



De-risking of private investments in Ukraine

Due to the ongoing Russian aggression in Ukraine, the Federal Council has decided to better include the Swiss private sector in Ukraine's reconstruction efforts. To this end, the State Secretariat for Economic Affairs (SECO) aims to take on part of the investment risk, thereby facilitating investments in Ukraine. This approach is essential, as conventional financial institutions and insurance providers are either unable to cover the heightened risks or can do so only at very high costs.

Together with international partners, SECO aims to cover part of the investment risk (e.g., war risk insurance) which is crucial for protecting investments in high-risk environments. SECO is actively encouraging the Swiss private sector to invest in Ukraine. In this context, two pilot projects are currently underway to support private sector investments in Ukraine, including Swiss private sector investments, through international cooperation:

Blended finance for agriculture

SECO is participating in the IFC's Agribusiness Blended Finance Facility to enhance capital access for Ukrainian farmers and agricultural SMEs. This facility reduces risks for banks by offering first-loss guarantees, encouraging them to extend loans to agricultural enterprises. Switzerland is committed to strengthening Ukraine's agricultural sector, a cornerstone of its economy, and has contributed CHF 9.5 million to this initiative.



War risk insurance mechanism

Switzerland is participating in the European Bank for Reconstruction and Development's (EBRD) Ukraine Recovery and Reconstruction Guarantee Facility. This facility establishes a war risk insurance mechanism to address the withdrawal of international reinsurance companies from the Ukrainian market since the onset of Russia's full-scale invasion. Therewith, the facility will promote private sector investments and strengthen the private sector in Ukraine, including the Swiss private sector. Switzerland has been involved in this initiative since its inception and will contribute CHF 10 million to the facility when it becomes operational at the beginning of 2025.

Country
Ukraine

Duration
2025-2028

Private sector measure
Measure 6

Rebuilding Ukraine

According to the Rapid Damage and Needs Assessment conducted by the World Bank in February 2024, at least USD 486 billion is needed to rebuild Ukraine

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