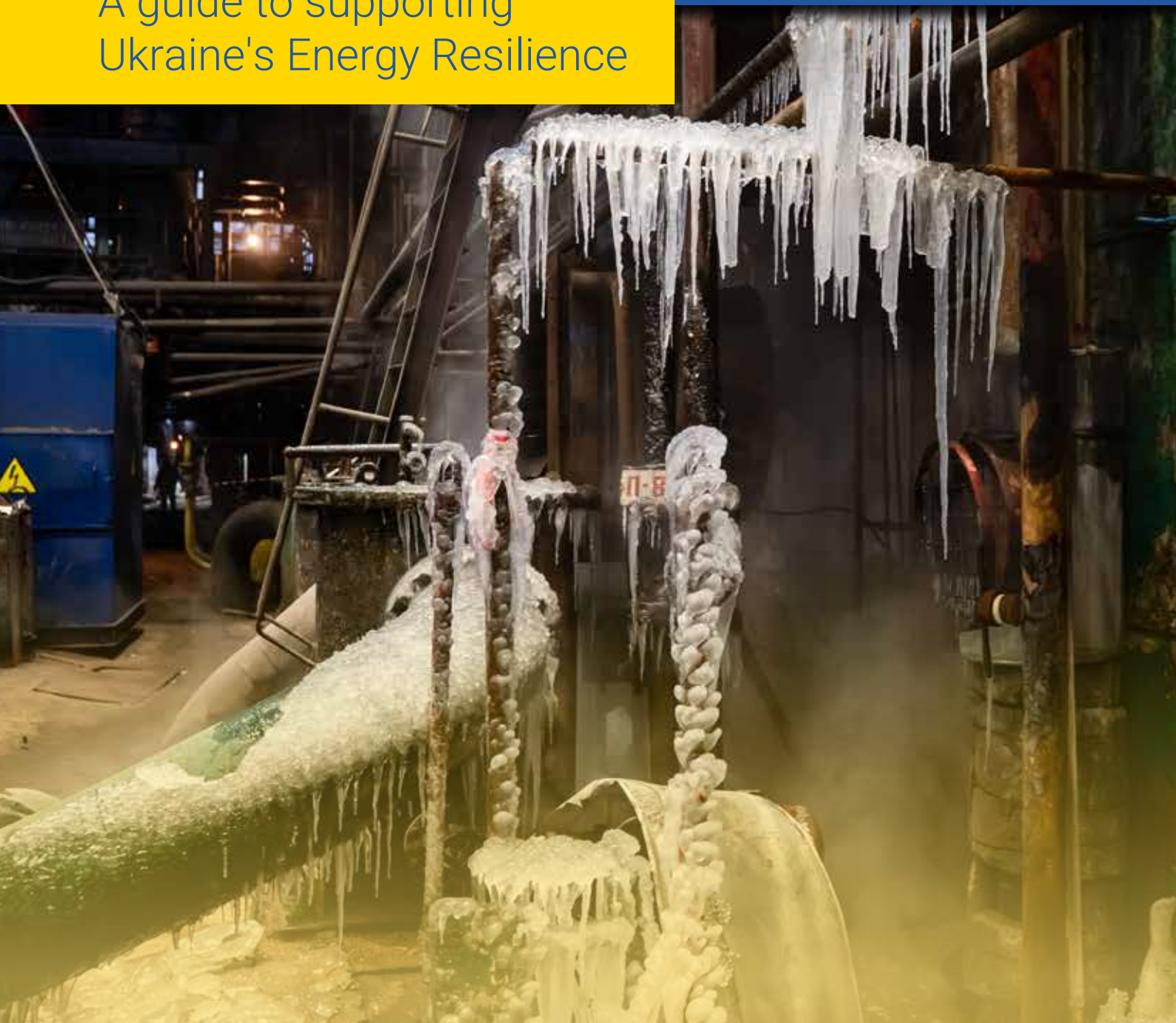


THE UKRAINE ENERGY SUPPORT FUND

Solidarity in action:

A guide to supporting
Ukraine's Energy Resilience



Ukraine Energy Support Fund

The Ukraine Energy Support Fund (the Fund) was established in April 2022 by the European Commission and the Ministry of Energy of Ukraine to address the impact of the Russian attacks on Ukraine's critical energy infrastructure.

