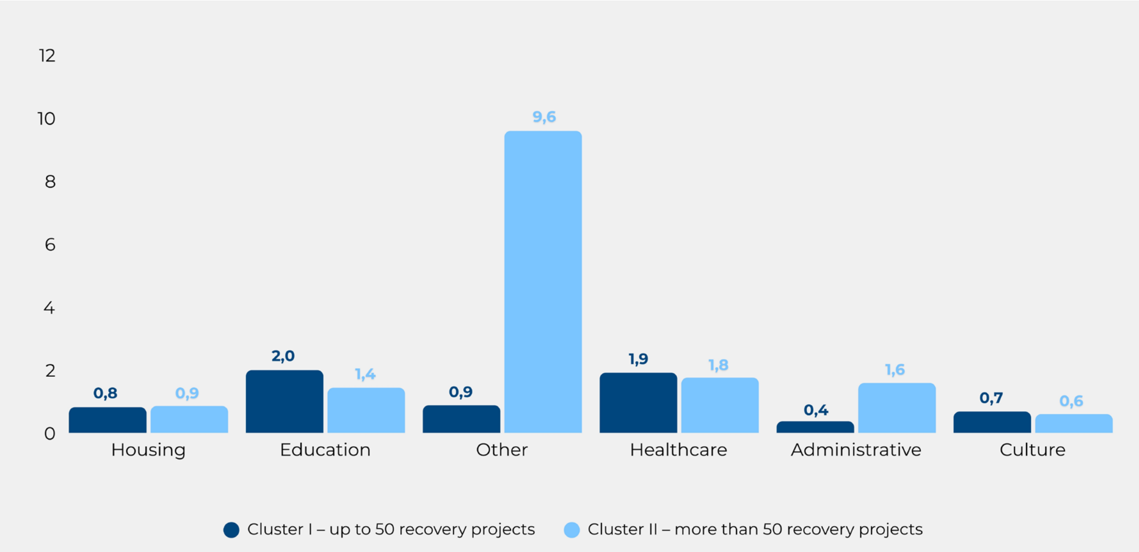

Figure 4. Comparison of the average cost of expenditures for the recovery of one project (cluster analysis), UAH million.

Source: authors' calculations.

Based on Table 1 and Figure 4, the highest average expenditures were directed toward the recovery of one educational institution – UAH 2.0 million per project in Cluster I and UAH 1.45 million per project in Cluster II. High average values are also observed for the recovery of one healthcare institution – UAH 1.92 million and UAH 1.77 million per project, respectively, which may be explained by the complexity of construction works and the need for specialized equipment.

At the same time, a significant gap in the “Other” category (UAH 0.89 million in Cluster I versus UAH 9.6 million in Cluster II) is explained by the inclusion of high-cost critical infrastructure projects in this group.

In contrast, housing stock demonstrates a lower average cost – UAH 0.83 million per project in Cluster I and UAH 0.86 million per project in Cluster II, indicating a large volume of mass repair works with relatively low costs per individual project.

At the same time, the average cost of expenditures for the recovery of administrative buildings and cultural projects should be interpreted with caution, as the number of such projects in the sample is limited, which may distort the actual average value.

Thus, the most indicative categories for assessing average costs are housing stock and educational institutions, where the sample is the most representative. These types of projects form the core of recovery works, enabling generalized conclusions regarding the efficiency of fund utilization and regional differences in financing.

4. Distribution of Projects by the Number of Executed Payment Orders

The analysis of the structure of executed payment orders for 987 projects revealed a significant concentration of financial transactions within a small number of transactions per project (Fig. 5).

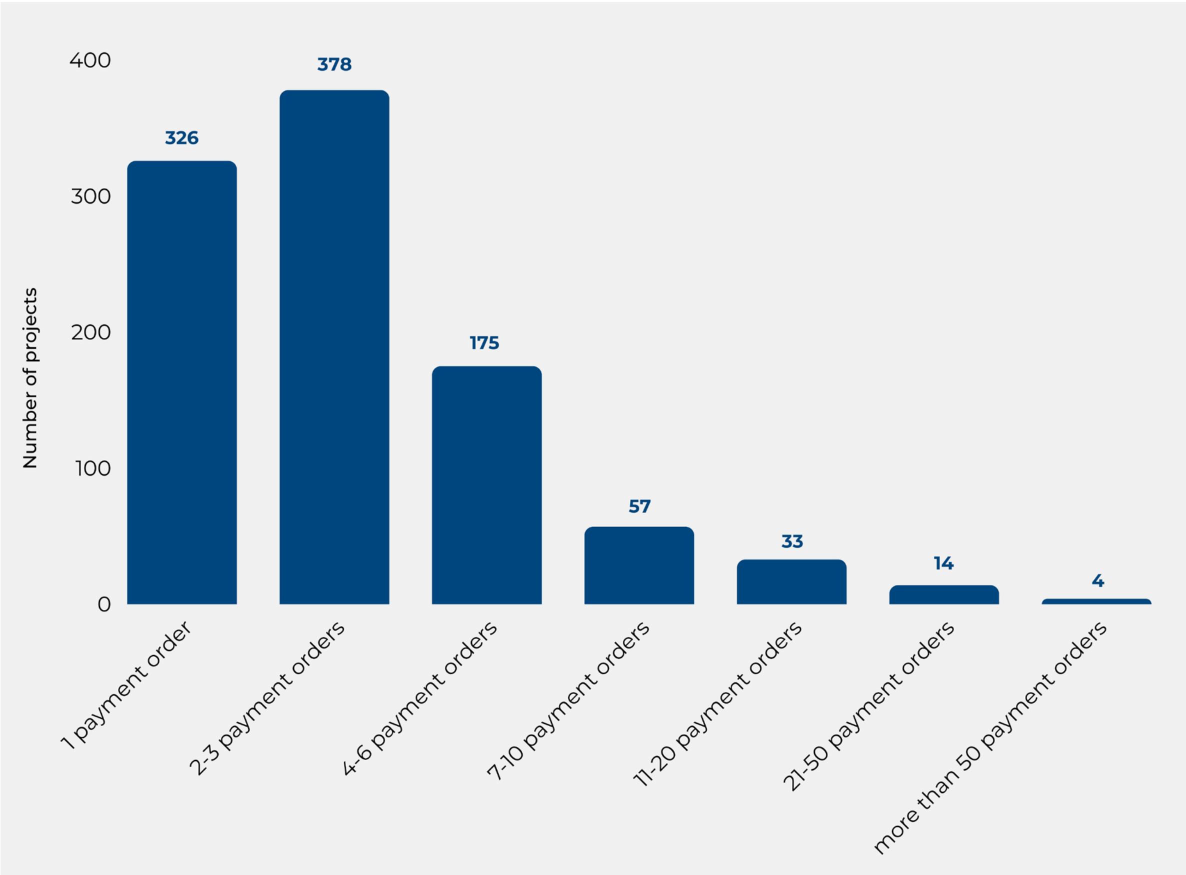

Figure 5. Distribution of projects by the number of executed payment orders

Source: authors' calculations.

Thus, 326 projects (33%) had only one payment order, while the majority of projects (378 or 38%) were characterized by 2 – 3 payment orders, which generally corresponds to the standard practice of phased financing of medium-scale projects.

For 175 projects (almost 18%), 4 – 6 payment orders were recorded, indicating a more complex financing structure and, likely, the need for additional works or adjustments during project implementation. For less than 10% of projects (57 or 5.8%), 7 – 10 payment orders were executed, and for 33 projects (3.3%), 11 – 20 transactions, which may indicate significant administrative or procedural difficulties in organizing financing. Such a high level of payment detail, while theoretically intended to ensure transparency and control, in practice reflects bureaucratic complications and risks of delays in construction and recovery works.

