



Ukraine Energy Support Fund

HALF-YEAR REPORT

Reporting Period:
January - June 2026



Executive Summary

In the first half of 2026, amidst continued Russian attacks, the Ukraine Energy Support Fund has continued to provide efficient support for the long-term recovery and energy resilience of Ukraine. During the reporting period, the Fund received over **EUR 327,3 million in new contributions**, increasing the cumulative balance to **EUR 1.940,9 million** by the end of June 2026. The donor participation expanded to 39 contributors, reinforcing the Fund's role as a trusted platform for channelling international energy assistance to Ukraine.

During the reporting period, the Ministry of Energy of Ukraine approved **379 support requests**. The Secretariat processed **381 support requests**, including support requests received prior to the reporting period, reflecting sustained high demand for energy sector assistance. These requests, valued at **EUR 684,3 million** (EUR 1.987,5 million since the establishment of the Fund reflecting the full utilisation of contributions), reflected a strategic shift towards urgent winterization efforts - particularly the restoration of generation capacity and repair of the grids and district heating infrastructure. In response, **328 purchase agreements** were concluded (1.330 in total since the establishment of the Fund), with a value of **EUR 212,2 million** (EUR 1.021,4 million since the establishment of the Fund).

Deliveries during the reporting period accelerated accordingly, valued at **EUR 113 million** (EUR 721 million in total), while disbursements amounted to **EUR 94,6 million** (EUR 783 million in total). Key delivered critical equipment, among others, included gas turbines, transformers, high voltage switch gears, mobile substations, varied high voltage equipment and solar systems for hospitals. Most deliveries were concentrated in the regions of Ukraine hardest hit by the war.

With the procured equipment, the Fund supports a wide spectrum of interventions, from large-scale power plant refurbishment projects, district heating infrastructure reconstructions, substation repairs, all ongoing to stabilise energy supplies. The "Ray of Hope" initiative continued to expand, delivering solar and storage systems to healthcare facilities all around Ukraine. These efforts reflect the Fund's ability to respond rapidly to urgent needs while also improving longer-term resilience and sustainability, by introducing decentralised renewable energy solutions. In response to the Ministry of Energy's request, the Fund adapted its processes to facilitate procurement for strategic reserves, essentially enabling procurement ahead of time and allowing Ukrainian companies to rapidly deploy urgently required equipment.

Operationally, the Fund continued to evolve to address the ever-present need to enhance the processing and dispatch of assistance to Ukrainian companies. The Fund further streamlined interfaces with Ukrainian companies and suppliers

and, together with the Procurement Agent, re-evaluated the procurement process and introduced additional approaches aligned with international best practices and applicable integrity and competition requirements. Ultimately, the delivery of support on the ground remains most significantly determined by the supply lead times offered by the market.

The Fund reinforced that delivering impact on the ground requires effective collaboration throughout the entire process, from support request definition to equipment installation, across all stakeholders, with each actor fulfilling its responsibilities efficiently and within agreed timelines. While continuing to adapt processes to partners' needs, the Secretariat remains committed to safeguarding the integrity and transparency of the process, while particularly ensuring competition and value for money in procurement, given that contributions predominantly represent taxpayer funds.

In spring, the Fund finalized its third external audit, which resulted in an unqualified opinion. The Fund also procured an external review of its structures and processes with a view to prevent corruption and misuse of funds. Implementation of recommendations has already started.

Looking ahead, the Fund is well positioned to support Ukraine through the upcoming winter period and beyond. Close coordination with the Ministry of Energy of Ukraine and international partners ensures that contributions are directed to the most strategic priorities, combining immediate repair needs with forward-looking investments that advance resilience, modernisation, and the green transition.

The Fund is ready to initiate the pilot phase of the developed de-risking mechanism, mitigating the war-related risks of ancillary service provisioning projects. Dedicated funding by Norway enables to prove concept and eventually to enlarge the mechanism for a broader project base.

The collective commitment of donors, the Government of Ukraine, the Ukrainian companies and the Energy Community Secretariat continues to make the Fund a trusted cornerstone of Ukraine's energy security and recovery.

Artur Lorkowski



Director, Energy Community Secretariat

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Background and Introduction

The Fund was established in April 2022 by the Energy Community Secretariat at the request of the Cabinet of the EU Commissioner for Energy and in coordination with the Ministry of Energy of Ukraine. The Fund enables contributions from governments, international organizations, international financial institutions, corporations and private entities. The beneficiary of the Fund is the Ministry of Energy of Ukraine, while the target groups include Ukrainian companies operating critical energy infrastructure and operators of critical social infrastructure. The ultimate beneficiaries of the Fund are all residents and energy consumers of Ukraine who rely on uninterrupted access to energy.

The primary purpose of the Fund, managed by the Energy Community Secretariat (the executive body of the Energy Community, an international organisation) is to support the restoration and stabilization of Ukraine's energy system, while providing opportunities for its modernisation. The Fund thus also contributes to strengthening the resilience, reliability and sustainability of the energy sector of Ukraine.

The Fund manages donor grants by allocating resources for the procurement primarily of equipment and occasionally

services approved and prioritised by the dedicated Working Group established under the Ministry of Energy of Ukraine. The needs are identified by the eligible Ukrainian energy companies, required to restore and maintain the critical infrastructure, and submitted for approval by the Working Group. It focuses on providing urgently needed equipment and services for the repair, restoration and rehabilitation of facilities damaged or destroyed by the Russian war of aggression against Ukraine, while also supporting the development of new capacities to strengthen the resilience of Ukraine's energy system and helping ensure the continuous supply of electricity, gas and heat to the Ukrainian population, along with the critical services provided by healthcare facilities all over the country.