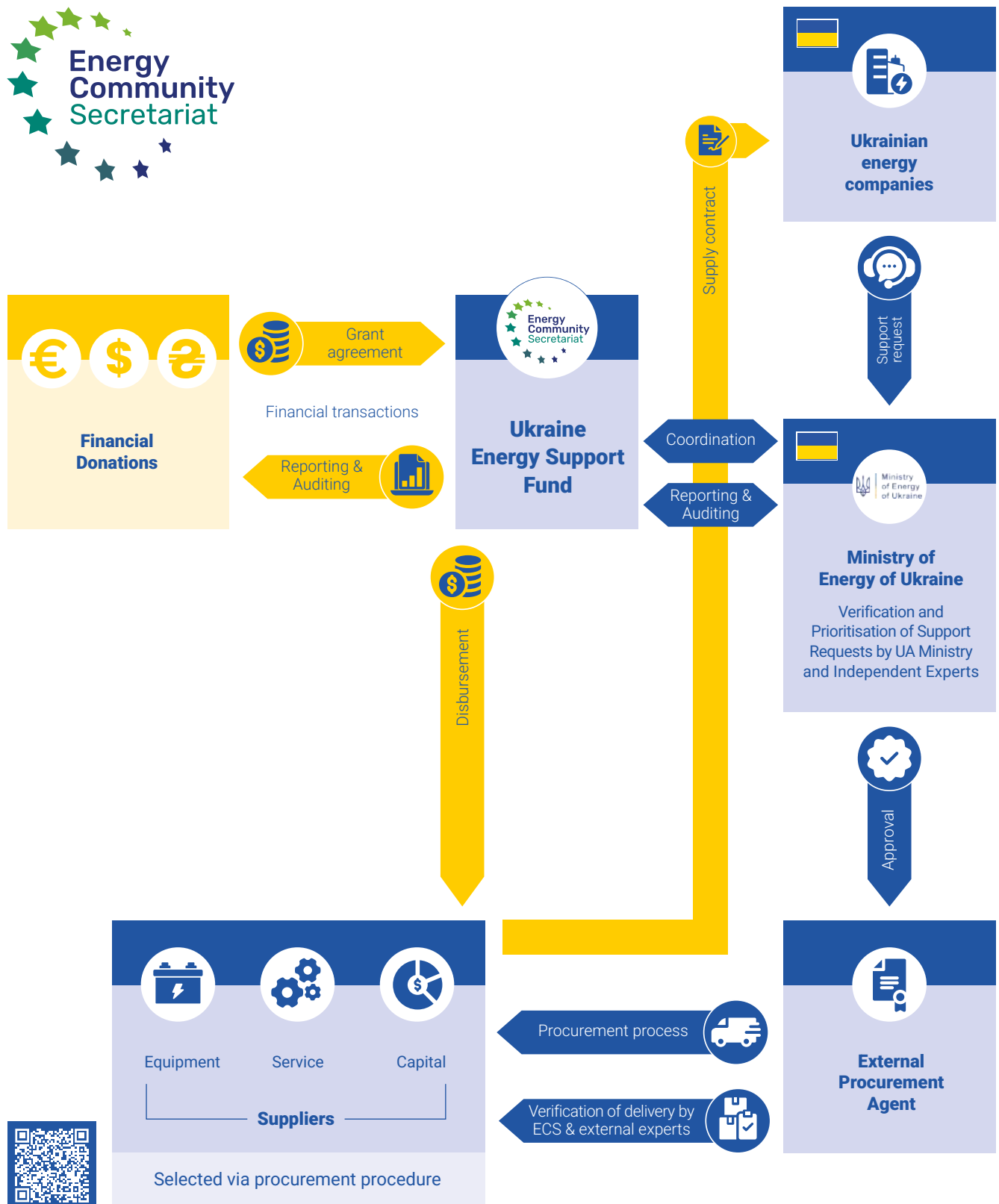
The Fund is managed by the Energy Community Secretariat (the Secretariat), the independent executive body of the Energy Community based in Vienna, Austria. The Energy Community is an international organisation founded by the Treaty establishing the Energy Community, concluded between the European Union and its Contracting Parties, including Ukraine.