Within 14 projects (1.4%), 21 – 50 payment orders were executed, and for 4 projects (0.4%), the number of payment orders exceeded 50. The latter include:

- Capital repair with partial dismantling of the reinforced concrete building No. Lypkivskoho street 37v, Kyiv, Ukraine (client – Municipal Enterprise Zhitlobudinvest-UKB, main contractor – BC Askon LLC) – 183 payment orders for a total amount of almost UAH 87 million.
- Capital repair of playgrounds with replacement of equipment on the territory of Preschool Educational Institution No. 1 "Lisova Pisnia", Irpin City, Kyiv region – 71 payment orders (including 2 refunds) for a total amount of UAH 12.6 million (from development of design and estimate documentation to execution of works).
- Capital repair of buildings of the Shostka Children's Hospital damaged as a result of armed aggression – 71 payment orders for a total amount of UAH 5.3 million.
- Complex of measures to eliminate emergencies and conduct technical inspections of buildings of budgetary institutions and residential buildings damaged as a result of Russian military aggression in Hostomel urban-type settlement, Kyiv region – 69 payment orders totaling UAH 1.9 million. Within this project, technical inspections of buildings were carried out with the preparation of relevant technical reports, compensation for performed inspections, as well as the elimination of emergency damage to residential buildings and real estate through recovery measures.

5. Verification of Payment Orders for Fund Refunds

Refunds of funds during contract execution are a common occurrence in the practice of repair and recovery works, as any recovery process may be accompanied by objective and administrative factors that necessitate adjustments to funds transferred by the contracting authority. Analysis of refund reasons makes it possible to identify several key drivers: erroneous transfers, changes in recipients' bank details, account closures, non-use of advance payments, as well as payment adjustments related to clarification of certificates of completed works or contractual terms.

Within the analysis of payment orders for 2024, it was established that 19 refunds were made for a total amount of nearly UAH 11 million across 17 projects.

Examination of the reasons for fund refunds allows for a deeper understanding of the financial and organizational processes that took place during the implementation of the analyzed projects in 2024. The most typical examples include:

- technical reasons – automatic crediting of funds to closed accounts or accounts with changed contractor details;
- erroneous transfers – cases of transferring funds to incorrect accounts or to incorrect recipients / for example, a refund was verified for payment for technical supervision of the capital repair of Kindergarten No. 8 in Odesa City due to incorrect bank details /;
- refund of unused advances – individual transactions carried out in accordance with contract terms / for example, for the project "Capital repair of a residential building at Sobornyi avenue 44, Zaporizhzhia, Ukraine," an unused advance was refunded /;
- results of inspections by control authorities – verified cases of fund refunds based on a certificate issued by the North-Eastern Office of the State Audit Service of Ukraine and an act of control measurements by the Southern Office of the State Audit Service of Ukraine in the Kherson region;
- clarification of certificates of completed works – for example, in the Khmelnytskyi region, fund refunds were recorded after adjustment of certificates related to the preparation of design and estimate documentation for projects in the village of Velykyi Karabchiiv (capital repair of a cultural center and an administrative building).

It should be noted that the predominant share of refunds in 2024 (approximately 70%) related to a single project, namely the capital repair of a residential building at Sobornyi avenue 44 in Zaporizhzhia City, which involved restoration of load-bearing structures damaged as a result of a missile strike. The total refund amount for this project was UAH 7.6 million (while a total of UAH 3 million was actually utilized for this project).

Although the share of such operations among all payment orders in 2024 remained relatively small – less than 1% – their systematic analysis is important for assessing the effectiveness of financial process organization. Such analysis enables not only the identification of potential weaknesses in internal control and accounting procedures but also the formation of a basis for improving fund management mechanisms at repair and recovery projects. In addition, analysis of refund reasons helps to understand the specifics of financial planning and interaction with contractors, particularly with regard to advance payments, changes in bank details, or adjustments in work volumes. At the same time, it should be emphasized that the fact of a refund cannot serve as a direct indicator of the degree of readiness or completion of projects, as a significant portion of such payments is related to advance payments for specific types of works and reflects primarily technical or organizational aspects of contract execution.

6. TOP-10 Projects by Amount of Funds Spent

To better understand the distribution of local budget funds allocated for recovery, the TOP-10 projects by the amount of local budget funds spent within budget programs 7372 – 7377 are examined in more detail (Fig. 6, Annex 2).

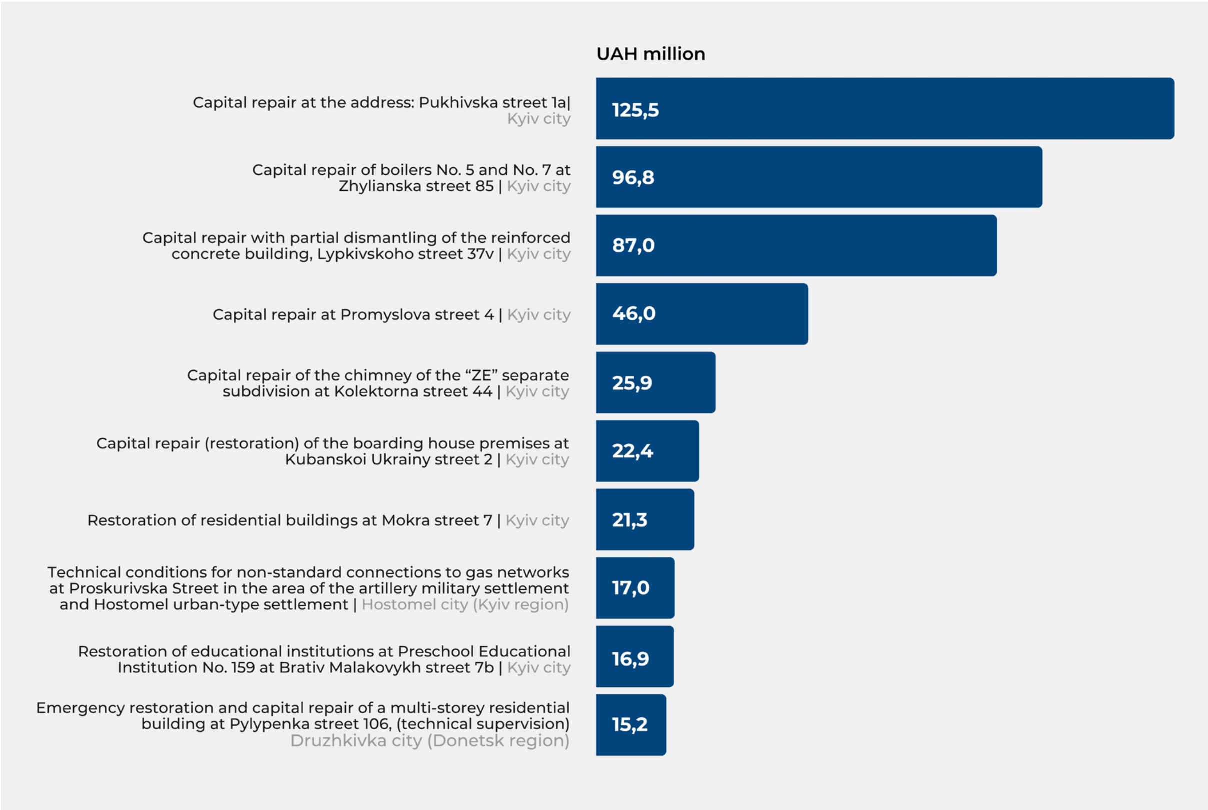

Figure 6. TOP-10 projects by amount of local budget funds spent[10], UAH million (see Annex 2 for details)

Source: authors' calculations

In the course of analyzing recovery projects implemented within local budgets, special attention was paid to five key projects distinguished by the scale of works and the largest volumes of financing:

[10] Local budget expenditures by budget programs 7372 – 7377 are presented

1. The most expensive project was the capital repair at Pukhivska street 1a, Kyiv City[11] with a total cost of UAH 125.47 million. The contracting authority was Kyivteploenerho Municipal Enterprise, and the main contractor was Eknis-Inzhyniring LLC, which provided services totaling UAH 115.8 million (92% of the total cost).

Technical supervision of the contractor's works was carried out by Proekt-Studiia LLC – UAH 142.4 thousand.

2. For the implementation of the capital repair of boilers No. 5 and No. 7 at the project located at 85 Zhylianska Street, Kyiv City, UAH 96.8 million was allocated.