Since its establishment, the Fund has channeled substantial support from private and public contributors to Ukraine. The Fund became one of the most important mechanisms supporting Ukraine's energy system recovery and resilience. As a result, the Ministry of Energy of Ukraine has repeatedly called upon international partners to contribute grants to the Fund, being a trusted mechanism for delivering assistance to Ukraine's energy sector.

Energy facility site after attacks in Ukraine. Photo: Ministry of Energy of Ukraine.



The Ukrainian Energy System under Attack

Since the start of Russia's full-scale invasion of Ukraine on 24 February 2022, Ukraine's civil energy infrastructure has remained one of the primary targets of Russia's targeted attacks. While the large-scale attacks on the energy infrastructure through 2022 – 2025 have caused unprecedented losses of production, transmission or distribution capacities of electricity, gas and district heating and repeatedly widespread shortages, Russia continued systematically targeting the critical energy infrastructure throughout the first part of 2026. These repeated attacks, especially at the beginning of 2026 during the extreme sub-zero temperatures in Ukraine, have resulted not only in unprecedented damage, leading to widespread disruptions of energy supply for the civilian population, but also in the state of emergency announced in several major cities. Millions of Ukrainians experienced unstable access to electricity, gas, water supply, and heating during the '25-'26 winter period.

According to the official Report of the United Nations Human Rights Monitoring Mission in Ukraine, between October 2025

and March 2026 alone, Russia carried out at least 423 attacks on electricity generation, transmission and distribution facilities, including 48 attacks on several regions of Ukraine where multiple types of weapons and launch platforms were used.¹ The Russian armed forces continued to target high-voltage substations connecting Ukraine's nuclear power plants to the electricity transmission network, increasing risks to nuclear safety and security. In February 2026, the International Atomic Energy Agency (IAEA) warned about the repeated attacks as it reported an increase in the military activity in the vicinity of the Zaporizhzhya NPP, such as frequent explosions and gunfire that could potentially affect the nuclear safety and security of the site or the security of the staff.²

The Fund assists the Ministry of Energy of Ukraine in proactively preparing for the upcoming heating season, as significant additional capacity is planned to be reinstated by the start of the '26-'27 winter season.

Energy facility site after attacks in Ukraine. Photo: Ministry of Energy of Ukraine.



¹ "Attacks Against Ukraine's Energy Infrastructure and Update on the Human Rights Situation in Ukraine 1 December 2025 – 31 May 2026. UN Human Rights Mission to Ukraine. 29 June 2026; access link: <https://ukraine.ohchr.org/sites/default/files/2026-06/2026-06-29%20PR44.pdf>

² Nuclear Safety, Security and Safeguards in Ukraine, Report by the Director General, GOV/2026/7, Date: 25 February 2026, access link: <https://www.iaea.org/sites/default/files/documents/gov2026-7.pdf>

On 23 February 2026, the Fifth Rapid Damage and Needs Assessment - a joint assessment of the World Bank, the European Union, the United Nations and the Government of Ukraine, estimated the total damage to Ukraine's energy sector at over USD 24,8 bn as of 31 December 2025, up from USD 20,5 bn in the previous assessment, demonstrating the continued increase in damage caused by ongoing attacks. The power sub-sector accounts for approximately 70% of total energy-sector damage (USD 17,1 bn), of which damage to generation assets represents the largest fraction (USD 14,2 bn), followed by transmission infrastructure (USD 2,3 bn), and power distribution infrastructure (USD 0,7 bn). In addition to physical damage, war-related losses across the sector are estimated at approximately US 88,2 bn, representing reduced energy demand and constrained system operation. The total recovery and reconstruction needs in the energy and extractives sector are calculated at approximately USD 90,6 bn - equivalent to 15,4% of Ukraine's total recovery and reconstruction needs of USD 587,7 bn over the 2026 – 2035 period.

Mechanism of the Fund

The implementation mechanism of the Fund is built on a complex governance framework incorporating fiduciary control mechanisms and compliance safeguards designed to ensure effective and transparent procurement and delivery of goods and services supporting Ukraine's energy system, where every euro contributed by donors is traceable, verified, and used strictly in line with its intended purpose.

- The Fund's structure is based on a set of formal agreements that define roles, responsibilities, and compliance:
- Grant Agreements between the Energy Community Secretariat and individual donors, establishing the terms of contributions, including earmarking and reporting arrangements;
- Fiduciary Agreement between the Secretariat (acting as fiduciary of the Fund) and the Ministry of Energy of Ukraine (as the Fund's beneficiary), defining coordination and oversight responsibilities;

Framework Agreements between the Ministry of Energy of Ukraine and eligible Ukrainian companies, regulating the conditions for requesting and receiving support through the Fund.

These agreements establish the terms under which Ukrainian entities can receive support through the Fund, setting out their interactions with the Ministry, the Secretariat, as well as

the procurement procedures to be followed, ensuring that the Secretariat and the Ministry retain oversight, and that donors have access to all relevant information.

The implementation of support through the Fund begins with the submission, review, prioritisation, and approval of support requests. Support requests, detailing the goods and services needed to maintain Ukraine's energy system, are submitted by eligible Ukrainian entities to a multi-stakeholder Working Group operating under the Ministry of Energy of Ukraine. The Working Group reviews and prioritises the support requests, verifying that the requested needs are duly justified. The Ministry of Energy of Ukraine oversees this process, ensuring that each request aligns with the broader needs and priorities of the country. Upon approval of a support request by the Working Group, the Secretariat assesses the availability of funds, allocates them in line with donors' earmarking declarations, and secures funds for each procurement before it is initiated.

