



Ukraine Energy Support Fund

HALF-YEAR REPORT

Reporting Period:
January - June 2025



Executive Summary

In the first half of 2025, 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 202.5 million in new contributions**, increasing the cumulative balance to **EUR 1,148.4 million** by the end of June 2025. The donor participation expanded to 33 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 **195 support requests**, of which **158 could be processed** by the Secretariat, reflecting sustained high demand for energy sector assistance. These requests, valued at **EUR 271.7 million** (EUR 1,133.4 million since the establishment of the Fund), reflected a strategic shift towards urgent winterization efforts - particularly the restoration of generation capacity and deployment of decentralized energy solutions. In response, **145 purchase agreements** were concluded (780 in total since the establishment of the Fund), with **EUR 109.7 million** in contracted value (EUR 668.7 million since the establishment of the Fund).

Deliveries during the reporting period accelerated accordingly, valued at **EUR 305.2 million** (EUR 465.7 million in total), while disbursements grew by **EUR 185.3 million** (EUR 548.0 million in total). Delivered critical equipment included generation equipment, transformers, high voltage switch gear, and solar systems for critical infrastructure. Most deliveries were concentrated in the regions of Ukraine hardest hit by the war.

On the ground, the Fund supported a wide spectrum of interventions, from large-scale projects to the continued expansion of the "Ray of Hope" initiative delivering solar and storage systems to healthcare facilities across Ukraine. These efforts reflect the Fund's ability to respond rapidly to urgent needs while also enabling longer-term resilience and sustainability, by introducing decentralised renewable energy solutions.

Operationally, the Fund reached an important stage of institutional consolidation in the first half of 2025. The transition to the new procurement agent was successfully completed following a competitive process, ensuring uninterrupted continuity.

In parallel, the Fund finalized its second external audit, which resulted in an unqualified opinion, and promptly began implementing recommendations to further strengthen procurement, contract management, compliance, and delivery verification.

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



Artur Lorkowski
Director, Energy Community Secretariat

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Background and Introduction

This half-year report covers the Ukraine Energy Support Fund's operations in the period January – June 2025. 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 purpose of the Fund is to support the restoration and stabilization of Ukraine's energy system.

The Fund manages donor grants by allocating resources for the procurement of approved and prioritised items required by Ukrainian energy companies to restore and maintain critical infrastructure. Its focus is on urgently needed equipment essential for the repair and rehabilitation of facilities damaged by the Russian war of aggression against Ukraine, as well as on creating new capacities to help ensure the continuous supply of electricity, gas and heat to the Ukrainian population.

As significant support has been provided by both private and public donors and administered effectively by the Energy Community Secretariat since the Fund's launch, the Fund became one of the most efficient mechanisms supporting Ukraine's energy resilience, as communicated by the Minister of Energy of Ukraine on multiple occasions, including the Ukraine Recovery Conference in Rome. The Minister called upon the international community to use the Fund's mechanism to channel assistance intended for the energy sector.

The Ukrainian Energy System under Attack

Since the start of Russia's full-scale invasion of Ukraine on February 24, 2022, Ukraine's energy sector and infrastructure have been subjected to continuous military attacks, persisting throughout 2022, 2023, 2024 and into 2025. These attacks

have caused unprecedented damage, leading to widespread disruptions of energy supply for the Ukrainian population. Millions of Ukrainians experienced unstable access to electricity, water supply, and heating during the 2022-2023 winter period. In early 2024, Russia escalated its offensive against Ukraine's energy sector, inflicting severe damage on major thermal and hydro power generation facilities, district heating, along with the power-, and gas transmission and distribution infrastructure. By mid-2024, Ukraine had lost over 9 gigawatts (GW) of power generation capacity, resulting in a system-wide deficit that necessitated rolling blackouts affecting both critical infrastructure and residential areas. The attacks in March and April 2024 led to emergency disconnections in multiple regions, with some consumers experiencing power outages for more than 50% of the time on average. Despite extensive repair efforts, the grid remained highly vulnerable, and power shortages continued to disrupt essential services, including healthcare, heat-, and water supply and transportation. The situation deteriorated further in late 2024 and the first months of 2025, with intensified Russian attacks targeting Ukraine's power plants, gas production and storage facilities, as well as grid infrastructure.