The contracting authority was Kyivteploenerho Municipal Enterprise, which also commissioned technical and author supervision services. The main contractor was Atomrembud LLC, to which UAH 95.6 million (or almost 99%) was transferred during 2024 under contracts for capital repair and additional construction works. Technical supervision services were provided by Bahlai V.A. Individual Entrepreneur (totaling over UAH 0.6 million), while author supervision was carried out by Inzh-Stroi LLC (approximately UAH 0.58 million).

3. The capital repair of the residential building at Lypkivskoho street 37v, Kyiv City, amounted to UAH 86.96 million.

The contracting authority was Municipal Enterprise Zhitlobudinvest-UKB, which ensured work organization, technical supervision, and quality control of construction and installation works. The main contractor was BC Askon LLC, to which almost the entire project amount – UAH 84.5 million (97%) – was transferred during 2024. The scope of works included full restoration of load-bearing structures, roofing, facade, internal engineering networks, and improvement of the adjacent territory. Technical supervision and development of design documentation were carried out by Global-Pro LLC (approximately UAH 0.4 million).

4. For the implementation of the capital repair at Promyslova street 4, Kyiv City, UAH 46.02 million was allocated.

The contracting authority was Kyivteploenerho Municipal Enterprise, and the main contractor was Garant-Energo Research and Production Company LLC, which carried out a set of construction and installation works during 2024. The total value of contracts with the enterprise amounted to UAH 14 million. At the same time, the key equipment supplier was Zaporizhtransformator PJSC. Technical supervision services at the project

[11] An energy project classified under the "Other" category

were provided by Suchasne Budivnytstvo i Konsaltynh LLC and Proekt-Studiia LLC, with total payments of approximately UAH 150 thousand, while author supervision was ensured by Enerhostrim PE, totaling over UAH 154 thousand.

5. The top five is completed by a complex of capital repair works at Kolektorna street 44, Kyiv City, with a total cost of UAH 25.9 million.

The contracting authority was Kyivteploenerho Municipal Enterprise, which ensured organization, control, and technical supervision of project implementation. The main contractor for construction and installation works was Inventum Ukraina LLC, which, during 2024, carried out several stages of capital repair totaling UAH 25.6 million. To ensure appropriate quality and safety of the technical process, specialized organizations providing technical and author supervision were engaged – Arkon Engineering Company LLC and Proekt-Studiia LLC, previously mentioned above. The cost of supervision services amounted to approximately UAH 0.3 million, representing a standard share in the cost structure of capital repairs of this scale.

Within the analysis of the TOP-10 projects, in addition to the five key projects already reviewed in detail, the sample also includes five additional projects that complement the overall picture of the recovery of urban and regional infrastructure. Although these projects involve smaller amounts of financing, they have significant social and functional importance, covering the housing, educational, and social service sectors. These include:

- UAH 22.4 million – capital repair of a boarding house for labor veterans at Kubanskoi Ukrainy street 2, Kyiv City;
- UAH 21.3 million – recovery works in a residential building at Mokra street 7, Kyiv City;
- UAH 17.0 million – technical measures and non-standard connection of gas networks in Hostomel urban-type settlement, Kyiv region;
- UAH 16.9 million – capital repair of the damaged building of Preschool Educational Institution No. 159 at Brativ Malakovykh street 7b, Kyiv City;
- UAH 15.2 million – emergency recovery and capital repair of a multi-storey residential building at Pylypenka street 106, Druzhkivka City, Donetsk region.

In total, the TOP-10 projects form a cluster with an aggregate value of UAH 474 million, which accounts for approximately 37% of the total volume of financing allocated for recovery within the analyzed sample.

7. TOP-10 Contracting Authorities and Fund Recipients

Of interest is the presentation of the TOP-10 contracting authorities (budget holders) and recipients (contractors) of local budget funds under budget programs 7372 – 7377. It should be noted that the contracting authorities shown in Figure 7 accumulated almost 59% of the analyzed funds (UAH 753.5 million), while the recipients (contractors) shown in Figure 8 accounted for more than 37% of these funds (UAH 477.5 million).

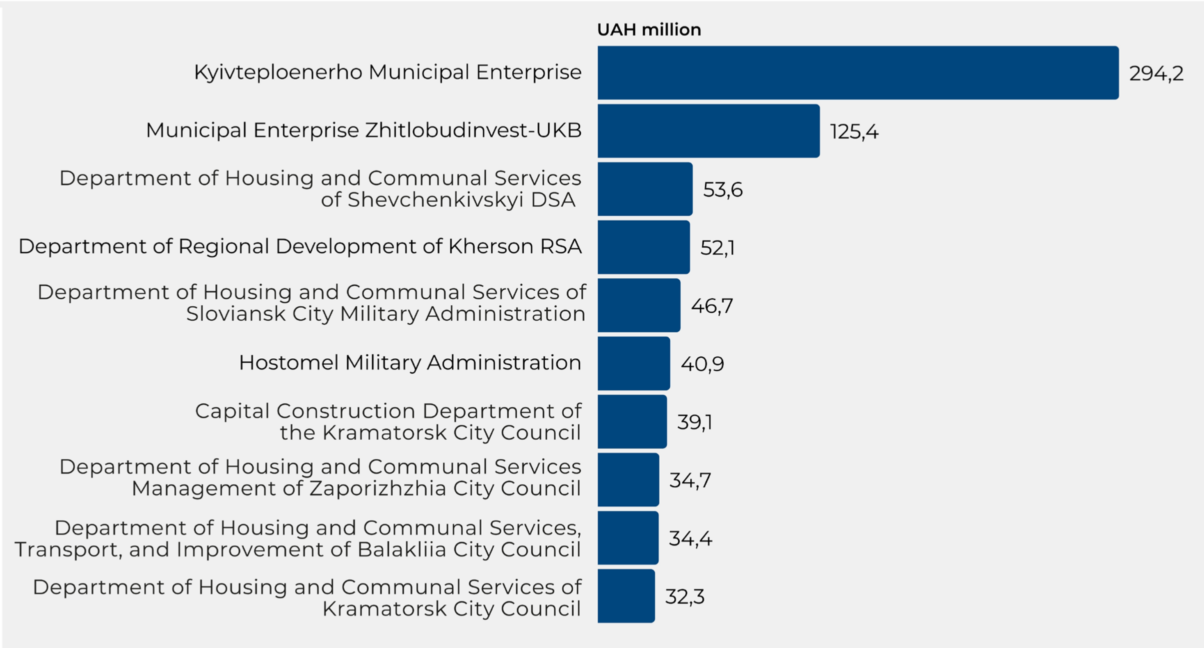

Figure 7. TOP-10 Contracting authorities (budget holders) of local budget funds[12], UAH million

Source: authors' calculations.

According to Figure 7, the largest volume of local budget funds under budget programs 7372 – 7377 in 2024 was allocated to Kyivteploenerho Municipal Enterprise, which implemented recovery works at four energy projects in Kyiv City, totaling UAH 294.2 million. At the same time, Municipal Enterprise Zhitlobudinvest-UKB ensured the implementation of works at 13 housing projects in the capital, totaling UAH 125.4 million, indicating active involvement in the recovery of housing infrastructure. The top three are completed by the Department of Housing and Communal Services of Shevchenkivskyi DSA, which financed the recovery of 53 housing projects totaling UAH 53.6 million. Thus, the majority of financing within the TOP-3 contracting authorities is concentrated on the recovery of energy and housing projects in Kyiv City, reflecting the priority of restoring critical and socially important infrastructure in the capital.

[12] Local budget expenditures by budget programs 7372 – 7377 are presented.