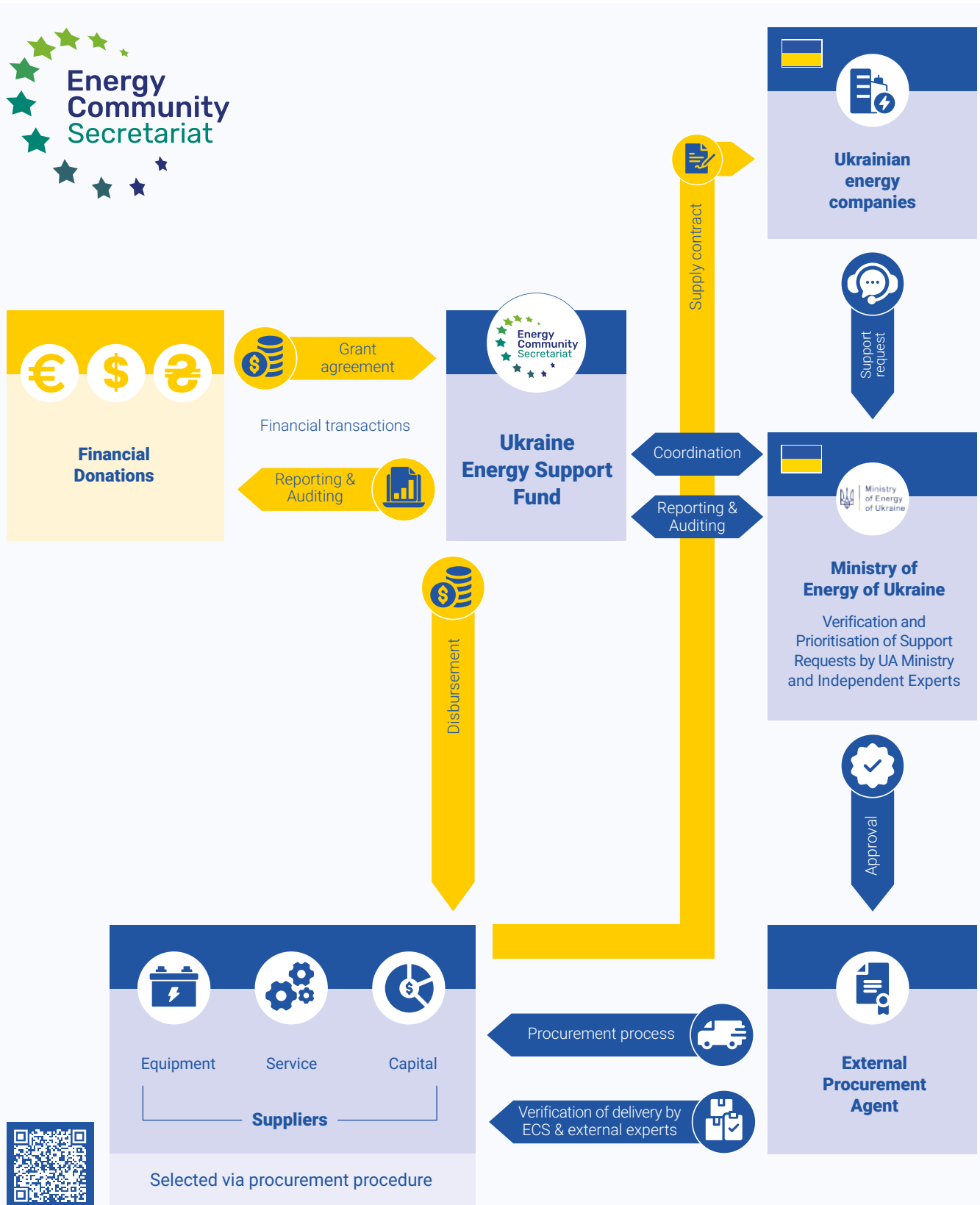
The procurement of the requested goods and services is executed by an external, independent procurement agent, operating under procurement guidelines developed in line with international best practices and approved by the donors, guaranteeing fair competition and equal access to bidders worldwide. The Secretariat works closely with the procurement agent to ensure the highest standards of transparency and competition, while meeting urgent demands and delivering necessary support promptly. Each tender includes strict compliance checks: bidder eligibility, sanctions screening, and country-of-origin verification.

The procurement results in a binding supply contract between the eligible Ukrainian entity and the supplier of goods or services. The Secretariat acts as the payment agent, disbursing funds in line with the supply contract's milestones and the contractual framework. This includes covering the cost of goods and services, as well as any related expenses, such as taxes and duties, where no exemption applies. Payments are made directly to the supplier in line with the payment milestones, upon confirmation by the Ukrainian company and completion of the internal control process, ensuring end-to-end traceability of payments and verification of milestone fulfilment.

Finally, reporting is a crucial part of the implementation mechanism. The Secretariat has established and systematically implements a comprehensive reporting framework, ensuring transparency and accountability across all operations of the Fund. The Fund's operational costs are covered by donors' contributions. The Secretariat prepares regular and ad hoc internal and external reports to donors, the Ministry of Energy of Ukraine, and the public. The Fund is subject to annual external financial audit, along with ad hoc donor audits and technical reviews.³

³ World Bank. 2026. Ukraine - Fifth Rapid Damage and Needs Assessment (RDNA5) : February 2022 - December 2025 (English). Washington, D.C. : World Bank Group. acces link: <http://documents.worldbank.org/curated/en/099022026094036395>

FIGURE 1
Ukraine Energy Support Fund Mechanism



Status of Contributions

Over the first half of the year, the Fund received over EUR 327 million in new contributions from 16 different donors, with Slovenia joining the donor community, increasing the cumulative balance to EUR 1.940,9 million since the establishment of

the Fund. Most contributions (EUR 281.3 million or 86% of contributions) were broadly or not earmarked, allowing for flexibility to address immediate needs.