The Fund mobilises donor contributions from governments, international financial institutions and corporate partners to address the most urgent needs of Ukraine's energy sector by financing the procurement of essential equipment, spare parts, technical materials, passive physical protection measures and directly related works and services for rapid restoration of electricity and heat supply.

Acting as fiduciary of the Fund, the Secretariat administers donor contributions and operationalises implementation in close coordination with the Ministry of Energy of Ukraine. The Secretariat manages the Fund in accordance with its mandate under the Treaty establishing the Energy Community and provides administrative, financial and operational oversight of all Fund activities. The Fund's operational costs are covered by donors' contributions.



How Does the Ukraine Energy Support Fund Work?



1

Contractual framework

Donors contribute to the Fund through a Grant Agreement concluded with the Secretariat. Following signature, the contribution is transferred to the Fund's dedicated account managed by the Secretariat.

Donors may define the scope of their contribution through an Earmarking Declaration, indicating preferred energy sub-sectors, geographic areas or eligible beneficiary companies from the list maintained by the Ministry of Energy of Ukraine, or specifying exclusions. Unearmarked contributions provide maximum flexibility, allowing the Fund to respond rapidly to priority needs identified through established governance mechanisms.

The Secretariat provides standard agreement templates and supports donors throughout the process. Where necessary, agreements may be adjusted in consultation with the Secretariat to reflect specific donor requirements.

The Ministry of Energy of Ukraine maintains the official list of Ukrainian energy companies eligible for support. These companies may submit Support Requests describing the equipment, materials or services required.

Support Requests are reviewed by a dedicated Working Group under the Ministry of Energy of Ukraine, including energy sector representatives and experts, who apply predefined criteria to assess, validate and prioritise requests based on urgency, technical relevance and impact on energy system resilience.

Once approved and prioritised, Support Requests are transmitted to the Secretariat for further processing, including fund allocation and procurement initiation.

2

Support Request

Upon receipt of approved and prioritised Support Requests, the Secretariat allocates resources for each request in accordance with any applicable donor earmarking and reserves the corresponding funds for procurement purposes.

The Support Request is then sent for procurement. The procurement procedure is outsourced to an independent procurement agent and is time-bound to ensure a rapid response. The Secretariat provides oversight along the process.

The procurement agent finalises technical specifications in consultation with the requesting company and conducts the tendering process in line with the approved Procurement Guidelines via a dedicated electronic procurement platform. The platform serves as a single access point for all tenders, providing secure document exchange, clarification mechanisms and bid submission functionality—ensuring transparency in line with international best procurement practices.

3

Procurement

Upon completion of the tender process and bid evaluation, a standard supply contract is concluded between the winning bidder as the supplier and the Ukrainian recipient company as the buyer. The Secretariat (the Fund) acts as the payer on behalf of the buyer. The Secretariat ensures the direct disbursement of funds to the Supplier upon confirmation by the buyer of contractual payment milestones, subject to rigorous internal controls, including three-tier documentation verification.

4

Disbursement

5

Tracking, verification and reporting

The Secretariat monitors the delivery, installation and commissioning of all goods, works and services procured through the Fund, in line with contract provisions and with the support of external technical experts.

Donors receive regular reports on the use of contributions and the implementation of supported activities. In addition, the Fund is subject to independent external audits, ensuring transparency, accountability and integrity of the overall process.



