



GREEN CITIES, INFRASTRUCTURE AND ENERGY PROGRAMME (GCIEP)

Applying the UK's Five Case Model in Ukraine's Public Investment Management System and Project Pipeline: Lessons learned

Overview

The Green Cities, Infrastructure and Energy Programme (GCIEP), together with the UK's National Infrastructure and Service Transformation Authority (NISTA), has supported the Government of Ukraine's efforts to strengthen public investment management (PIM) by introducing and operationalising the UK's Five Case Model (5CM). This has helped embed structured business-case methodologies into Ukraine's regulatory framework, through Cabinet of Ministers Resolution 527, and integrate these approaches into Ukraine's PIM system, Digital Restoration Ecosystem for Accountable Management (DREAM). This has in turn strengthened the coherence of the national Single Project Pipeline (SPP) as the central mechanism for prioritising reconstruction investments, as well as raising the quality of local restoration project pipelines.

The experience demonstrates that introducing a structured project

preparation framework during a period of largescale reconstruction presents both opportunities and challenges. 5CM has introduced a common analytical language for project justification and, together with major digital reforms, made decision-making more transparent across a rapidly expanding investment portfolio. At the same time, Ukraine's investment system is still adapting to the practical requirements of applying structured appraisal methodologies across thousands of projects and institutions with highly variable levels of capacity and project maturity.

The lessons in this document draw on three main sources of evidence:

- (i) The development and implementation of Ukraine's PIM regulatory framework, including Resolution 527.
- (ii) Practical application through pilot projects, such as the Truskavets city water supply modernisation and Chernihiv city power sector business case.

- (iii) Detailed analysis of the evolving SPP alongside the wider DREAM reconstruction portfolio, including over 2,000 local restoration projects that have been submitted under the new legislation since July 2025.

Together, these sources provide a robust evidence base for understanding how 5CM is functioning in Ukraine's emerging investment system and where further strengthening is required.

Strengthening the discipline and comparability of project preparation

The introduction of 5CM has significantly improved the structure and discipline of project development across Ukraine's investment system. Historically, project preparation was fragmented, with proposals often focused on technical design while providing limited evidence on strategic alignment, economic value, financing

viability or delivery risks. Embedding 5CM into national PIM guidance is helping to address this gap by requiring projects to articulate five distinct dimensions of investment justification, thereby linking infrastructure needs more clearly to policy objectives and encouraging more systematic options appraisal and risk assessment.

Practical application demonstrates the value of this approach. In the Truskavets pilot, for example, the framework enabled the structured comparison of project options, earlier identification of delivery risks, and more explicit consideration of financing pathways. This resulted in a more credible and balanced investment case.

Evidence from the DREAM restoration portfolio also shows how these reforms strengthen the consistency and completeness of project information across the system. However, variation persists in more analytically demanding components, particularly economic and social impact assessment, indicating that the next phase of reform should focus on deepening analytical rigour within the established structure.

Integrating project appraisal within digital investment management systems

The integration of 5CM into Ukraine's DREAM digital platform represents a significant institutional innovation. DREAM has substantially improved the transparency, accountability and standardisation of the public investment system by providing a single, structured environment for recording project information, tracking progress and enabling portfolio-level visibility.

By aligning platform data fields with 5CM, DREAM has established a consistent reporting architecture and raised expectations of the quality and completeness of project documentation. This has created a shared evidence base that can be used to systematically monitor and compare projects across institutions and sectors.

As the system matures, attention is increasingly shifting from data availability to data depth. Although core information can now more reliably be captured, more advanced analytical fields, such as those

related to financing structures and implementation planning, are still being embedded in practice. This reflects the evolving use of the system and highlights the importance of continued methodological guidance, user support and quality assurance alongside the platform.

Supporting the transition from project registries to prioritised investment pipelines

Ukraine's reconstruction investment system has changed from an initial broad inventory of project proposals to a more prioritised pipeline of strategic investments. The consolidation of the national SPP, from over 800 initial project concepts to approximately 195 major projects, reflects the introduction of stricter appraisal standards and

prioritisation criteria supported by 5CM, as well as a focus on projects that are ready for rapid implementation in the current budget period.

At the same time, the wider DREAM portfolio, including the post-July 2025 restoration portfolio, provides comprehensive visibility over a much larger set of locally generated public investment projects, capturing a broad spectrum of reconstruction needs across regions and sectors. This expanded visibility is an important strength of the system.

However, the system currently operates across different levels of maturity. While the SPP reflects a more prioritised pipeline, the broader local project portfolio includes many projects at earlier stages of development, with varying levels of readiness and



financing linkage. This highlights the importance of strengthening mechanisms that connect project identification at the local level with national prioritisation, ensuring a more coherent progression from identified needs to investable and prioritised projects.

Recognising project readiness as the main constraint in reconstruction investment

A central lesson emerging from GCIEP's work is that the primary constraint in Ukraine's public investment system is not the identification of infrastructure needs, but the preparation of projects to a sufficient level of readiness for financing and implementation.

The system now provides clear visibility across a large pipeline of projects, many of which remain at early stages of development, with limited confirmed funding and evolving implementation plans. This reflects both the scale of public investment demand and the time required to develop projects to investment-ready standards.

The constraint is therefore the progression from concept to bankable project, including the development of robust economic analysis, credible delivery strategies and well-defined financial structures. Strengthening project preparation remains central to improving the effectiveness of the overall investment system.

Addressing capacity constraints in a decentralised reconstruction system

Ukraine's project preparation is highly decentralised, with many projects originating from municipalities, public institutions and local utilities. This decentralisation enables locally responsive investment planning but also places significant demands on a wide range of actors to apply structured project development methodologies.