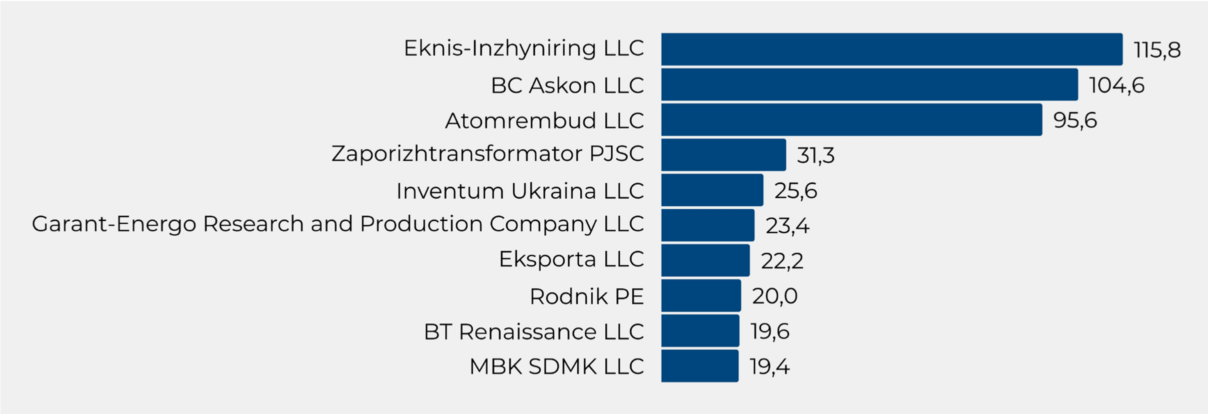

Figure 8. TOP-10 recipients (contractors) of local budget fund[13], UAH million

Source: authors' calculations.

Figure 8 shows that the largest amount of budget funds was allocated to Eknis-Inzhyniring LLC for capital repairs at Pukhivska street 1a, Kyiv City. The next in the ranking was BC Askon LLC, which during 2024 carried out construction and capital repairs at three residential projects in Kyiv City, namely at Lypkivskoho Street 37v, Lobanovskoho avenue 4v, and Mokra street 7. The most expensive among these projects was the capital repair of the residential building No. 37-V at Lypkivskoho Street with partial dismantling of damaged elements (reinforced concrete structures) amounting to UAH 84.5 million, or almost 81% of the funds spent by BC Askon LLC.

The third largest recipient of budget funds was Atomrembud LLC, which implemented the previously mentioned project, namely the capital repair of boilers No. 5 and No. 7 at Zhylianska street 85, Kyiv City, totaling UAH 95.6 million.

Overall, in 2024, there were:

- 128 contracting authorities, which is 40 more than in 2023;
- 606 recipients, which is 321 more than in 2023.

On the one hand, this indicates an expansion of recovery efforts, increased activity of local authorities, and involvement of a larger number of enterprises in project implementation. On the other hand, the growth in the number of contracting authorities and contractors complicates coordination, monitoring, and control over the use of budget funds. Risks of delays in project implementation increase, as do inconsistencies in reporting and expenditure transparency. Accordingly, this trend requires strengthening management mechanisms, improving control procedures, increasing the accountability of contracting authorities, and introducing modern digital monitoring tools.

[13] Local budget expenditures by budget programs 7372 – 7377 are presented.

8. Specific Features of Project Implementation Depending on the Month of the Year

A monthly analysis of fund utilization within the analyzed recovery programs is an important stage in assessing the effectiveness of financial support for these measures. This approach makes it possible not only to quantitatively track the movement of relevant local budget funds but also to systematically examine patterns of their utilization, which is critical for managerial decision-making and strategic planning.

In particular, a detailed analysis makes it possible to:

- Identify regularity and seasonal fluctuations in financial support, reflecting the specifics of work organization.
- Determine periods of intensive fund allocation for individual projects, enabling forecasting of resource needs and assessment of compliance with work schedules.
- Identify potential organizational, procedural, or regulatory barriers that slow down program implementation.
- Assess the adaptability of contracting authorities to changes in budget planning, external challenges, or unforeseen circumstances.

Thus, a systematic monthly analysis of financial support under recovery programs not only reveals characteristic trends in budget fund utilization but also makes it possible to assess management effectiveness, identify weaknesses, and optimize the use of local budget funds. Attention is therefore focused on the specifics of monthly utilization of the relevant funds (Fig. 9), which constitutes a key stage of the comprehensive assessment of program implementation performance.

Figure 9 shows a significant unevenness in the utilization of local budget funds throughout the year, indicating a seasonal and procedurally driven nature of financing. The highest expenditure volumes were recorded in December – UAH 526.2 million (41% of the annual volume), when the maximum number of payment orders was also executed – 1,340 (36%). Such concentration of transactions at year-end is typical for the budget process and reflects the intention of contracting authorities to ensure maximum utilization of budget allocations before the end of the budget period. In November, UAH 172.8 million, or 13% of funds, were utilized, indicating intensification of program implementation ahead of the completion of the budget cycle.

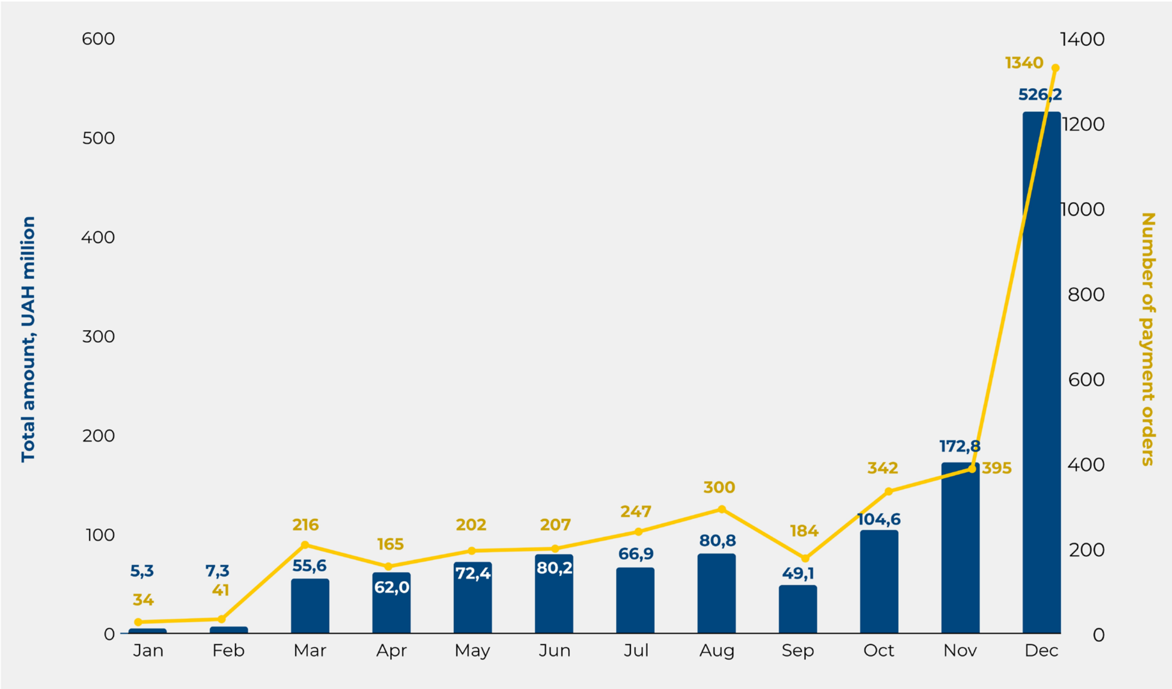

Figure 9. Monthly utilization of local budget funds for recovery[14], UAH million

Source: authors' calculations.

In the first half of the year, activity remained moderate – from UAH 5.3 million in January (0.4%) to UAH 80.2 million in June (6%), which may be explained both by organizational factors at the beginning of the budget year and by delays in approving certain projects. The lowest indicators in January–February (together, only 1.4% of the annual volume) indicate the traditional inertia of the initial stage of financing.

A more detailed analysis makes it possible to trace the specific days of the year on which the highest cash payments were made by the Treasury (Fig. 10).

In 2024, the largest payment volumes were concentrated on individual days, with a clearly pronounced dominance of December dates. Overall, the TOP-10 days by the number of executed transactions account for more than 39% of total annual expenditures (UAH 502.4 million).

[14] Local budget expenditures by budget programs 7372 – 7377 are presented.