FIGURE 2

Accumulation of grants since the establishment of the Fund, EUR mln

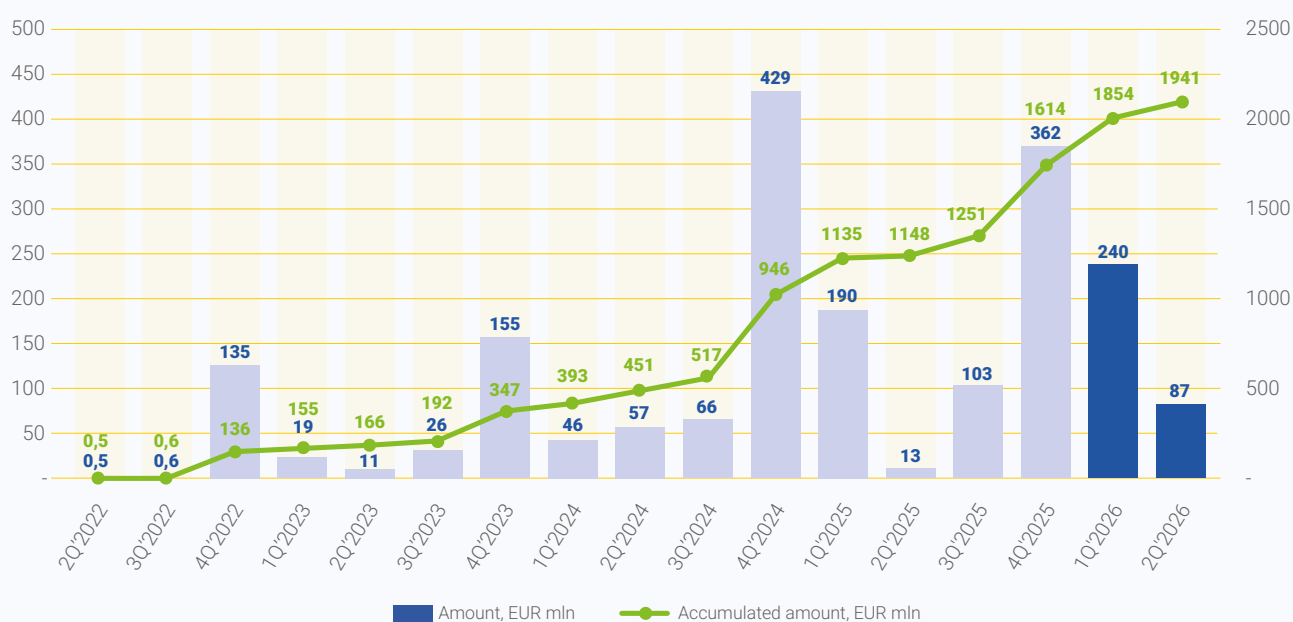
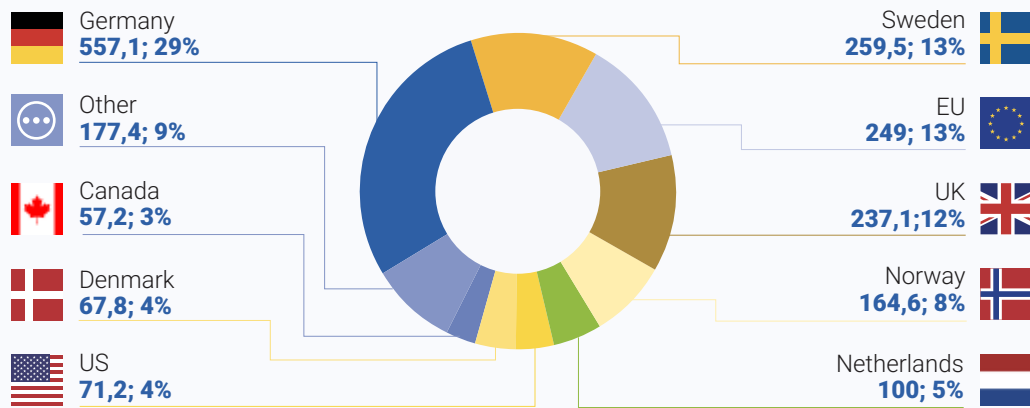


TABLE 1*Overview of contributions to the Fund as of 30.06.2026, in EUR*

Donor	Pledged and/or Signed	Deposited on Account
Public sector:	1.947.273.899	1.931.825.791
Germany - via the Federal Foreign Office and the Federal Ministry of Economy and Climate Action	557.132.353	557.132.353
Sweden - via the Swedish International Development Cooperation Agency	259.467.890	259.467.890
European Union	259.000.000	249.000.000
United Kingdom	237.068.912	237.068.912
Norway	164.571.176	164.571.176
Netherlands	100.000.000	100.000.000
United States	71.246.827	71.246.827
Denmark -via the Danish Energy Agency and the Ministry of Foreign Affairs)	73.293.856	67.845.748
Canada	57.199.641	57.199.641
Ireland	27.000.000	27.000.000
Australia	24.490.000	24.490.000
Italy	22.988.432	22.988.432
Luxembourg	22.000.000	22.000.000
Swiss Confederation	18.969.639	18.969.639
Austria	15.500.000	15.500.000
Iceland	8.394.422	8.394.422
France	5.710.000	5.710.000
Lithuania	5.670.000	5.670.000
Spain - via the Ministry for the Ecological Transition and the Demographic Challenge and the Parliament of La Rioja)	4.506.000	4.506.000
Poland	3.127.751	3.127.751
Estonia	2.620.000	2.620.000
Belgium	2.500.000	2.500.000
Croatia	2.500.000	2.500.000
Portugal	1.200.000	1.200.000
Latvia	617.000	617.000
Slovenia	500.000	500.000
Private sector:	9.103.000	9.103.000
GRAND TOTAL:	1.956.376.899	1.940.928.791

FIGURE 3

Share of each donor's contribution in the total contributions as of 30 June 2026, in %