Photo © Ministry of Energy of Ukraine

TRANSPARENCY AND OVERSIGHT

The Fund operates under a sophisticated governance framework, with strict fiduciary control and compliance mechanisms that ensure each euro contributed by donors

is traceable, verified and used strictly in line with its intended purpose—to support Ukraine's energy resilience.

Financial, technical and procedural safeguards

1 Multi-stakeholder approval and prioritisation of support requests

Support Requests submitted by eligible Ukrainian energy companies are reviewed and prioritised by a multi-stakeholder Working Group under the Ministry of Energy of Ukraine. This includes representatives of the National Energy and Utilities Regulatory Commission (NEURC), the State Energy Supervision Inspectorate, energy operators and independent civil society experts. The Secretariat attends as an observer.

The Working Group verifies that needs are justified, confirms the extent and impact of damages, and assesses requests against predefined criteria to determine their urgency and relevance for maintaining or restoring critical energy services. It also ensures that there is no duplication with existing investments or regulatory programmes.

Supported companies are, by default, not permitted to sell, transfer or otherwise dispose of equipment, materials, works or services financed through the Fund, ensuring that the Fund's resources are used for the intended purpose of strengthening Ukraine's energy infrastructure.

2 Procedural and legal safeguards

The Fund operates under a clear framework separating governance, fiduciary and operational management. Neither the Government of Ukraine nor donors directly manage funds or procurements.

The Fund's structure is based on:

Grant Agreements (between the Secretariat and individual donors), establishing the terms of contributions, earmarking and reporting;

Fiduciary Agreement (between the Secretariat as Fiduciary and the Ministry of Energy of Ukraine as beneficiary), defining coordination and oversight;

Framework Agreements (between the Ministry of Energy of Ukraine and eligible Ukrainian companies), regulating eligibility and access to support under the Fund.

3 Independent procurement

All procurements are executed by the independent procurement agent, ensuring transparency and adherence to international best practices:

the process operates under internal **Procurement Guidelines** developed in line with international best practices;

open electronic tenders are conducted **via a public procurement platform**, guaranteeing fair competition and equal access to bidders worldwide;

each tender includes strict compliance checks: bidder eligibility, sanctions screening and country-of-origin verification;

the Secretariat oversees compliance across procurement stages.

4 Procurement process integrity

The Secretariat and the procurement agent maintain the **highest standards of integrity**.

Suppliers must follow the instructions in the tender dossier, including communication channels, codes of conduct, integrity provisions and sanction compliance requirements. Violation may result in disqualification and exclusion from future procurements.

5 Payment security

The Fund operates a fully pre-funded model, which ensures payment certainty:

funds are secured in a dedicated special-purpose bank account **for each procurement** before it begins;

at the moment of allocation of monetary resources for a specific Support Request, the **funds are reserved** to cover the relevant costs;

disbursement follows milestone verification and documentation review;

payments are made **directly to suppliers**; (Ukrainian beneficiaries do not handle donor funds).

6 Performance security

Above a defined limit, suppliers must provide an irrevocable and unconditional **bank guarantee** securing proper contract performance.

7 Direct payment to suppliers

The **Secretariat acts as payer** on behalf of Ukrainian companies (buyers) under the standard supply contract. Payments are made directly to suppliers following a three-step control process, ensuring end-to-end traceability of payments:

verification by the Ukrainian company confirming achievement of contractual milestones;

submission of supporting documentation and delivery evidence;

three-tier review and approval by the Secretariat.

8 Audit and verification

The Fund is subject to annual audits and, upon donor request, ad hoc audits or reviews, ensuring transparency and accountability in all its operations.

The Fund is a unique full-cycle mechanism for delivering support on the ground. To reflect this, a **multi-layer verification system** is implemented in cooperation with stakeholders, ensuring continuous monitoring and verification of the use of delivered assets in line with their requested purpose:

delivery tracking by the Secretariat;

verification of use by the Secretariat and procurement agent;

ex post verification of use by the National Energy and Utilities Regulatory Commission (NEURC);

ad hoc verification missions by donors;

optional verification of use by the Ministry of Energy of Ukraine.