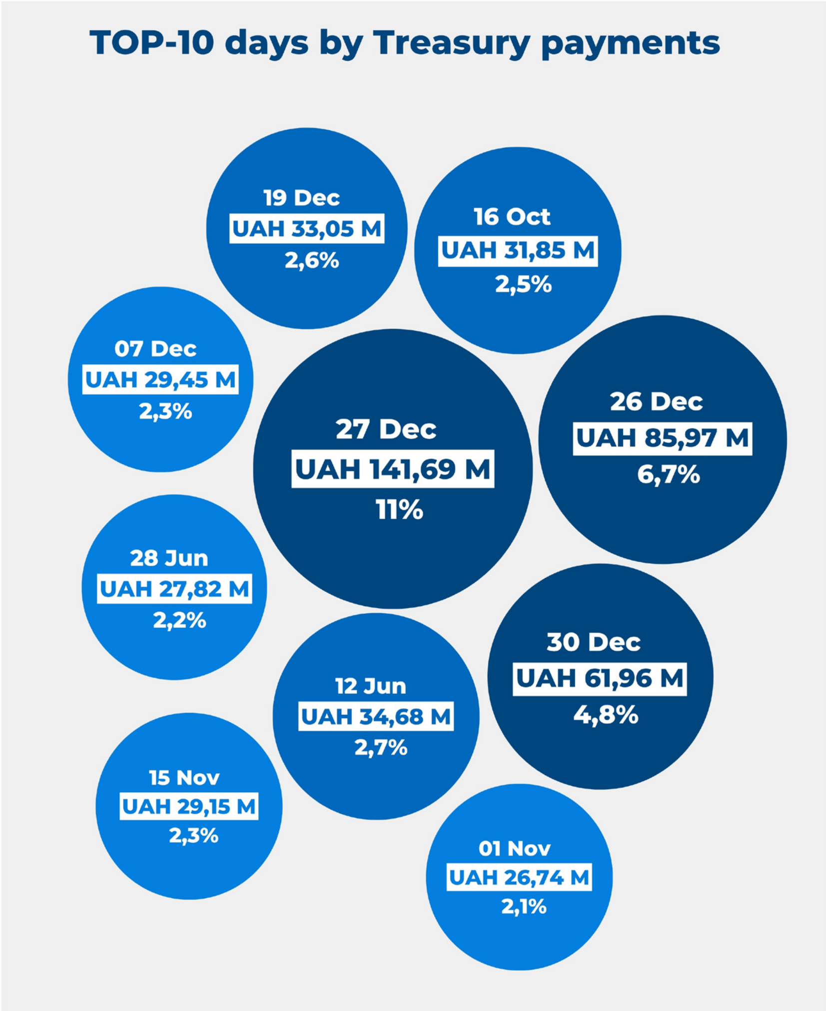

Figure 10. TOP-10 days by Treasury payments related to the use of local budget funds[15], UAH million

Source: authors' calculations

An absolute peak of activity occurred on 27 December, with financing amounting to UAH 141.7 million (11%). This was followed by 26 December (UAH 85.97 million, 6.7%), 30 December (UAH 61.96 million, 4.8%), and 19 December (UAH 33.05 million, 2.6%). In total, December accounts for approximately 70% of all payments included in the TOP-10 days, indicating the budget-process-typical year-end surge.

It should be noted that, according to the Treasury operating regulations (Order No. 355 dated 29.11.2024)[16]:

[15] Local budget expenditures by budget programs 7372 – 7377 are presented.

[16] https://www.treasury.gov.ua/news/informatsiia-do-uvahy-rozporiadnykiv-oderzhuvachiv-biudzhetnykh-koshtiv-ta-platnykiv-podatkiv-shchodo-roboty-v-period-zavershennia-biudzhetnoho-2024-roku-ta-pochatku-2025-roku

- The last day for executing client payments in 2024 was 27 December, and for expenditures related to national security, defense, and measures under the legal regime of martial law, 30 December 2024.
- acceptance of clients' electronic documents from the remote service system "Client-Treasury – Treasury" into the accounting systems AS "E-Kazna Revenues" and AS "E-Kazna" was carried out on 27 and 30 December 2024 until 17:30, and on 28 and 29 December 2024 until 16:00;
- Treasury authorities did not accept electronic documents from 31 December 2024 to 01 January 2025.

Figure 11 presents the daily actual distribution of the Fund's resources in December 2024, formed based on the grouping of Treasury payment orders by payment dates.

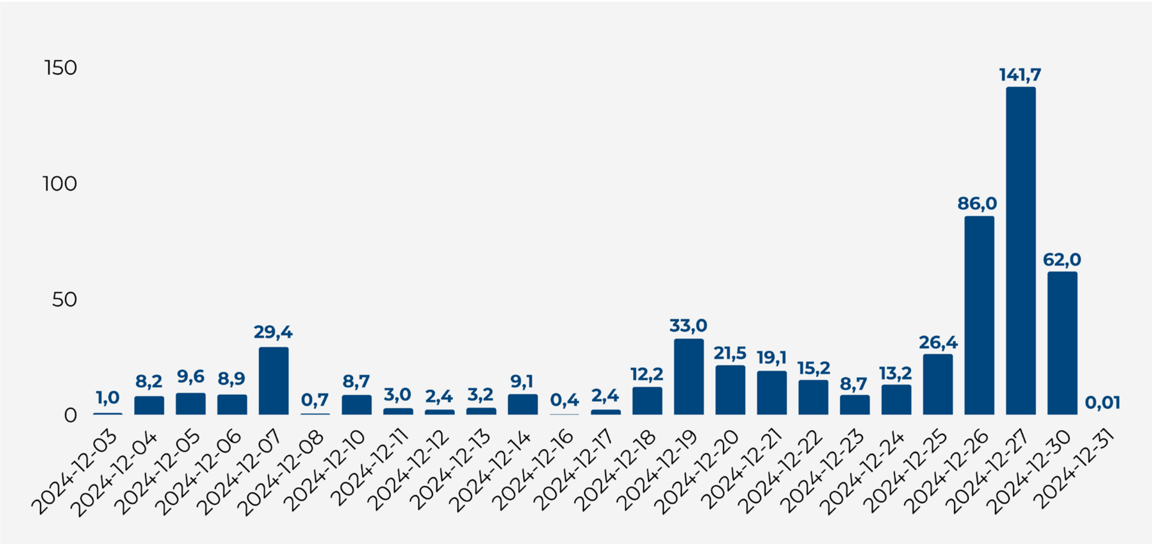

Figure 11. Daily Local budget expenditures in December 2024[17], UAH million

Source: authors' calculations.

By systematizing and summarizing the data on payment dynamics in December 2024, the following conclusions can be drawn:

- In December 2024, main spending units executed payments totaling UAH 526 million, which accounts for 41%of the analyzed funds;
- During the first half of December (up to and including the 15th), payments were moderate, totaling UAH 84 million, or only 16% of the monthly volume;

[17] Taking into account refunds (where applicable). Local budget expenditures by budget programs 7372 – 7377 are presented.

- The most active financing phase occurred in the second half of the month (from 18 to 30 December), during which UAH 439 million or approximately 83% of December payments were executed;
- The largest share of payments was made on 27 December – the last day for executing expenditure transfers – UAH 141.7 million, representing 27% of December expenditures;
- In December, transactions were carried out on almost all days, except 9 December (Monday), 15 December(Sunday), and 28–29 December (days when the Treasury was not authorized to execute payments);
- On 30 and 31 December – days when, under the regulations, the Treasury was not authorized to execute payments – transactions totaling UAH 62 million were nevertheless carried out.

It should be noted that, in violation of the Treasury regulations, 7 transactions across 4 projects were executed on 30–31 December 2024. Of these, only 2 payment orders were submitted on 27 December, 4 on 30 December, and 1 on 28 December. Accordingly, the main share of these payments (4 transactions totaling more than UAH 61 million) was executed by Kyivteploenerho Municipal Enterprise in favor of Eknis-Inzhyniring LLC for additional construction works under the capital repair project at 1-A Pukhivska Street, Kyiv City. One additional transaction (UAH 97.9 thousand) was executed by Capital Construction Directorate of Shostka City Council in favor of Vysokovoltniy Soyuz - RZVA LLC for design works. Two other payment orders, submitted on 27 December but executed on 30–31 December for a total amount of UAH 13.8 million, related to the recovery of housing stock in Kyiv City (capital repairs of residential buildings at Polkova street 55 and Polkova street 61, Podilskyi District).