Status of Implementation

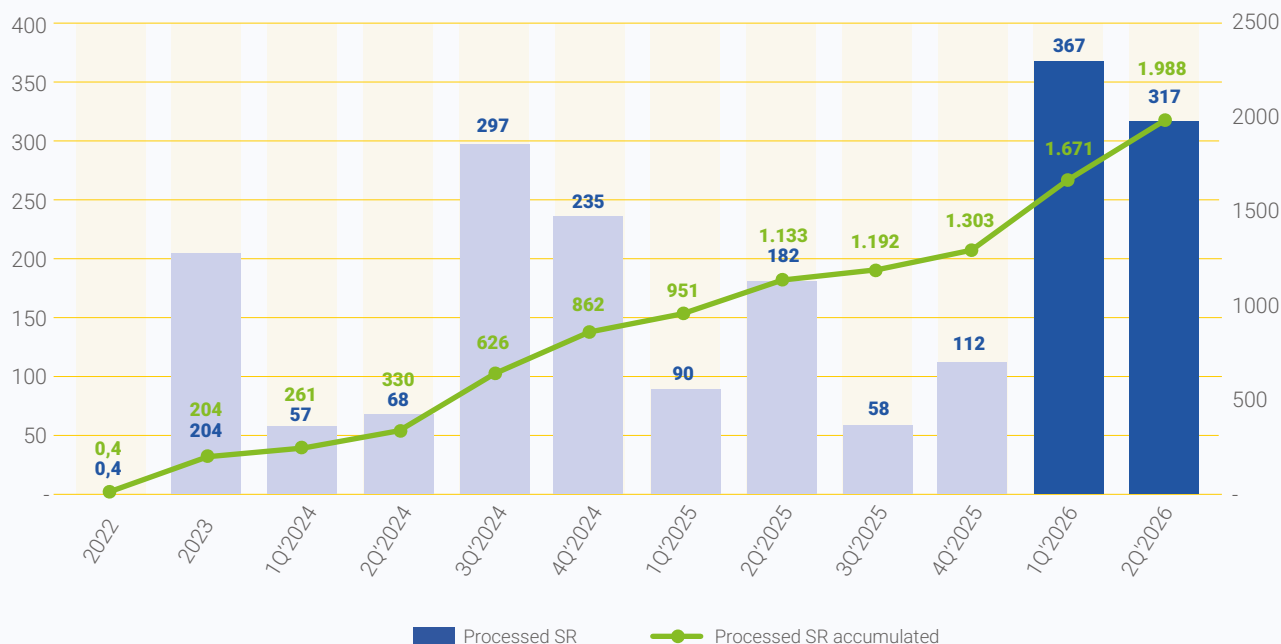
Support Requests

Approved Support Requests: During the reporting period, the Working Group “On the Organization of Humanitarian Aid in the Energy Sector” under the Ministry of Energy of Ukraine approved 379 support requests for reservation of funds and procurement through the Fund, which were submitted to the Secretariat, reflecting a continued and growing demand for assistance in the energy sector.

Processed Support Requests: Out of the support requests approved by the Working Group, including those support requests which were approved before the reporting period, the Secretariat was able to allocate funding to and process 381 support requests. This brought the total number of support requests financed and processed since the Fund’s inception to 854.

FIGURE 4

Value of support requests processed by the Fund, EUR mln



During the reporting period, the support requests processed for procurement under the Fund originated from a total of 50⁴ different Ukrainian counterparties. Approved and allocated

requests span across a broad range of public and private entities all over Ukraine.

FIGURE 5

Overview of sectors benefitting from support requests processed in the reporting period, %

