

Priority sectors for Czech-Ukrainian Economic Cooperation

Executive Summary

Based on the final study prepared by:

Jana Vlčková, Kateryna Shymanska, Ayaz Zeynalov, Josef Bič and Tereza De Castro

Prague University of Economics and Business, 2026

Executive message

- Czech-Ukrainian cooperation has substantial economic potential, but the binding constraint is no longer the identification of opportunities. It is the conversion of demand into technically prepared, financeable and implementable projects.
- Czechia is best positioned to support both the rapid restoration of damaged essential infrastructure and its subsequent modernisation through medium-sized, technically demanding solutions combining equipment, engineering, software, training, maintenance and local service.
- The recommended policy shift is from fragmented, short-term support to a coordinated project pipeline that combines Czech instruments with the Ukraine Facility and international financial institutions.

Priority sectors

Energy • Decentralised generation, grid resilience, nuclear modernisation, renewables and gas storage.	ICT and digitalisation • Cybersecurity, cloud and data solutions, secure communications, AI, smart cities and start-up links.
Agriculture and food • Demining, machinery, storage and processing, AgroTech, veterinary systems and EU-standard alignment.	Transport and infrastructure • TEN-T and CEF corridors, rail interoperability, bridges, terminals, urban mobility and ITS.
Healthcare • Hospital modernisation, equipment, rehabilitation, telemedicine, digital systems and staff training.	Defence and security • Ammunition and energetic materials, UAS/EW, MRO, protected infrastructure and joint innovation.

Source note: This executive summary synthesises the final Czech-language study “Studie priorit pro česko-ukrajinskou ekonomickou spolupráci”. Detailed data sources, calculations, interviews, sector tables and references are provided in the full report.

1. Purpose, evidence base and strategic context

Purpose of the study

The study identifies the sectors of the Ukrainian economy in which bilateral cooperation offers the strongest combination of urgent Ukrainian demand, Czech technological and industrial capabilities, realistic trade or investment potential, and access to public or international financing. It also evaluates the existing Czech support architecture and proposes sector-specific instruments to move projects from political intent to implementation.

Evidence base and validation

- A macroeconomic, trade, industrial, energy, resource and regional mapping of Ukraine, with the first analytical chapter used mainly to establish the wider context.
- Sector-level assessment of war damage and reconstruction needs, drawing particularly on the World Bank Rapid Damage and Needs Assessment framework.
- Quantitative analysis of bilateral trade assessed trade specialisation, product complexity and unrealised export potential using UN Comtrade, the Observatory of Economic Complexity and the ITC Export Potential Map.
- Fifty-five semi-structured interviews conducted between June and October 2025; 80% of interviewees were Czech actors. The sample included firms, public institutions, business associations and non-governmental organisations.
- A field visit to Ukraine in September 2025, which helped validate selected findings and place them within their specific institutional and regional context.
- Three thematic roundtables held in May and June 2026, covering energy and ICT; agriculture and healthcare; and transport, infrastructure, defence and security. These roundtables formed part of the final validation of the study's findings.

Strategic context

Ukraine combines exceptional reconstruction needs with a pre-war economic structure based on agriculture, mineral resources and metallurgy, engineering and a highly capable ICT sector. The full-scale invasion has damaged production, energy and transport assets, shifted trade towards the European Union, accelerated the relocation of firms and labour, and made resilience, security and EU integration central economic objectives. GDP contracted by 28.8% in 2022 and, according to National Bank of Ukraine projections, is not expected to return to its 2021 level before 2030. Reconstruction-related and capital-intensive demand will therefore remain heavily dependent on Ukrainian public funding, EU instruments and international financial institutions.

The bilateral relationship is underpinned by a strong political partnership and by sectoral memoranda covering energy, agriculture, healthcare, digital cooperation and defence. The two economies are structurally complementary: Ukraine offers agricultural inputs, mineral resources, metallurgical and engineering capabilities, industrial capacity and digital skills, while Czechia contributes advanced manufacturing, system integration, specialised machinery, healthcare and energy technologies, project management and experience with EU standards. Raw materials and metallurgy therefore represent an important, though still underdeveloped, dimension of bilateral cooperation.

