

Ukraine modernises PPP framework: new law on public-private partnership adopted to boost investment and infrastructure development

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On 30 July 2025, the President of Ukraine signed Draft Law No. 7508 *On Amendments to Certain Legislative Acts of Ukraine on Improving the Mechanism for Attracting Private Investments Using the Mechanism of Public-Private Partnership to Accelerate the Recovery of War-Destroyed Facilities and the Construction of New Facilities Related to the Post-War Recovery of the Economy of Ukraine* (the "New PPP Law").

The New PPP Law replaces the outdated and insufficiently business-oriented Law of Ukraine *on Public-Private Partnership*, dated 1 July 2010, No. 2404-VI (the "Old PPP Law"). It also significantly updates the provisions of the Law of Ukraine *on Concession*, while concession is one of the forms of public-private partnership ("PPP").

Key developments

The scope for implementing a PPP project has been broadened. A PPP project may now be undertaken in almost any sector, except those explicitly prohibited by law, rather than only in the areas specifically provided for under the previous PPP legal framework.

Area	Old PPP Law	New PPP Law
Heat and gas supply	+	+
Energy (electricity)	+	+ (added storage, accumulation)
Water supply, sewage	+ Collection, treatment and distribution of water	+ Explicitly listed (water supply and wastewater services)
Transport and infrastructure	+ (construction/operation of roads, ports, metro, etc.)	+ (expanded: includes rail, air, maritime, river, pipeline transport, public

		transport, airport infrastructure, electronic network infrastructures, etc.)
Mechanical engineering	+	- (not mentioned directly, but generally allowed)
Healthcare	+ Medical services, blood donation and processing	+ Broader scope: healthcare, public health, medical infrastructure
Social services, institutions	+	+
Education, science	+ (as educational services)	+ (expanded: education, science, research and development)
Culture, tourism, sports	+	+ (now includes cultural heritage and monument management)
Housing, modular houses	+	+ (covered under "social infrastructure")
Energy efficiency	+	+
Energy storage	-	+ (newly added)
Melioration	+	+
Waste management	+ (except collection and transportation)	+ (unlimited)
Electronic communications	+	+ (expanded to include digital infrastructure, IT, cybersecurity)
Postal services	-	+ (newly added)
Defense, public safety, border infrastructure	-	+ (newly added)
Cybersecurity, digital infrastructure	-	+ (newly added)

A significant change compared to the previous framework is that the initiative to prepare a PPP project now belongs exclusively to the public partner. It is the relevant state or local government body that must determine public needs and assess the feasibility of involving the private sector.

From a financial perspective, a PPP project may provide for compensation from the state or local budgets, in the form of reimbursement for investments, the granting of tax benefits or the provision of property or land. Such compensation must be integrated into the public partner's budget planning.

In addition, the New PPP Law permits external donor support to PPP projects from sources such as the UN, the EU, international organisations, foreign governments and donor funds.

PPP project stages

The New PPP Law structures the implementation of PPP projects into clearly defined stages, setting out the procedures and mechanisms for each:

1. Development of a concept – initiated exclusively by the public partner. A private partner may make proposals but cannot formally initiate the concept.
2. Analysis of the concept by the authorised body.
3. Development of a feasibility study (if required).
4. Analysis of PPP effectiveness.
5. Conclusion on feasibility.
6. Decision on PPP implementation.
7. Conducting a competition.
8. Conclusion of the PPP contract.
9. Monitoring and final evaluation.

During martial law in Ukraine and for seven years after its termination, a simplified preparation procedure will apply to PPP projects relating to the rebuilding of country's infrastructure and the economy.

Principle of legislative stability in PPP contracts

PPP contracts benefit from the principle of legislative stability, meaning that the legal regime, rights and privileges of private partners cannot be worsened compared with those in force at the time the PPP contract was executed.

However, this principle does not apply to legislative changes that:

- mitigate the liability of the private partner;
- reduce the tax burden or expand tax benefits; or
- do not worsen the position of the private partner.

The New PPP Law will enter into force on 31 October 2025.

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