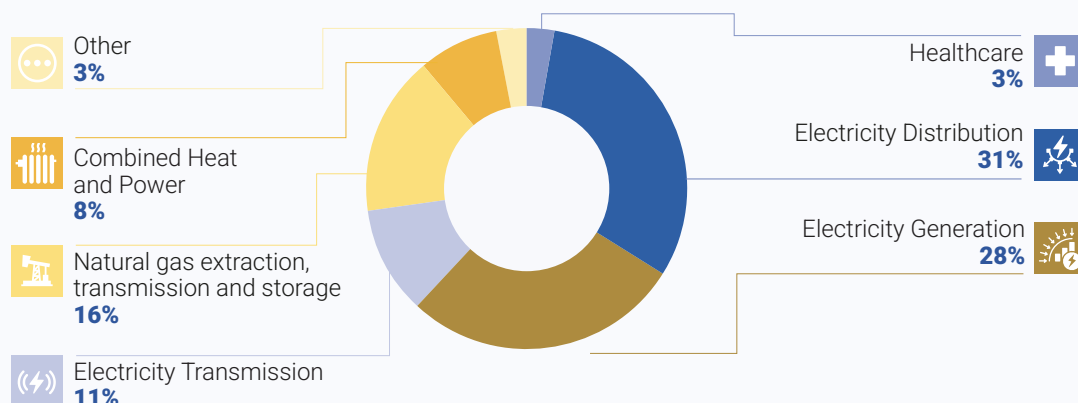
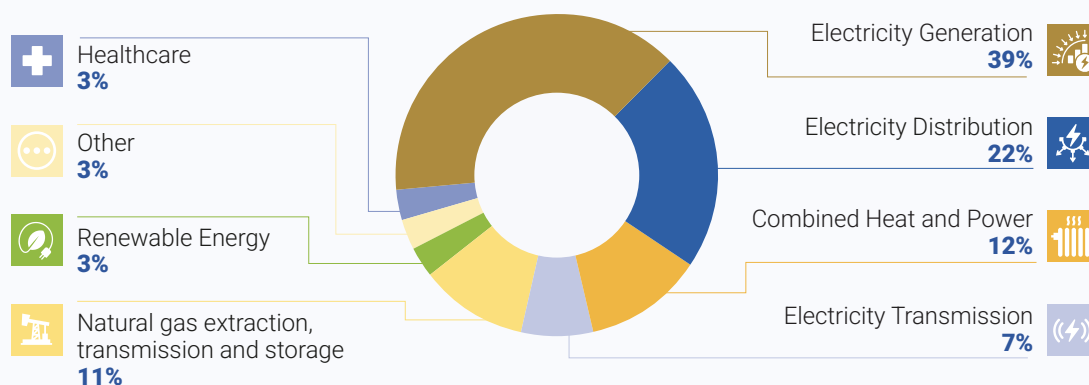
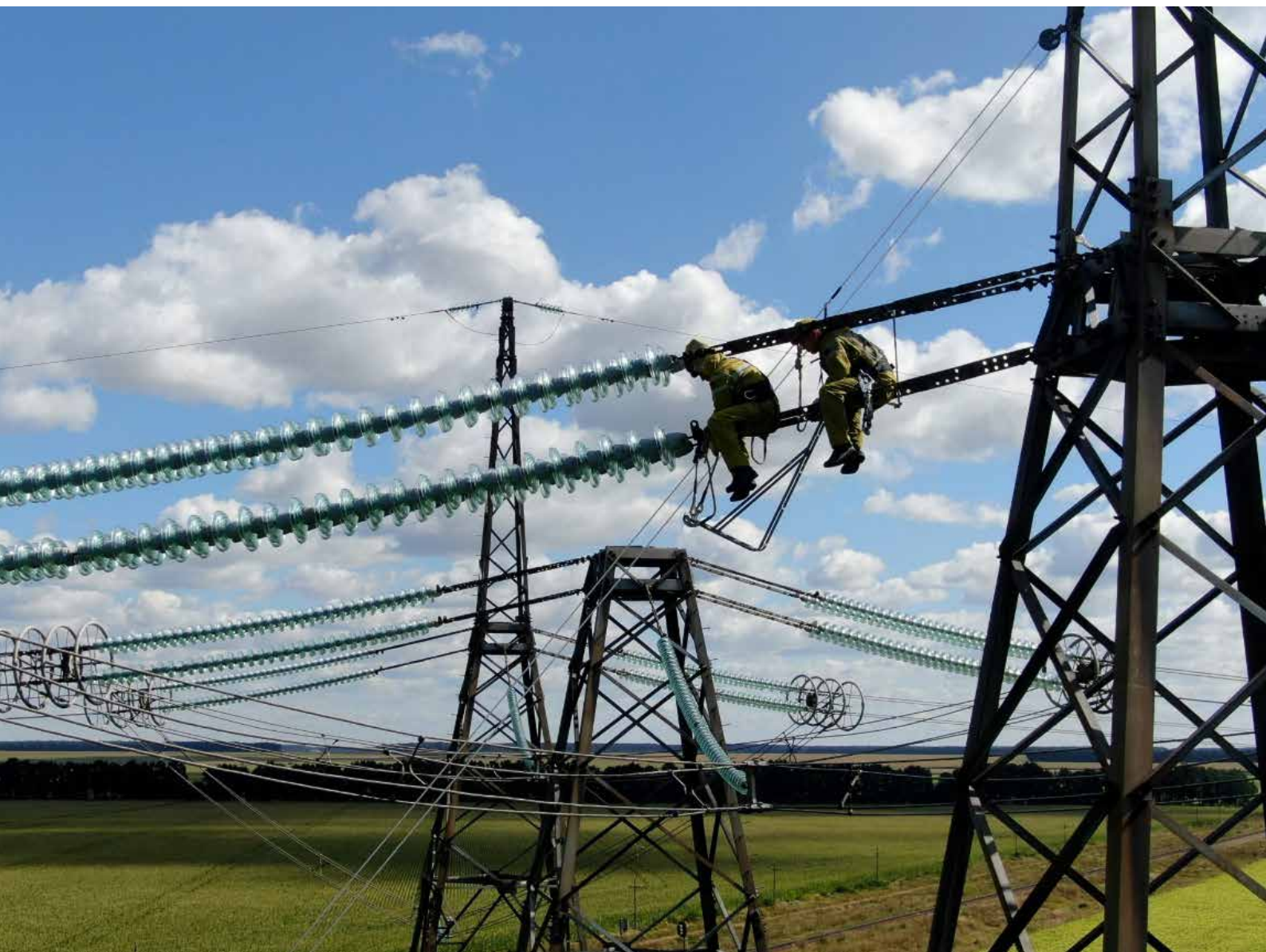


FIGURE 6

Overview of sectors benefitting from support requests processed since the establishment of the Fund, %



Repair works of the energy facility site in Ukraine. Photo: Ministry of Energy of Ukraine.



Purchase Agreements

Supply agreements concluded in the reporting period amount to EUR 212,2 million, bringing the cumulative value of contracts to EUR 1.021,4 million. The monthly reports finalised since the end of the reporting period show a strong uptake of procurement activities with the number and value of purchase agreements increasing significantly. In total, as of 30 June 2026, the Fund has provided support to Ukrainian counterparties in 23 regions of Ukraine, delivering a nation-wide impact.

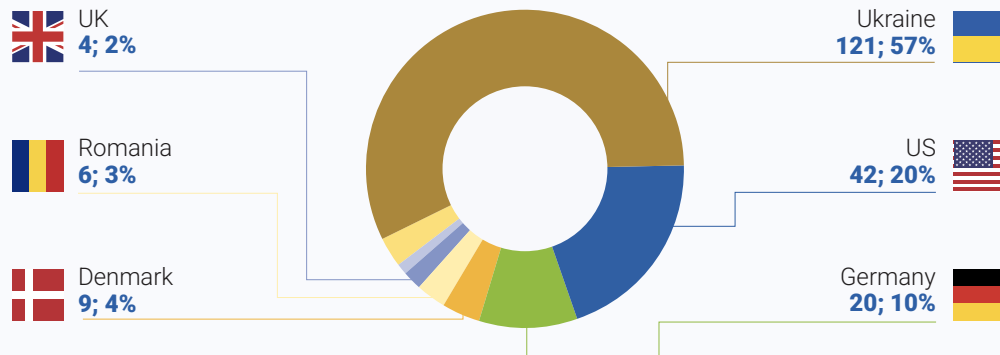
The largest share of purchase agreements concluded during the reporting period relates to the electricity distribution sector.