Core analytical conclusion

- The most viable model of cooperation is not the simple export of individual products. It is the delivery of integrated solutions: equipment plus design, financing, installation, digital control, training, maintenance and local service.
- This model is consistent with the Czech Export Strategy 2023–2033, which seeks to move Czech firms from subcontracting towards specialised final products, functional units and complex solutions.
- For Ukrainian firms and institutions, cooperation creates opportunities to participate in joint Czech–Ukrainian projects and consortia, access Czech and wider EU markets and value chains, attract investment, and benefit from technology transfer, training and institutional cooperation.

2. Cross-cutting opportunities, barriers and operating principles

Czech competitive position

Czech firms possess several advantages that are particularly relevant in Ukraine. They have experience with post-socialist industrial systems and can integrate legacy Soviet-standard equipment with Western technologies. Many operate with bilingual teams, use Czech-Ukrainian consortia, provide in-country training and have practical experience with Ukrainian procurement. Geographical proximity shortens logistics, while diaspora and interpersonal links help build trust and recruit staff. Czech suppliers are also often more cost-competitive than major Western contractors while retaining strong engineering reliability. However, they face strong price competition, particularly from Chinese and other Asian suppliers, and must therefore compete through system integration, reliability, local presence, financing and long-term service rather than price alone.

The central barriers

Security and execution risk - Continued attacks, restricted site access, disrupted logistics and uncertain project timelines. - Difficulties in personnel insurance deployed to Ukraine and providing long-term service in higher-risk regions.	Finance and insurance - Limited ability of Ukrainian buyers and municipalities to finance purchases. - Insufficient or short-term war-risk cover, high transaction costs and weak access to international financing for SMEs.
Institutions and regulation - Frequent regulatory change, uneven enforcement, certification and customs complexity, corruption risks and unclear ownership or contracting conditions. - Fragmented coordination and demand that is often incomplete, unstable or not translated into bankable specifications.	Market access and competition - Need for a trusted local partner, local service capacity and compliance with local-content expectations. - Strong competition from countries offering larger grants, guarantees, and export-finance packages can lead procurement to overemphasise the lowest price.

Operating principles for successful projects

- Enter early.** Feasibility studies, technical specifications, environmental and social documentation and financing structures must be prepared before tenders are announced.
- Build lean Czech-Ukrainian consortia** with a transparent division of labour, milestone-based payments and a credible path towards local content, service and maintenance.
- Package products as systems.** Czech firms should combine hardware with software, installation, training, spare parts, remote monitoring and after-sales support.
- Use blended finance.** Grants and technical assistance should prepare projects; NRB guarantees, EGAP insurance and IFI or Ukraine Facility resources should finance implementation.
- Apply rigorous compliance.** Partner due diligence, beneficial ownership checks, sanctions and export control screening, end-use monitoring, and audit-ready procurement are essential.
- Select locations based on sector logic and current security conditions,** rather than on a fixed list of preferred regions.

Core analytical conclusion

- The state should treat project preparation and coordination as economic infrastructure. Without a visible gateway, specialised sector support and a pipeline of financeable projects, Czech firms—especially SMEs—will remain late entrants or subcontractors.

3. Priority sectors: Energy; ICT and digitalization

Energy

Energy is the highest reconstruction priority because Russia has repeatedly targeted generation, transmission and distribution assets. The World Bank estimates the sector's ten-year recovery and reconstruction needs at approximately EUR 62.6 billion. Demand ranges from the urgent repair and replacement of damaged infrastructure to longer-term modernisation, decentralisation and resilience upgrades, and remains closely dependent on Ukrainian public funding, EU instruments and international financial institutions.

Sectoral priorities

- Restoration and resilient generation: repair and replacement of damaged generation and district-heating assets, alongside modular combined heat and power units, industrial backup systems, storage and microgrids for municipalities, hospitals and industrial facilities.
- Grid restoration and modernisation: replacement and repair of damaged substations, transformers, protection and control systems, followed by smart-grid technologies and measures supporting deeper integration with the continental European network.
- Nuclear cooperation: maintenance, repair and modernisation of VVER-type facilities, safety-related equipment, protection of critical assets and diversification of supply chains.
- Renewables, hydrogen and gas infrastructure: wind and solar projects, the proposed Central European Hydrogen Corridor, and more efficient use of Ukraine's large underground gas-storage capacity.