By mid-2025, more than half of the nation's pre-war generation capacity was destroyed or offline, including the 6 GW Zaporizhzhia nuclear power plant under occupation, while around 70% of thermal capacity had been damaged or captured. In total, at least 18 major thermal and CHP plants, over 800 boiler houses, and nearly half of Ukrenergo's high-voltage substations have been hit since 2022. Electricity supply has remained fragile, with rolling restrictions after major strikes and in the hardest-hit regions outages lasting many hours per day.

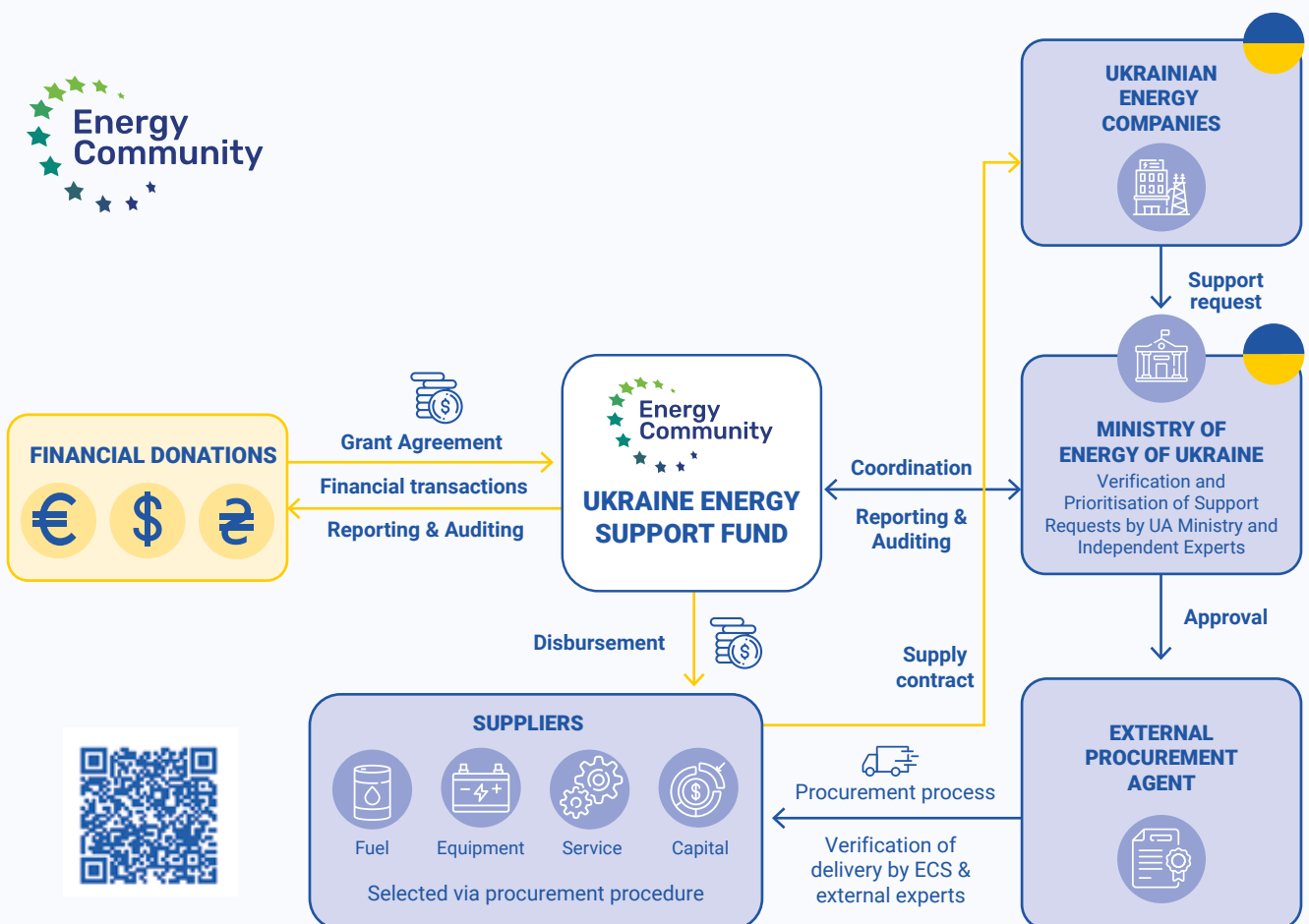
The first half of 2025 also saw Russia deliberately shift its campaign towards gas infrastructure and repair crews, seeking to undermine Ukraine's winter preparation. Nevertheless, Ukraine's system showed resilience: temporary emergency blackouts were restored quickly, electricity imports from the EU helped balance the grid, and no nationwide collapse occurred. Still, the coming winter season (2025-2026) is expected to be extremely challenging, as Ukraine must restore lost capacity, defend against further attacks, and secure sufficient fuel stocks.