9 Reporting

A comprehensive reporting framework allows stakeholders to monitor the use of contributions and progress of supported activities:

regular reporting to donors (monthly and annual reports, as well as ad hoc reporting upon request);

weekly operational reporting to the Ministry of Energy of Ukraine;

public reporting in line with transparency safeguards.

10 Sanctions screening

All procedures are compliant with international sanctions and integrity standards. A bidder or quotation is ineligible if:

Ukrainian law or official regulations prohibit commercial relations with the bidder's country;

the bidder or beneficial owner(s) is/are subject to sanctions (EU, UN, UK, World Bank, Ukraine or a specific donor's sanctions list);

the bidder or its beneficial owner(s) is/are residents or citizens of the Russian Federation or the Republic of Belarus;

the quotation involves goods, services or materials originating from these countries;

the bidder must confirm the country of origin of the goods and submit a corresponding declaration;

the bidder or its beneficial owner(s) has a conflict of interest.

RAY OF HOPE

The Ray of Hope initiative, led by the Secretariat, provides sustainable solar energy solutions for healthcare facilities in Ukraine. The project focuses on installing photovoltaic systems on healthcare facilities' rooftops, together with battery energy storage systems, to ensure a reliable power supply and help maintain critical healthcare services, even during power outages caused by Russian attacks. In doing so, the Ray of Hope project contributes to an environmentally, economically and socially more resilient healthcare system.

Implemented under the Fund, the Ray of Hope initiative is financed by contributions from the European Union, its Member States and other international partners. The project is implemented by the Secretariat, in cooperation with the Ministry of Health of Ukraine and the Ministry of Energy of Ukraine, with technical support from an external project manager.

Healthcare facilities are identified and prioritised by the Ministry of Health of Ukraine and approved by the Ministry of Energy of Ukraine, ensuring that support is directed to facilities where resilient energy supply is most critical for maintaining essential medical services.



Photo © Ministry of Energy of Ukraine

Objectives

Sustainability and environmental impact

Reduction of healthcare facilities' reliance on non-renewable energy by integrating solar power into their operations, contributing to cleaner and more sustainable energy consumption and reducing their carbon footprint.

Energy security and resilience

Uninterrupted operation of critical healthcare functions and vital medical equipment is ensured during wartime disruptions, enabling facilities to provide life-saving services when they are needed most.

Cost efficiency and economic impact

By producing their own energy, healthcare facilities can lower their electricity costs and reallocate financial resources to enhance medical services.

Project implementation

Request for support

An eligible healthcare facility requests support via the Ministry of Health, which prioritises and forwards support requests to the Ministry of Energy for approval and submission to the Fund.

Procurement

Upon approval by the Ministry of Energy and allocation of monetary resources by the Secretariat, tenders for implementing the projects are initiated and conducted by the project manager. Contracts are signed directly between the winning bidder and the relevant Ukrainian healthcare facility. The Secretariat, as the Fund's manager, pays for the requested equipment and services.

Installation

The installation of the photovoltaic power plant and an autonomous uninterrupted power supply system (BESS) is performed by the selected EPC contractor, overseen, coordinated and verified by the project manager.

Disbursement

The Secretariat, as the fund's fiduciary, disburses the funds directly to the supplier of equipment or the EPC contractor upon receipt and verification of project documentation proving fulfilment of the relevant payment milestone, in accordance with the contract terms.



Frequently asked questions

? How can an organisation become a donor to the Fund?

Organisations contribute to the Fund by concluding a Grant Agreement with the Secretariat, which acts as fiduciary and manages the dedicated account.

The Secretariat typically uses a standard Grant Agreement, allowing contributions to be processed efficiently. However, the Secretariat may adapt the agreement structure and provisions where necessary to accommodate specific donor requirements or institutional procedures.