Czech firms have relevant capabilities in cogeneration, grid equipment, nuclear engineering, control systems and ESCO services. The principal barriers are project scale, certification, financing, insurance and local service capacity, together with governance, transparency and cybersecurity risks. The recommended response is a combination of NRB guarantees, strengthened EGAP cover, robust partner due diligence, integrated cyber protection and systematic project preparation for IFI and Ukraine Facility financing.

ICT, digital cooperation and telecommunications

Ukraine's ICT sector is highly export-oriented, mobile and resilient. It combines a large pool of specialists with advanced e-government, defence-tech and start-up ecosystems. It creates a sector with high value added, relatively low physical capital requirements and short delivery cycles. It also supports every other priority sector through secure communications, operational technology protection, data platforms and digital service delivery.

Sectoral priorities

- Cybersecurity and secure communications, including security operations centres, protection of critical infrastructure and integration of operational and information technologies.
- Cloud services, data centres, resilient networks, digital public services and hospital, transport and energy data platforms.
- Artificial intelligence, smart-city applications, fintech, e-commerce, and AgroTech, combining AI, IoT, drones, and robotics.
- Czech-Ukrainian start-up and cluster cooperation, nearshore services, joint laboratories, and support for Ukrainian firms entering EU markets or temporarily relocating activities to Czechia.

The main obstacles are payment and contract enforcement, mobilisation and labour shortages, dual-use export controls and weak coordination between potential partners. The recommended instruments, therefore, focus less on large-scale capital finance and more on co-investment, ecosystem links, legal and regulatory preparedness and structured partner matching.

4. Priority sectors: Agriculture and food; Transport and infrastructure

Agriculture and food processing

Ukraine remains a major global supplier of grain, oilseeds and food commodities despite occupied land, damaged storage and processing capacity, disrupted export routes and extensive contamination by mines and unexploded ordnance. World Bank estimated approximately 138,000 km² of territory to be contaminated, and the ten-year agricultural recovery needs are assessed at about EUR 51.3 billion.

Sectoral priorities

- Humanitarian demining, land survey and soil restoration as preconditions for restoring production and rural incomes.
- Modernisation of farms and processing through Czech machinery, storage systems, post-harvest technologies, veterinary products, food-processing lines and local service networks.
- AgroTech solutions that combine machinery with software, automation, sensors, drones and data-based farm management.
- Complementary value chains in which Ukraine supplies agricultural inputs and Czechia provides higher-value processing, feed production, refining, packaging and access to EU markets.
- Alignment with the EU acquis, especially food safety, veterinary and phytosanitary standards, quality systems and organic production.

The key constraints are financing for farmers and processors, certification, logistics, weak enforcement and the absence of local dealer and service capacity for machinery. These challenges are compounded by the transition from temporary wartime trade liberalisation to the modernised DCFTA, following the expiry of the EU's Autonomous Trade Measures in June 2025. Agri-food projects should therefore be designed for a progressively EU-aligned regulatory and trade environment rather than temporary preferential conditions. A strengthened EGAP instrument, an agricultural diplomat and EU Twinning/TAIEX support would address commercial, institutional and regulatory bottlenecks simultaneously.

Transport and infrastructure

Transport is the backbone of reconstruction and export logistics. War damage to railways, roads, bridges and logistics nodes coincides with the integration of Ukraine into four TEN-T corridors and expanded access to the Connecting Europe Facility. Ten-year recovery needs in transport are estimated by the World Bank at approximately EUR 71.6 billion.

Sectoral priorities

- Rail interoperability, gauge-change and transshipment capacity, border terminals, depots, signalling and rolling stock.
- Reconstruction of bridges and road links using modular designs and staged implementation that can produce visible results rapidly.
- Urban mobility, including trams, buses, charging infrastructure, traffic management and smart-city packages.
- Intelligent transport systems, logistics software, customs and corridor digitalisation, and resilient export routes linked to the EU Solidarity Lanes.

Czech suppliers are well-positioned in rolling stock, vehicles, signalling, bridge construction, steel products and logistics IT. However, projects require early consortium formation, monitoring of CEF and Ukraine Facility calls, sufficient war-risk cover and credible Ukrainian partners. The recommended package combines active participation in TEN-T/CEF projects, tied grants for medium-sized deliveries, and NRB–EGAP financing for equipment and related investment.