Equipment / machines emerged as the largest category of procured equipment during the reporting period; transformers, comprising a significant proportion of the procurement value were requested by Ukrainian counterparties to repair damage to distribution facilities.

While suppliers from Ukraine remained dominant in the reporting period, USA, German and Danish firms increased their shares. High-value generation equipment and high voltage components originating from companies registered in the USA, Germany, Denmark, played a key role in new contracts.

FIGURE 7

Suppliers' nationality under purchase agreements concluded under the Fund in the reporting period, EUR mln and %



Disbursements

The Fund is executing payments as invoices are submitted by the Ukrainian energy companies. In the reporting period, the Fund executed a total of **731** payment transactions (valued at

EUR 94,6 million), bringing the cumulative number of payment transactions to 2.853 (valued at **EUR 782,9 million**) since the Fund's inception.

FIGURE 8

Accumulation of number of payment transactions executed since the establishment of the Fund

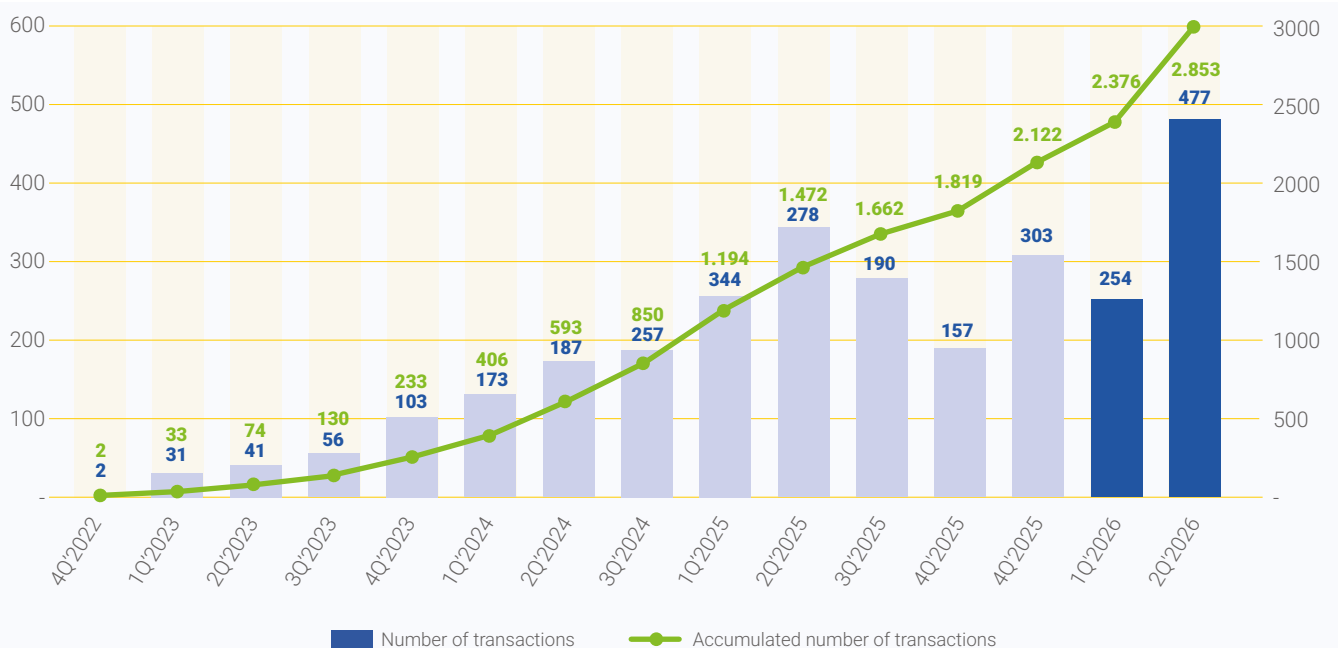
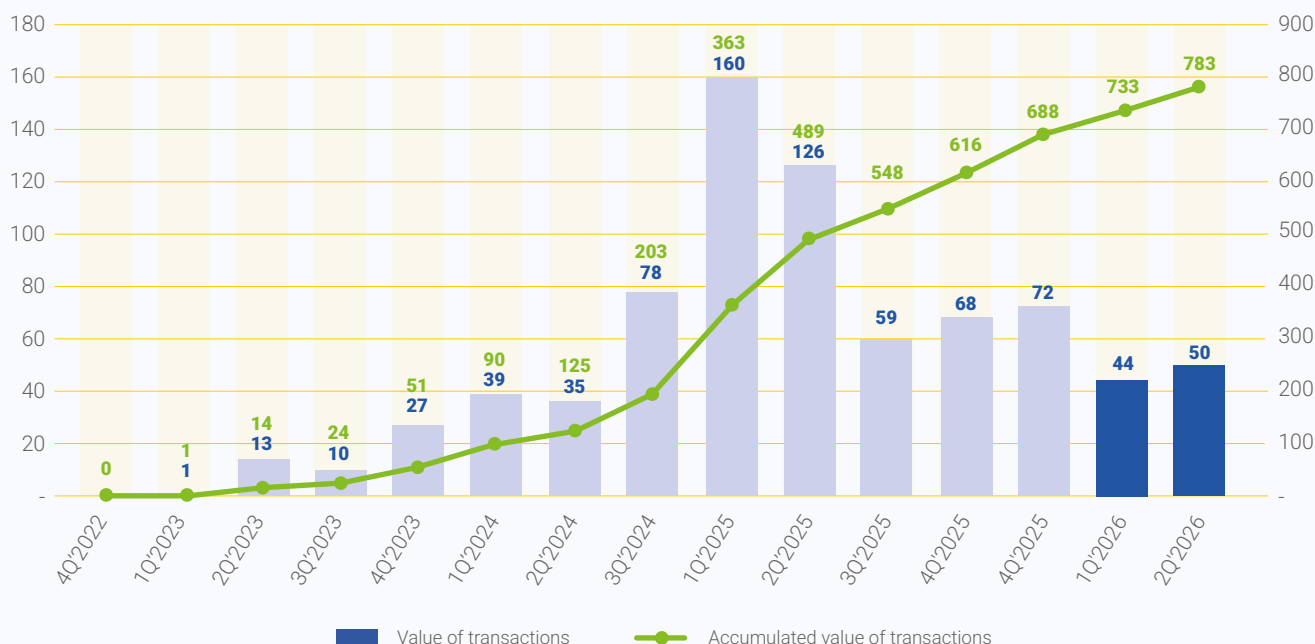