Particularly indicative is 27 December, when the highest intensity of transactions and the maximum volume of financed expenditures were observed. Analysis of this day makes it possible to identify characteristic features of the completion of the budget year and the specifics of financial resource allocation. Figure 12 presents the dynamics of local budget fund utilization throughout 27 December 2024.

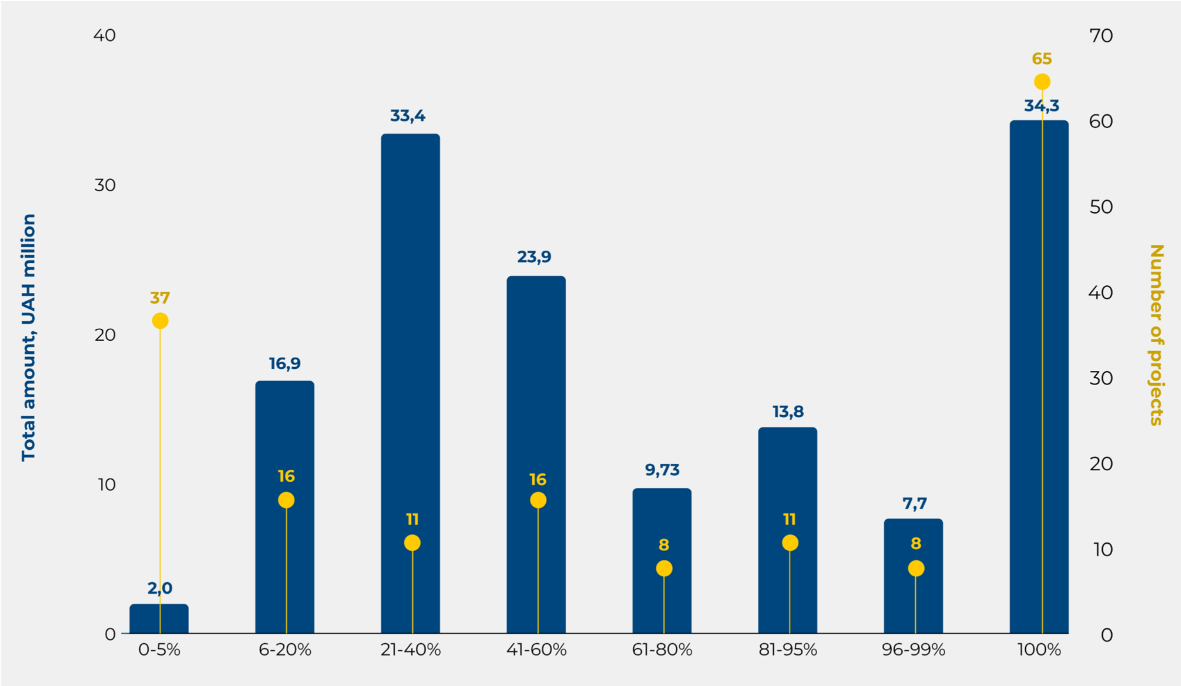

Figure 12. Distribution of projects depending on the share of payments executed by the Treasury on 27 December[18]

Overall, on 27 December, 343 payments were executed across 172 projects for a total amount of UAH 141.7 million. The largest number of payments was related to the recovery of housing stock (228 payment orders across 128 projects totaling UAH 54.4 million) and educational institutions (63 payment orders across 23 projects totaling UAH 34.9 million). In total, financing of housing stock and educational institutions accounted for 85% of all payment orders executed on 27 December and 63% of the total amount of payments dated 27 December 2023.

It can also be stated that on 27 December, 100% payment was executed for 65 projects totaling UAH 34.3 million (i.e., no other payments were made during the year). In addition, for 8 projects, payments covered 96–99% of total expenditures amounting to UAH 7.7 million, and for another 11 projects, 81–95% amounting to UAH 13.8 million. This situation again indicates tha at the end of the budget year, financing is maximally concentrated on completing recovery works for housing stock and educational institutions.

Among 128 contracting authorities of local budgets, 45 or 35% of the total number (for comparison, 63% in 2023) executed expenditures under budget programs 7372 – 7377 specifically on 27 December. A significant share of payments dated 27 December (UAH 96.5 million, or 68% of the total amount) was concentrated among key contracting authorities, including:

[18] Local budget expenditures by budget programs 7372 – 7377 are presented.

- Kyivteploenerho Municipal Enterprise – UAH 37.9 million;
- Department of Regional Development of Kherson RSA – UAH 16.5 million;
- Department of Housing and Communal Services of Izium City Council – UAH 12.5 million;
- Center for Financing and Administrative Services of Educational Institutions of Peresyp District, Odesa – UAH 7.9 million;
- Department of Municipal Economy of Odesa City Council– UAH 7.5 million;
- Department of Education of Shevchenkivskyi DSA – UAH 7.4 million;
- Department of Housing and Communal Services Management of Zaporizhzhia City Council – UAH 6.8 million.

9. Data Verification Risks

During the verification of data on the use of local budget funds under budget programs 7372 – 7377 allocated for the recovery of damaged projects, a number of systemic issues were identified that complicate the provision of complete, reliable, and comparable information. These budget programs cover areas related to the elimination of the consequences of armed aggression and the recovery of housing and communal, social, and transport infrastructure. Verification of these data is of key importance for assessing the effectiveness of local recovery programs and for comparing funding volumes at the local and state levels.

However, an analysis of available sources, particularly data from spending.gov.ua and openprocurement.org, revealed significant discrepancies in the structure, completeness, and quality of the information. Problems arise both at the stage of initial data entry by contracting authorities and during the integration of different datasets, which makes it impossible to form a comprehensive analytical picture of fund flows. The identification of issues in verifying data on projects, collecting payment orders, and processing tenders confirmed that the verification process requires manual data processing, clarification of sources, and additional requests, significantly increasing the resource intensity of analytical work. Each of the identified issues is considered in more detail below.

9.1. Limited Openness of Data on Fund Allocation

One of the key issues is the limited openness of decisions on allocating funds for recovery within territorial communities. Relevant documents are not always published on official websites or are disclosed with significant delays. In most cases, obtaining information requires individual requests to local authorities, which demands considerable time and organizational resources from both analytical centers and communities themselves. As a result, verification is usually carried out only on the basis of actual expenditures, without the ability to trace the full cycle from decision-making to financial implementation.

In addition, a significant share of procurements is conducted in an aggregated format, where one tender procedure covers several projects or types of works. As a result, an individual project may receive financing both through specialized tenders and within general procurements covering multiple projects simultaneously. This practice complicates data structuring and creates risks of double-counting or incomplete identification of funds allocated to a specific project.

9.2. Key Challenges in Working with Spending Data

The main source of information for verifying actual expenditures under budget programs 7372 – 7377 is the Unified Web Portal of Public Funds Use (Spending), as it contains data on all payments executed by budget fund managers. However, this system also presents a number of challenges, the main one being the manual entry of payment purpose information by contracting authorities. As a result, errors, duplications, or incomplete records occur. The key issues identified include:

- extensive use of abbreviations, acronyms, and non-unified designations of financed projects;
- typos and errors in project names, contract numbers, and contract dates;
- mixed use of symbols (Latin instead of Cyrillic or vice versa) in payment purposes and tender identifiers, preventing automated data matching;
- absence of references to relevant tenders in some payment orders, complicating the linkage between actual payments and tender procedures;
- incomplete information on refund transactions prevents the assessment of the full scope of fund movements.

All of these issues result in data fragmentation and require manual verification of records, without which the effectiveness of verification and analytical processing is significantly reduced.

9.3. Issues in Using Tender Information

To partially address these shortcomings, parallel verification is conducted using data from openprocurement.org, which contains information on tenders, contracts, and procurement plans. However, this source also has limitations. The data are characterized by variable quality, incompleteness, and unclear correspondence between documents, tenders, and contracts. The main issues identified include:

- presence of confidential information (individual entrepreneur identification codes, information on high-security projects) without proper access control;
- incomplete or outdated data, where part of the expenditures remains at the "planning" stage without transitioning to contracts;
- technical discrepancies between contracts registered in the system and actual documents;
- absence of some tenders for which payments were executed;
- non-unified data on procurement participants, complicating counterparty identification.

