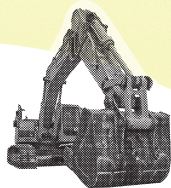


# Opportunity for Sustainable Public Procurement (SPP) in **Ukraine**

## Road Construction and Repair



**Public procurement** plays an important role in the economy of Ukraine. In 2020, it accounted for **15% of Ukraine's GDP**. Goods and services worth about **\$20 billion are purchased each year through public tenders**.<sup>2</sup>

**Government investments in Ukraine** generally dominate the field of **civil engineering** and **public procurement tenders** for civil construction have great **potential to influence the market**.<sup>1</sup>



Ukraine has **been introducing sustainable public procurement (SPP) since 2014** with **road construction and repair** being a prioritized product group for its implementation.<sup>3</sup>

## Infrastructure and transport are priorities for post-war reconstruction

**Ukraine's infrastructure and transport sectors have suffered tremendous damage** following the Russian invasion of the country (current estimated damage valued at 137.8<sup>4</sup> and 51.5 billion USD<sup>5</sup>), making them a priority for government purchasing and reconstruction efforts.

As of November 2022, **25,000 km of Ukrainian roads have been affected** by the conflict.<sup>6</sup> The **total damage** to the state road network **is estimated at 27 billion USD**.

## What are the possible **environmental, social and economic benefits** of SPP in the fields of **road construction and repair**?<sup>7</sup>

- 1 Long-term financial benefits**, e.g. resource efficiency and durability at the design phase can reduce maintenance costs, pavement life-cycle costs, energy use, and extend the lifespan of roads.
- 2 Improved quality and safety of roads**, e.g. roads can be designed to reduce traffic and prevent accidents, and to reduce risks of flooding and the transfer of pollutants.
- 3 Enhanced social performance**, by ensuring fair working conditions and helping Ukraine transition to a **green economy** in line with its strategic development priorities.
- 4 Reduced greenhouse gas emissions and landfill waste** from road use, construction and maintenance.
- 5 Driving markets towards innovation and increased sustainability**, e.g. by creating demand for more sustainable and resilient infrastructure.
- 6 Preservation of natural resources**, e.g. by reducing soil degradation, air and water pollution.



<sup>1,2,3</sup> Enhancing Public Procurement for the regional transition to inclusive green economy in Eastern Europe, Caucasus and Central Asia. UNDA, 2019.

<sup>4</sup> The total amount of damage caused to Ukraine's infrastructure due to the war has increased to almost \$138 billion. Kyiv School of Economics, January 2023.

<sup>5</sup> Kyiv School of Economics, March 2023.

<sup>6</sup> Restoration of road infrastructure: assistance from European partners. Ukravtodor Road Agency, December 2022.

<sup>7</sup> EU Green Public Procurement Criteria for Road Design, Construction and Maintenance. European Commission, 2016.