5. Priority sectors: Healthcare; Defence and security

Healthcare and humanitarian health support

The war has damaged hospitals, ambulances and medical infrastructure while creating exceptional demand for trauma care, rehabilitation, mental-health services and staff training. Direct damage is estimated by the World Bank at roughly EUR 1.4 billion and economic losses at EUR 18.1 billion; ten-year recovery and reconstruction needs amount to approximately EUR 17.9 billion.

Sectoral priorities

- Repair, restoration and modernisation of damaged regional hospitals and primary-care facilities, including buildings, essential utility systems, medical devices, laboratories, sterilisation, medical gases, energy systems and hospital IT.
- Emergency care and mobile or modular infrastructure, including ambulances, generators, blood bank equipment, and deployable clinics.
- Rehabilitation, prosthetics, psychological care and support for multidisciplinary teams, patients' families and medical personnel exposed to prolonged stress.
- Telemedicine, digitalisation, data systems, AI applications and cybersecurity, combined with training and long-term maintenance.

Czech suppliers have strong references in hospital beds, sterilisation, diagnostic and laboratory equipment and integrated hospital solutions. The major constraints are low purchasing capacity, dependence on public or donor finance, fragmented demand and price-focused procurement. The Czech-led hospital programme under the Ukraine Facility should act as a flagship, complemented by tied grants, MEDEVAC and project preparation for larger IFI-financed packages.

Defence and security

Defence cooperation has immediate security importance and significant industrial spillovers. Czechia combines ammunition production, legacy-platform expertise, maintenance and repair capabilities, NATO-standard production and a strong export orientation. Ukraine contributes rapid battlefield innovation, particularly in drones and electronic warfare, but lacks stable capital and mass-production capacity.

Sectoral priorities

- Expansion of ammunition and energetic-material capacities, including quality-control laboratories, modernised production equipment, input diversification and long-term offtake arrangements.
- Joint development and production of unmanned aerial systems and electronic-warfare technologies, with gradual localisation of critical components.
- Maintenance, repair and overhaul centres for Soviet- and NATO-standard platforms, supported by digital diagnostics and spare-parts management.
- Integrated protection of civil and critical infrastructure through sensors, secure communications, early-warning systems, cyber protection and system integration.

The policy architecture must reflect strict licensing, end-use control, bankability and reputational risk. The study recommends institutionalising the Czech Ammunition Initiative with stronger risk management and transparency, using the national EGAP programme to finance defence-capacity investment, and engaging firms early in EDF, SAFE and EDIP projects and procurement platforms.

6. Regional dimension and project targeting

Ukraine's economic geography is highly differentiated. Before the full-scale invasion, Kyiv generated more than one-fifth of national GDP and dominated finance, administration and ICT, while Dnipropetrovsk remained a major industrial and energy centre. Lviv, Odesa and other western and central regions have since gained importance through business relocation, services and logistics, whereas traditional industrial centres in the east and south have suffered severe destruction and operational disruption. Labour shortages resulting from mobilisation, displacement and outward migration further reinforce these regional differences. Project design should therefore reflect regional labour availability and include realistic commitments on localisation, training and local service capacity.

Relevant regional profiles

Major metropolitan centres Kyiv, Lviv and Odesa offer large markets, institutions, human capital, technology ecosystems and better access to professional services.	Western Ukraine Safer and geographically closer locations for new manufacturing, service centres, defence production, repair and logistics.
Industrial East and the Dnipro area Strong engineering and industrial capabilities and major reconstruction demand, but also elevated security and political risk.	Agricultural regions Vinnitsia, Poltava region, and other central regions offer opportunities across machinery, processing, storage, AgroTech, and food value chains.
Critical-mineral regions Selected areas, including Zhytomyr region for titanium-related opportunities, may support future strategic-material value chains.	Transport-corridor regions Border areas, multimodal nodes and TEN-T corridors are central to rail interoperability, export logistics and alternative routes.