FIGURE 9

Accumulation of value of payment transactions executed since the establishment of the Fund, EUR mln



Deliveries

The delivery schedule under the supply contracts predominantly depends on the lead times offered by the market during procurement. Price, along with the offered lead time remains to be the determining factor at bid evaluation.

In the reporting period, **EUR 113,5 million** worth of energy equipment procured under the Fund was reported delivered by the eligible Ukrainian companies, bringing the cumulative value of deliveries to EUR 720,9 million since the Fund's inception.

Ray of Hope

The Ray of Hope Project (RoH) initiated by the European Commission and executed by the Secretariat under the Fund is a prime example of assistance provided in line with build back better principals, contributing to the green reconstruction of the Ukrainian energy infrastructure, utilising state of the art technological solutions, while contributing to long-term sustainability. The initiative provides turn-key solar power systems with integrated battery storage to hospitals and emergency medical facilities, ensuring uninterrupted access to electricity during power outages, and decreasing the consumption from the grid. The original concept of outsourcing

project management on the ground, close to the execution, for entities not having their core expertise in the energy sector has been proven.

By the end of June 2026, 371 support requests for project implementation had been approved by the Ministry of Energy of Ukraine, with tenders held for 130 projects and 103 contracts signed with EPC Contractors. By the end of June 2026, 81 healthcare facilities across Ukraine have been energized, strengthening their energy resilience and ensuring a more reliable power supply for critical healthcare services during grid disruptions. Subject to availability of funds, the project can be boosted for more health care service facilities beyond the 275 projects already with secured financing and aim at servicing all 600+ projects pre-selected for assistance by the Ministry of Health. The structure can also be extended to other public areas.

Based on the experience of the first full year of project implementation, the RoH project is implementing additional procurement approaches, namely framework contracting for EPC works and bulk procurement of equipment, thus increasing economies of scale and project delivery capacity, while also ensuring that individual projects remain available for procurement, thus enabling bidding opportunity for new entrants.

De-risking Investments into Grid Stability

Based on the continued call of the international donor community to explore more efficient ways of deploying donor funds, e.g. by leveraging private capital, the Secretariat has developed a concept for a de-risking mechanism.

The de-risking mechanism is designed to ultimately strengthen the stability and resilience of Ukrenergo's grid operations by improving balancing capacity and system flexibility. Eligible projects are winners of Ukrenergo's special long-term auctions, such as those conducted recently for ancillary services. The mechanism is based on two components: i) a partial bank guarantee—issued through a highly rated international bank and backed by the Fund—to support Ukrainian banks financing development by energy companies of new generation or storage projects contracted by Ukrenergo to provide ancillary services and (ii) the funding of passive protection equipment for the project sites to reduce the risk of war damages.

In conjunction, the mechanism's components provide financing relief and war risk mitigation to private investments in projects for ancillary services (new generation and storage capacities) or

flexible generation capacities. In the short term, this enhances the resilience of Ukraine's power grid considering ongoing Russian attacks. In the mid-term, it also helps to improve system flexibility and balancing capacities in the view of increased roll-out of intermittent renewables. It has been designed explicitly to avoid overlaps with other de-risking mechanisms, such as EBRD's Ukraine Risk Mitigation Mechanism (URMM) which aim at de-risking green field RES generation projects.

In early July, [Norway agreed to contribute](#) EUR 2 million to fund a pilot phase of the de-risking mechanism, targeting winners of the recent long-term special auctions for ancillary service projects. In the coming months, the Fund aims to operationalise the pilot phase as proof of concept. The process starts with a Call for Expression of Interest to participate and, following the selection of pilot projects, will work on the contractual implementation with Ukrainian project owners and financing banks.

In the following, the mechanism can be expanded to larger volume and additional Ukrenergo auctions e.g. the auctions for flexible generation capacities, subject to availability of donor funding earmarked for this purpose.

Lessons Learned

Depending on the equipment, lead times for procurement, delivery, and installation of major energy equipment are measured in years and months rather than weeks. Experience has shown that procurement launched as late as September cannot realistically deliver the support needed in the same winter season. International partners increasingly recognise the need to plan at least one season ahead and significant donations were pledged and transferred during H1 2026.

The **funding need** communicated by the Ministry of Energy of Ukraine and the Secretariat at the URC amounts to EUR 650 million. Since the URC, until mid-August, over EUR 200 million was contributed to the Fund. While the international community's pledges and contributions significantly reduced the funding need (also by pledges beyond the reporting period), approximately EUR 450 million funding is still required to cover the immediate needs communicated in Gdańsk.

UKRAINE ENERGY SUPPORT FUND

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