Thus, the combination of these issues creates structural limitations for building a reliable, verified recovery database. Available data are often fragmented, incomplete, or weakly linked, preventing full automation of verification processes and requiring manual checks, cross-comparisons, and additional requests to budget fund managers.

Accordingly, improving data quality requires institutional enhancement of public finance systems, including standardization of payment document completion, unification of tender information formats, establishment of access control mechanisms for confidential data, and ensuring full disclosure of financial transactions. Without addressing these issues, building a comprehensive and reliable recovery monitoring system remains limited and highly time-consuming.

9.4. Discrepancies Between the Expenditure Database and Treasury Reporting

During analysis of fund utilization under budget program code 7375[19] in the **Zaporizhzhia City territorial community**, significant difficulties were identified in verifying expenditures and reconciling them with Treasury reporting data. According to Treasury data, expenditures under this code amounted to UAH 67.6 million. However, verification of all available sources revealed a discrepancy of UAH 21.8 million, which required further verification and clarification.

Experience with the Zaporizhzhia City territorial community shows that clarifying these data requires sending individual requests to each payer. In total, six payers were identified under this program, and requests were sent to each of them on **21 July 2025**.

[19] Implementation of projects (measures) for the restoration of housing stock projects damaged or destroyed as a result of armed aggression, financed from local budget funds.

During the first month, responses were received from only three payers:

- District Administration of Komunarskyi District of Zaporizhzhia City Council – all payments confirmed as correct, without refunds;
- District Administration of Zavodskyi District of Zaporizhzhia City Council – all payments confirmed as correct, without refunds;
- Blahoustrii Municipal Enterprise of Zaporizhzhia City Council reported a refund totaling UAH 1,271.03.

Subsequently, on 26 August 2025, an appeal was submitted via the Cabinet of Ministers of Ukraine regarding the remaining payers, which prompted responses, in particular:

- District Administration of Shevchenkivskyi District of Zaporizhzhia City Council confirmed all payments as correct, without refunds.
- Department of Housing and Communal Services Management of Zaporizhzhia City Council initially reported the absence of payment orders totaling **UAH 19.94 million** (paid from the development budget through **Ukrgasbank JSC**), but after an additional request, provided copies of the relevant payment orders.
- Department of Capital Construction Municipal Enterprise reported the absence of payments totaling UAH 1.87 million executed from the development budget (special fund), but, after an additional request, likewise provided copies of the payment orders.

It should be noted that some payments are not reflected in **E-data**, as the community executes them outside Treasury accounts. While this practice does not violate current legislation, it contradicts the principle of open data and significantly complicates control over fund use. This situation clearly demonstrates that the absence of public information necessitates additional requests to obtain copies of payment orders. When such payments are reflected in E-data, the verification process is simplified for both analysts and communities, avoiding additional inquiries.

The situation in the Zaporizhzhia City territorial community is not isolated. Similar issues exist in other communities. For example, in the Svesa territorial community (Sumy region), under the same budget program code 7375, out of a total amount of UAH 2.15 million, only UAH 0.82 million in local budget payments were verified. However, responses to requests clarified that the remaining UAH 1.33 million was received from other sources, namely, as in-kind assistance:

- construction materials for reconstruction of a residential building damaged as a result of armed aggression at Zavodska street 8, Svesa village, provided by the Office of the United Nations High Commissioner for Refugees (Switzerland) – UAH 1.08 million;

- metal-plastic window structures for a dormitory at **Heroiv Sumshchyny Street 2, Svesa village**, provided by **Okonika LLC – UAH 0.25 million**.

Another example of response-related issues is the Balakliiska territorial community: under budget program code 7375[20] the discrepancy amounted to UAH 0.13 million (UAH 29.58 million verified versus UAH 29.71 million according to Treasury reporting), and under budget program code 7377[21] – **UAH 3.64 thousand** (**UAH 13.318 million** versus UAH 13.321 million, respectively). Requests to the Department of Housing and Communal Services, Transport, and Improvement of Balakliia City Council were sent on 18 July 2025, but no responses were received by the time of preparation of this study. A subsequent appeal via the Cabinet of Ministers of Ukraine also yielded no results, necessitating an additional direct request to the city council.

Thus, not all communities respond in a timely manner to requests for payment clarification. In cases where actual payment orders do not match Treasury reporting, submitting requests remains the only mechanism for identifying the causes of discrepancies. Although responses are eventually received in most cases, delays may last weeks or months, significantly complicating control over fund use and reducing transparency of the budget process. This practice indicates the existence of organizational barriers to ensuring openness and timeliness of public information, which is a critical condition for effective expenditure verification.

[20] Implementation of projects (measures) for the restoration of housing stock projects damaged or destroyed as a result of armed aggression, financed from local budget funds.

[21] Implementation of projects (measures) for the restoration of other municipally owned projects damaged or destroyed as a result of armed aggression, financed from local budget funds.

Conclusions

1. In 2024, a significant increase is observed in both the number of projects and the volume of local budget expenditures – 987 projects totaling UAH 1.28 billion, compared to 481 projects totaling UAH 0.4 billion in 2023. This indicates the full-year operation of recovery programs and a transition from crisis response to systemic management of recovery processes at the local level.

2. The expenditure structure has changed – priorities have shifted from educational institutions toward housing stock and infrastructure projects. This reflects growing community needs for basic infrastructure after destruction, as well as the increased complexity and cost of project implementation.

3. Local budget expenditures are concentrated in several key regions – Kyiv city (45% of funds, high average cost per project) and Donetsk region (12% of funds, a significant number of housing and educational projects). This highlights the uneven territorial nature of recovery, determined both by the scale of damage and by strategic priorities.

4. The smallest numbers of projects and expenditures in the Ternopil region, Poltava region, and Chernihiv region indicate the local nature of works and the importance of technical supervision and preparatory activities, pointing to a differentiated approach to financing small and large projects depending on the region.

5. Housing stock accounts for 75% of all recovery projects (744 projects), while the average cost per housing project is lower compared to other types (UAH 0.83 – 0.86 million). This indicates the large-scale and mass nature of low-cost repair works.

6. The highest average expenditure per project is observed for educational institutions and healthcare projects (UAH 1.45 – 2.0 million), as well as the "other" category in Cluster II (up to UAH 9.6 million). This reflects the specifics of complex energy and critical infrastructure projects and the need for specialized work and equipment.

7. For the vast majority of projects (71%), 1 – 3 payment orders were executed. At the same time, a small group of projects (less than 5%) had more than 10 payment orders, which may reflect the complexity of large or integrated projects and potential bureaucratic complications affecting recovery speed.

8. Refunds during repair and recovery works in 2024 occurred mainly due to technical, administrative, and contractual nuances (unused advances, changes in banking details, clarification of acceptance certificates). Seventy percent of refunds were concentrated in one large-scale project in Zaporizhzhia, indicating risk concentration in large projects.

9. Although refunds accounted for a small share of total payments (<1%), their systematic analysis helps identify weaknesses in internal control and financial planning and provides a basis for improving fund management and contractor interaction.

10. The TOP-10 projects form a cluster with a total value of UAH 474 million, representing 37% of total recovery financing. Key projects are concentrated in the capital's critical infrastructure and housing stock, confirming the priority of strategic and socially significant projects.

11. The largest expenditures were directed toward energy projects and large-scale capital repairs of residential buildings, reflecting a balanced approach to the simultaneous recovery of social and critical infrastructure.

12. The main share of financing (59%) is concentrated among the TOP-10 contracting authorities, while more than 37% of funds were received by the TOP-10 contractors. This indicates a high concentration of budget resources among key participants in the recovery process and necessitates strengthened coordination and control.

13. The increase in the number of contracting authorities and contractors in 2024 compared to 2023 reflects greater engagement of local authorities and expansion of recovery scales, but at the same time creates challenges related to monitoring efficiency, transparency, and timeliness of project execution.