Recommended targeting approach

Although sectoral activity is concentrated in the regions described above, appropriate locations vary according to the sector, security conditions and project design. A rigid geographic commitment could direct resources towards unsafe or weakly prepared projects and exclude strong opportunities elsewhere. Therefore, the study does not recommend a fixed list of priority regions, but rather a stepped logic for establishing cooperation. Early investment should generally favour safer western and central locations and projects with modular or relocatable assets. Higher-risk eastern regions should remain part of the pipeline, particularly for reconstruction, energy, industrial and healthcare projects, but implementation should be contingent on security and financing conditions.

Four criteria for location selection

- Current and expected security conditions, including site accessibility and the resilience of energy and communications.
- Availability and reliability of local partners, beneficiaries, municipalities and service providers.
- Quality of project preparation, including technical design, permits, procurement readiness and financing.
- Sector logic: resource base, industrial specialisation, workforce, infrastructure, export corridors and proximity to end users.

7. Czech support architecture: strengths and gaps

Evolution of the framework

Since 2022, Czech support has evolved from ad hoc crisis measures into a broader framework that combines humanitarian, stabilisation, reconstruction, and commercial instruments. The “Ukraine Programme” for 2023–2025 operated with an annual allocation of CZK 500 million and supported humanitarian activities, economic diplomacy, fairs, missions, Aid for Trade and expanded CzechTrade capacity. The subsequent “Program Ukraine 2030” was designed as a longer-term framework, although its 2026 implementation and budget structure remain dependent on individual ministries, calls and financial instruments.

Principal instruments

- Economic diplomacy and market access: the intergovernmental commission, Business Club Ukraine, CzechTrade offices, business missions, trade fairs, PROPED and PROPEA-type services.
- Tied financial grants: a relatively fast “win-win” mechanism through which Ukrainian beneficiaries acquire Czech goods and services for priority public or reconstruction needs.
- EGAP Ukraine Fund: export insurance for goods and services, progressively expanded in capacity, product coverage and insurance tenor. It is widely regarded as indispensable for transactions that would otherwise be uninsurable.
- NRB recovery guarantee: a planned Ukraine Investment Framework instrument intended to support productive investment through Ukrainian commercial banks, EU counter-guarantees and substantial leverage.
- Czech hospital programme: approximately EUR 88 million in guarantees, grants and technical assistance under the Ukraine Facility for the modernisation of at least six hospitals.
- Development and humanitarian tools: Czech Development Agency projects, MEDEVAC, capacity building, training, equipment and support implemented with public and non-governmental partners.

Assessment

The architecture contains useful instruments, but it is fragmented across ministries, agencies and financial institutions. Firms lack a single visible contact point and often receive information too late. SMEs have limited capacity to monitor IFI tenders, form consortia, prepare environmental and social documentation or structure finance. Aid for Trade is viewed as conceptually relevant but too slow and administratively burdensome for early feasibility work. Tied grants are frequently assessed as the most immediately effective instrument. EGAP is positively evaluated but requires continued attention to limits, tenor, pricing and accessibility. The NRB facility is strongly anticipated but may be administratively demanding and must be calibrated to realistic project and firm capacities. Effective support should also connect firms to relevant Ukrainian market-entry arrangements, including the Diia.City legal and tax regime for ICT firms and sector-specific licensing, procurement and local-partner requirements.

System-level recommendation

- Create a single project gateway linked to sector specialists, CzechTrade, EGAP, NRB and diplomatic representations.
- Fund feasibility studies, business cases, ESG documentation and procurement preparation as a dedicated project-development function.
- Maintain a transparent pipeline of Czech-Ukrainian projects and actively match them with EIB, EBRD, World Bank and Ukraine Facility windows.
- Resolve personnel insurance and provide standard legal, sanctions, export-control and partner-screening support.

8. Recommended instruments by priority sector

The following matrix translates the study's findings into three core instruments for each priority sector. The proposals combine existing instruments, recommended adjustments and new coordination or capacity-building functions.