Differences in institutional capacity – particularly in economic analysis, financial modelling and procurement planning – affect the consistency with which projects are developed across the system, varying project readiness and analytical depth.

This underscores the importance of sustained and targeted capacity-building support for local institutions. Strengthening technical capability at the sub-national level will be essential to ensure that the benefits of PIM reform are realised consistently across the reconstruction system.

Linking project preparation to realistic financing pathways

Another important lesson concerns the need to strengthen the connection between project preparation and financing. The increased transparency provided by the system reveals that many projects currently remain at a stage where financing arrangements are indicative rather than confirmed, with overall funding coverage remaining limited across the portfolio.

This improved visibility is an important step forward, allowing financing gaps to be clearly identified and addressed. However, it also reinforces the need to integrate financial planning more systematically into early-stage project preparation. 5CM provides a strong framework for this, but its effectiveness depends on the early and realistic consideration of financing pathways. Stronger financial modelling and engagement with financing partners at earlier stages will be critical to improve the conversion of projects into financeable investments.

Strengthening appraisal gateway processes and project prioritisation

Although the quality and structure of project preparation have improved through 5CM and enhanced visibility from DREAM, these advances are not yet matched by equally structured and transparent portfolio-level decision-making. Project selection and sequencing remain shaped by political priorities, fiscal constraints and external factors that are not consistently codified, creating a disconnect between appraisal evidence and investment decisions.

There is limited clarity on how projects move from identification to prioritisation and funding. Although appraisal requirements are clearer, gateway processes

remain inconsistently defined across sectors and levels of government, with limited transparency on how factors such as strategic alignment, economic value, readiness and financing viability are weighted.

This risks weakening allocation outcomes. Without transparent prioritisation mechanisms, high-quality projects may not be consistently favoured, and decisions may reflect short-term or ad hoc considerations rather than a transparent strategy, reducing predictability for financing partners.

Leveraging AI-enabled systems to support PIM framework implementation

Another emerging lesson concerns the potential role of artificial intelligence (AI)-enabled decision-support tools in facilitating the practical application of structured project preparation frameworks in a large and decentralised reconstruction system.

The scale and complexity of the system can make it difficult to ensure the consistent application of methodologies across a diverse set of users. The structured data environment provided by DREAM makes these challenges more visible and creates a foundation for more systematic support.

AI-enabled tools could build on this foundation by guiding users through project preparation requirements, prompting the completion of key analytical components, and supporting the development of structured business cases aligned with 5CM. Integrated within platforms such as DREAM, such tools could improve consistency and reduce barriers to effective implementation.

These tools should complement, rather than replace, expert judgement and institutional oversight. As the system continues to evolve, AI-assisted approaches offer a scalable mechanism to support quality and consistency across the investment pipeline.

Adopting an adaptive and political economy aware approach to delivery

The UK's ability to integrate technical expertise with politically attuned delivery has helped drive SPP and 5CM reform. Rather than treating reform as a standalone technical exercise, the UK approach positioned 5CM as a practical solution to an immediate government challenge.

FCDO and delivery partners were able to leverage momentum for reform in Ukraine, working closely with central ministries and agencies to embed 5CM in emerging regulatory frameworks. This ensured the methodology became part of the formal PIM architecture, rather than remaining a parallel advisory tool, and strengthened alignment with international financing expectations.



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The approach also prioritised capacity at the centre of government, recognising that tools alone are insufficient without institutional capability. A combination of structured guidance, targeted training and hands-on application

support enabled Ukrainian counterparts to begin applying 5CM in practice. Integration with delivery systems, particularly the DREAM platform, further helped translate the methodology into operational processes and decision-making.

Lessons learned

- 5CM has strengthened the structure and consistency of project preparation.** A common analytical framework is now embedded. The next phase should focus on improving the depth and consistency of analysis, particularly in economic appraisal and financial structuring.
- DREAM has enabled greater transparency, standardisation and comparability.** The platform provides a unified data environment for project documentation and oversight. The focus is now shifting to improving data depth, quality assurance and consistent application using enhanced guidance and digital tools.
- The system is transitioning from broad project identification to prioritised investment planning.** While the SPP reflects a more prioritised pipeline, the wider portfolio includes projects at varying stages. Stronger integration is needed to link local identification with national prioritisation and financing.
- Project readiness is the primary constraint on investment progression.** The key challenge is moving projects from concept to financeable investment through stronger preparation, including economic analysis, delivery planning and financial structuring.
- Capacity constraints shape the consistency of project development across a decentralised system.** Differences in institutional capability affect how effectively methodologies are applied. Targeted capacity-building is essential to support consistent application and progression to investment-ready projects.
- Financing and prioritisation processes need to be more systematically integrated.** Earlier financial planning is needed to address funding gaps. Clearer and more transparent gateway and prioritisation processes are required to strengthen the link between appraisal, decision-making and funding.

GCIEP is a demand-driven initiative focused on sustainable green cities and climate-resilient infrastructure in lower-income countries. As the flagship programme of the UK's Centre of Expertise for Green Cities, Infrastructure and Energy, GCIEP supports the UK Government's mission to accelerate investment in, and delivery of, infrastructure and urban development that is responsible, reliable, inclusive, low-carbon and climate-resilient.

A significant proportion of GCIEP's work is carried out in seven priority countries: Ethiopia, Ghana, Indonesia, Philippines, Mozambique, Vietnam and Zambia, where a Deep Offer programme provides long-term, systemic interventions focused on transformative change and infrastructure financing.

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