14. The largest share of funds was disbursed in December 2024 (41% of the annual total), with a peak on 27 December, demonstrating a typical year-end budget payment surge and the need for more even distribution of resources throughout the year.

15. Activity during the first half of the year remained moderate (0.4 – 6% of the annual total, or nearly 4% on average), reflecting organizational and procedural factors at the beginning of the budget year and the need for better planning of early project implementation stages.

16. Detailed analysis of daily payments in December shows the dominance of key contracting authorities and strategically important projects at year-end, confirming the concentration of financial risks in the final stages of project implementation and the need for enhanced control and budget planning.

17. The data verification process for local budget expenditures under budget programs 7372 – 7377 has structural limitations – data are fragmented, incomplete, and non-unified, preventing full automation of verification and requiring manual processing. This significantly increases time and resource costs for both analytical centers and local authorities.

18. Key open data sources (spending.gov.ua and openprocurement.org) contain numerous errors – duplicated records, missing links between payments and tenders, inconsistent project names and abbreviations, and technical discrepancies in contracts. These issues create risks of double-counting and fragmented analysis, undermining the reliability of expenditure efficiency assessments.

19. Limited openness of funding allocation decisions at the community level, delayed or incomplete disclosure of information, and the need for individual requests significantly complicate recovery data verification. In addition, some payments bypass Treasury accounts, creating additional "blind spots" for verification and increasing risks of non-transparent resource use.

20. Cases from the Zaporizhzhia, Svesa, and Balakliia communities demonstrate that even minor discrepancies between Treasury data and actual payments may reach tens of millions of hryvnias. Verification of such payments requires additional requests and extended time, slowing analytical processes and limiting timely decision-making.

21. Improving verification quality and efficiency requires institutional enhancement – standardization of payment document completion, unification of tender information formats, access control for confidential data, and full disclosure of all financial transactions. Without these measures, building a comprehensive monitoring and verification system will remain limited and time-consuming.

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Appendices

Appendix 1. Regional distribution of local budget expenditures allocated for the recovery of projects damaged or destroyed as a result of armed aggression[22], UAH million

Region	Indicator	Categories						TOTAL
		Housing	Education	Other	Healthcare	Administrative	Culture	
	Budget Program Code	7375	7372 7374 7377	7373 7374 7376 7377	7373	7374 7377	7374 7375 7377	
Donetsk	number of projects	93	45	5	5	1	5	**154**
	amount spent	91,61	42,35	4,58	10,09	0,98	2,82	**152,42**
	average cost of recovery per project	0,99	0,94	0,92	2,02	0,98	0,56	**0,99**
Zaporizhzhia	number of projects	185	3					**188**
	amount spent	75,63	0,10					**75,73**
	average cost of recovery per project	0,41	0,03					**0,40**
Sumy	number of projects	10		3	1	1	1	**16**
	amount spent	4,17		3,94	5,34	0,53	0,71	**14,69**
	average cost of recovery per project	0,42		1,31	5,34	0,53	0,71	**0,92**

[22] The distribution of local budget expenditures by budget programs 7372 – 7377 is presented.

Kherson	number of projects	29	23	10	6	5	1	**74**
	amount spent	37,58	41,49	11,00	11,82	10,84	0,14	**112,88**
	average cost of recovery per project	1,30	1,80	1,10	1,97	2,17	0,14	**1,53**
Dnipropetrovsk	number of projects	26	7					**33**
	amount spent	26,70	7,05					**33,74**
	average cost of recovery per project	1,03	1,01					**1,02**
Mykolaiv	number of projects		7	1	1		1	**10**
	amount spent		27,33	0,48	0,28		1,80	**29,88**
	average cost of recovery per project		3,90	0,48	0,28		1,80	**2,99**
Chernihiv	number of projects	1	1					**2**
	amount spent	0,41	0,25					**0,66**
	average cost of recovery per project	0,41	0,25					**0,33**
Kharkiv	number of projects	87	9	14		2	2	**114**
	amount spent	77,15	19,90	10,84		4,74	2,29	**114,92**
	average cost of recovery per project	0,89	2,21	0,77		2,37	1,14	**1,01**
Kyiv	number of projects	103	18	1	3	3	6	**134**
	amount spent	58,05	33,77	1,88	0,98	2,02	3,58	**100,28**
	average cost of recovery per project	0,56	1,88	1,88	0,33	0,67	0,60	**0,75**
Rivne	number of projects		3					**3**
	amount spent		3,10					**3,10**
	average cost of recovery per project		1,03					**1,03**

Ternopil	number of projects	1						**1**
	amount spent	0,01						**0,01**
	average cost of recovery per project	0,01						**0,01**
Khmelnytskyi	number of projects	1	1		1	1	2	**6**
	amount spent	1,01	0,34		0,15	0,24	0,25	**1,99**
	average cost of recovery per project	1,01	0,34		0,15	0,24	0,12	**0,33**
Poltava	number of projects			1				**1**
	amount spent			0,03				**0,03**
	average cost of recovery per project			0,03				**0,03**
Odesa	number of projects	123	21	1			1	**146**
	amount spent	42,45	22,64	0,54			0,30	**65,93**
	average cost of recovery per project	0,35	1,08	0,54			0,30	**0,45**
Kyiv city	number of projects	85	12	5	1	1		**104**
	amount spent	227,13	29,17	316,61	3,60	0,57		**577,08**
	average cost of recovery per project	2,67	2,43	63,32	3,60	0,57		**5,55**
TOTAL	**number of projects**	**744**	**150**	**41**	**18**	**14**	**19**	**986**
	amount spent	**641,90**	**227,49**	**349,89**	**32,26**	**19,92**	**11,88**	**1283,34**
	average cost of recovery per project	**0,86**	**1,52**	**8,53**	**1,79**	**1,42**	**0,63**	**1,30**

Source: authors' calculations.

Appendix 2. TOP-10 projects by the amount of local budget funds spent[23]

No.	Amount of expenditures, UAH million	Type of project	Budget program code	Location	Recovery project	Contracting authority
1	125,47	Other	7376	Kyiv city	Capital repair at the address: Pukhivska street 1a, Kyiv City	Kyivteploenerho Municipal Enterprise
2	96,82	Other	7376	Kyiv city	Capital repair of boilers No. 5 and No. 7 at Zhylianska street 85, Kyiv city.	Kyivteploenerho Municipal Enterprise
3	86,96	Housing	7375	Kyiv city	Capital repair with partial dismantling of the reinforced concrete building, Lypkivskoho street 37v, Kyiv city.	Municipal Enterprise Zhitlobudinvest-UKB
4	46,02	Other	7376	Kyiv city	Capital repair at Promyslova street 4, Kyiv city.	Kyivteploenerho Municipal Enterprise
5	25,92	Other	7376	Kyiv city	Capital repair of the chimney of the "ZE" separate subdivision at Kolektorna street 44, Kyiv city.	Kyivteploenerho Municipal Enterprise
6	22,37	Other	7374	Kyiv city	Capital repair (restoration) of the boarding house premises at Kubanskoi Ukrainy street 2, Kyiv city.	Kyiv boarding house for labor veterans
7	21,30	Housing	7375	Kyiv city	Restoration of residential buildings at Mokra street 7, Kyiv city.	Municipal Enterprise Zhitlobudinvest-UKB
8	17,04	Housing	7375	Hostomel (Kyiv region)	Technical conditions for non-standard connections to gas networks at Proskurivska Street in the area of the artillery military settlement and Hostomel urban-type settlement.	Hostomel Military Administration
9	16,89	Education	7372	Kyiv city	Restoration of educational institutions at Preschool Educational Institution No. 159 at Brativ Malakovykh street 7b, Kyiv city.	Municipal Enterprise Zhitlobudinvest-UKB
10	15,22	Housing	7375	Druzhkivka (Donetsk region)	Emergency restoration and capital repair of a multi-storey residential building at Pylypenka street 106, Druzhkivka city (technical supervision).	Capital Construction Department Municipal Enterprise of Druzhkivka City Council

[23] Local budget expenditures by budget programs 7372 – 7377 are presented.

Notes