



SECO support for Ukraine

Ukraine is a priority country for Swiss transition cooperation with Eastern Europe. Since the outbreak of Russia's war of aggression, SECO has continued to support Ukraine in responding to new needs, continuing existing initiatives and combining reforms with reconstruction.

The State Secretariat for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SDC) were swift to respond to the impact of the war, adapted existing projects and provided additional financial support. SECO's contribution amounted to CHF 55 million in 2022 and around CHF 50 million in 2023. SECO also plans to contribute CHF 50 million to support Ukraine in 2024. SECO is involved in bilateral projects as well as projects run by multilateral institutions. SECO supports Ukraine along the following core competencies:

Promoting business and maintaining competitiveness

The main aim is to promote broad-based economic growth and harness the potential of small and medium-sized enterprises (SMEs). For example, SECO supports a multilateral initiative of the European Bank for Reconstruction and Development, which ensures that SMEs can continue to function and maintain their competitiveness. SECO also invests in a Ukrainian fund, through the Swiss Investment Fund for Emerging Markets SIFEM, that promotes Ukrainian start-ups in the IT and export sectors. A further example is the SECO-financed Quality Food Trade Programme, which ensures that organic agriculture remains an important domestic and export industry despite Russia's war of aggression.

Planning and financing sustainable cities

SECO supports Ukraine in planning and financing the long-term development of its cities. This will allow cities to grow in a climate-friendly manner and improve living conditions for all residents. Various projects have been reoriented due to the war. SECO is now supporting partner cities in providing the necessary infrastructure for internally displaced persons. In addition, ongoing projects in the energy sector are being scaled up. These include, for example, the upgrading of district heating networks or the operation of innovative power plants using biomass. The cities of Zurich and Bern are shipping 67 respectively 11 decommissioned but fully functioning trams to Vinnitsa and Lviv. SECO is financing the shipment of the vehicles and contributing to the cost of training drivers.

Financial contribution in 2022

CHF 55 million

Financial contribution in 2023

CHF 50 million

Planned contribution in 2024

CHF 50 million

Adapting to war situation

In 2022, SECO responded swiftly to Russia's attack in terms of its economic development cooperation: existing projects were adapted and additional support was provided. The annual budget was more than quadrupled (previously around CHF 12 million) compared to the situation before the war.

SECO's core competencies

SECO provides support in line with its core competences in the areas of SME competitiveness, trade promotion, sustainable urban development and macroeconomic support.

SECO's activities

SECO supports 45 projects in Ukraine. In addition to bilateral projects, SECO is also involved in projects run by multilateral institutions.



Global Eco-Industrial Parks

This project helps to ensure that industrial parks consume fewer resources and factor in better environmental and social standards. Due to the war situation, the project also supports the relocation of SMEs and provides information on functioning supply chains by means of an interactive map. Global Eco-Industrial Parks can also get involved in efforts to restore industrial production after the war.

Providing macroeconomic support

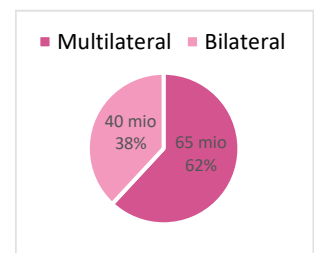
SECO participates in multilateral initiatives to provide macroeconomic support to Ukraine. One of the aims of these initiatives is to maintain the basic non-military functioning of the state. With Switzerland's help, the salaries and pensions of Ukrainian state employees in particular have continued to be paid. SECO also supported the World Bank's rapid damage and needs assessment. This is enabling Ukraine and the international community to prioritise and coordinate reconstruction efforts.

Repairing infrastructure and enabling reconstruction

The challenges of reconstruction in Ukraine go well beyond the bounds of classic international cooperation. The private sector will therefore have an important role to play. Possible future Swiss contributions must therefore take place over the longer term and as part of coordinated international efforts. In order to facilitate this, a vehicle is being created in cooperation with the European Bank for Reconstruction and Development through which private investments can be safeguarded against war risks. To this end, Switzerland signed a declaration of intent together with other players at the Ukraine Recovery Conference 2023 in London.

SECO is also financing urgently needed investments in the Ukrainian railway system with the participation of a Swiss company. In addition to investments in equipment and infrastructure, many qualified workers are needed for reconstruction. The Certificate of Advanced Studies (CAS) Rebuild Ukraine programme is a first step in this direction. With the support of SECO, Bern University of Applied Sciences has been offering this course for female Ukrainian refugees since 2022. During the course, students learn how to assess, help design and manage the reconstruction of buildings and infrastructure. They can then apply that knowledge to specific reconstruction projects once they return to Ukraine.

Multilateral and bilateral contributions 2022 and 2023 in million CHF and %.



Ukraine's reconstruction

The World Bank estimates that at least USD 486bn will be needed for Ukraine's reconstruction.

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