In certain cases, donors may transfer contributions directly to the Fund's dedicated account without a formal Grant Agreement, where institutional procedures permit direct financial contributions, subject to coordination between the Secretariat and the donor.

The Secretariat provides templates and end-to-end support to donors. To initiate the contribution process, please contact the Fund at UkraineSupportFund@energy-community.org.

? Can donors direct their contribution to a specific purpose?

Donors may define the scope of their contribution through an Earmarking Declaration, indicating preferred energy sub-sectors, geographic areas or eligible beneficiary companies from the list maintained by the Ministry of Energy of Ukraine, or excluding certain types of use.

Unearmarked contributions provide the greatest flexibility, allowing a rapid response to urgent needs.

? Who is eligible to receive support from the Fund?

The Ministry of Energy of Ukraine maintains the list of Ukrainian entities eligible to receive support. Eligibility criteria are primarily technical in nature and relate to the role of the entity within Ukraine's energy system and its relevance for maintaining or restoring critical energy services.

All eligible entities submit Support Requests through a process coordinated by the Ministry of Energy of Ukraine. Direct submission of requests to the Energy Community Secretariat is not accepted.

Donors may also earmark contributions for specific entities, including those not currently included on the eligibility list, subject to confirmation by the Ministry of Energy of Ukraine and the Fund's governance procedures.

? What kind of equipment is procured under the Fund?

The specific items are determined in the Support Requests and are approved and prioritised in accordance with established procedures. Procurement indicatively covers the following asset categories:

electrical equipment: transformers, switchgears, cables, protection and control systems;

grid and substation components: substation equipment, busbars, metal structures and auxiliary systems;

gas infrastructure: turbogenerators, gas compressor units, pipes and valves;

power generation: distributed generation solutions, power plant components, CHP and auxiliary equipment and control systems;

district heating and thermal equipment: heat exchangers, boilers, pumps, valves and control systems;

safety and operational equipment: passive protection constructions and structures, personal protective equipment, specialised tools, vehicles and emergency response equipment;

directly associated services: installation, commissioning, logistics and after-sales support.

A list of items currently under procurement can be found on the Fund's e-procurement platform: <https://uesf.fund/>.



? How can a company become a supplier under the Fund?

Companies should register as suppliers on the Fund's e-procurement platform: <https://uesf.fund/> and submit quotations for active tenders.

To ensure integrity, the Secretariat is not in a position to exchange information with potential suppliers. Communication about ongoing procurement with the procurement agent is carried out solely via the platform. Communication channels are described in each ongoing tender.

The Secretariat, together with the procurement agent, stands ready to participate in or organise online and in-person workshops on the practicalities of the procurement for multiple potential vendors. This can be arranged upon request by industry organisations, chambers or representatives of the donor country.

? Who conducts the procurement?

Procurement is run by an independent procurement agent in line with donor-verified Procurement Guidelines on behalf of the eligible Ukrainian entity with an approved Support Request. The procurement process is time-bound to ensure a rapid response to Ukraine's energy sector needs. Contracts are concluded between the supplier and the eligible Ukrainian entity (buyer), with the Secretariat (the Fund) acting as the payer on behalf of the buyer.

? What is the role of the Energy Community Secretariat in the procurement process?

The Secretariat acts as the fiduciary of the Fund, ensuring compliance with procedures and acting as payer under supply contracts between equipment suppliers and eligible Ukrainian entities. Payments to suppliers are made in line with the supply agreement upon verification of the payment milestone(s) and internal controls by the Secretariat. Advance payments and payment guarantees for suppliers may apply.





Ukraine Energy Support Fund
Energy Community Secretariat
Am Hof 4, 1010 Vienna, Austria
Tel: + 431 535 2222

 UkraineSupportFund@energy-community.org

 www.energy-community.org

 https://twitter.com/ener_community

 <https://www.linkedin.com/company/energy-communit>