Sector	Instrument 1	Instrument 2	Instrument 3
Energy	NRB guarantee programme with an EU counter-guarantee for investment and loans.	Strengthened EGAP Ukraine Fund : review limits and tenor; expand investment and guarantee cover.	Capacity Building for Ukraine : prepare projects and connect them to IFIs and the Ukraine Facility.
ICT	Fund-of-funds or co-investment facility for Czech-Ukrainian ICT firms, start-ups and joint projects.	Czech-Ukrainian ICT/cyber platform for joint projects and structured partner matching.	Capacity Building for Ukraine : legal, regulatory and security preparedness of ICT firms.
Agriculture and food	EGAP Ukraine Fund for agro-exports with adequate capacity and tenor for machinery and technologies.	Agricultural diplomat supporting Czech firms and developing commercial links in Ukraine.	EU Twinning/TAIEX for institutions, food safety, veterinary and phytosanitary standards and EU acquis alignment.
Transport	Active participation in TEN-T/CEF projects involving Ukraine through early preparation and consortia.	Tied financial grants for modular bridges, vehicles, technical equipment and logistics components.	Combined NRB and EGAP support for vehicles, equipment, ITS and related investment.
Healthcare	Czech hospital programme under the Ukraine Facility as a flagship hospital-modernisation framework.	Integrated package of tied financial grants and MEDEVAC : equipment, training, missions and telemedicine.	Capacity Building for Ukraine : prepare hospital projects for IFI financing and EGAP cover.
Defence and security	Institutionalise the Ammunition Initiative with risk management, transparency and conflict-of-interest safeguards.	National EGAP programme for investment in defence capacities and bank-credit risk cover.	Systematic engagement in European defence instruments , joint projects and procurement: EDF, SAFE and EDIP.

Cross-cutting design requirements

- Predictable eligibility rules, published timelines, and proportionate administration, particularly for SMEs.
- Clear separation between grants for project preparation and repayable or insured finance for implementation.
- Transparent selection, due diligence, auditability and monitoring of development, economic and security outcomes.
- Regular review of whether limits, tenor and risk-sharing reflect the size and duration of projects in each sector.

9. Implementation roadmap and final recommendations

Immediate priorities: 0–12 months

- Appoint a government commissioner for Ukraine's reconstruction and establish a single Czech gateway linking firms and institutions with CzechTrade, embassies, EGAP, NRB, the Czech Development Agency and relevant ministries.
- Create a shared project pipeline and launch a project development window to support feasibility studies, business cases, technical designs, compliance documentation, and consortium formation.
- Prioritise implementable quick wins that restore essential services, including damaged energy and heating assets, hospital and emergency equipment, modular bridges and logistics infrastructure, alongside ICT, agricultural machinery and defence MRO.
- Introduce practical guidance on partner screening, sanctions, export controls, procurement, local content, end-use monitoring and personnel insurance.
- Institutionalise the Czech Ammunition Initiative through stable governance, clear responsibilities, transparency, risk management and conflict-of-interest safeguards.

Medium-term priorities: 1–3 years

- Deploy blended financing packages that combine technical assistance or grants with NRB guarantees, EGAP insurance and IFI or Ukraine Facility financing.
- Build Czech-Ukrainian consortia, local service centres and training structures in each priority sector; use cluster-to-cluster links and chambers to identify reliable partners.
- Develop a Czech-led portfolio of bankable projects for TEN-T/CEF, hospital modernisation, energy resilience and agro-processing, rather than responding only after international calls are published.
- Use Twinning, TAIEX and capacity-building programmes to support EU-standard alignment, institutional capability and the absorption of Czech technology.

Long-term priorities: 3 years and beyond

- Shift from delivery-based cooperation towards joint production, research, repair, component localisation and integration into European value chains.
- Develop strategic cross-border infrastructure in energy, hydrogen, transport and digital connectivity, subject to security and commercial viability.

Final conclusion

Czechia has a credible but time-sensitive opportunity to become a long-term partner in Ukraine's reconstruction, modernisation and European integration. Its comparative advantage lies in specialised industrial and technological capabilities, system integration, adaptability and proximity. These advantages will not translate automatically into contracts. Success requires earlier project preparation, stronger coordination, realistic risk-sharing, robust local partnerships, and consistent engagement with European and international financing institutions.

The decisive policy task is therefore to turn six sector priorities into a managed portfolio of implementable projects. A coordinated architecture combining technical preparation, economic diplomacy, grants, guarantees, insurance, and international finance would enable Czech firms to move beyond isolated deliveries and subcontracting towards complex solutions, long-term service relationships, and joint Czech-Ukrainian value creation. Implementation should be accompanied by regular monitoring of project preparation, financing, delivery, and long-term outcomes of Czech-Ukrainian cooperation.