In February 2025, the joint assessment of the World Bank, the European Union, the United Nations and the Government of Ukraine – the Fourth Rapid Damage and Needs Assessment – estimated the total damage to Ukraine’s energy sector at over USD 20.5 billion, a figure that continues to rise with every new attack.¹ Despite significant progress in emergency repair efforts, Ukraine’s energy system remains in a critical condition, requiring urgent measures to repair damage to the grid and power generation, strengthen distributed power generation and emergency back-up power capacities, along with enabling domestic gas production and passive protection of the infrastructure as top priorities. Efforts are focused on both high-capacity solutions with rapid restoration potential and decentralized, highly flexible options.

The Fund Mechanism

The implementation mechanism of the Fund involves several key activities designed to ensure the effective procurement and delivery of goods, works and services to support Ukraine’s energy system and critical energy infrastructure. The Secretariat leverages a portfolio of grant agreements with donors, the Fiduciary Agreement with the Ministry of Energy of Ukraine, and the Framework Agreements between the Ministry and eligible Ukrainian entities. These agreements establish the contractual framework, in line with recognised fiduciary management practices, stipulating the terms under which Ukrainian entities can receive support through the Fund, including their interactions with the Secretariat and the procurement procedures to be followed. The agreements also ensure that both the Secretariat and the Ministry retain oversight, and that donors have access to relevant information.

FIGURE 1
Ukraine Energy Support Fund Mechanism



¹ World Bank; Ukraine, Government of; European Union; Nations, United. Ukraine - Fourth Rapid Damage and Needs Assessment (RDNA4) : February 2022 - December 2024 (English). Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/099022025114040022>

The first step involves submission, review, prioritization, and approval of support requests of eligible Ukrainian entities. Eligible entities are required to submit formal support requests to the Ministry of Energy of Ukraine, detailing the goods, works and services needed to maintain their operations within Ukraine's energy system. These requests are reviewed and prioritised under the oversight of the Ministry of Energy of Ukraine based on the established criteria such as the operational region, the nature of the business, and the urgency of the need, etc. These criteria ensures that the support request approval process aligns with the broader needs of the country. Upon approval of the support requests and receipt by the Secretariat, these are processed, by assessing the availability of funds and providing monetary allocation before the procurement is initiated.

The procurement of the requested items is managed by an external procurement agent. The Secretariat works closely with the procurement agent to ensure the highest standards of

transparency and competition while meeting urgent demands and delivering necessary resources promptly.

The procurement results in a binding supply/purchase agreement between the eligible Ukrainian entity and the supplier. The Secretariat acts as the payer on behalf of the Ukrainian company, disbursing funds in line with the supply contract. This includes covering the cost of the goods, works and services as well as any related expenses, such as taxes and duties, in case no exemption applies. Payments are made directly to the supplier after a thorough compliance check. Finally, the Secretariat thoroughly tracks the delivery of the equipment requested and verifies their use.

Reporting is a crucial part of the implementation mechanism. The Secretariat is responsible for preparing internal and external reports to stakeholders. The Fund is subject to an annual external audit.

Power Plant damaged after attack. Ukraine, 2024



Status of Contributions

In the first half of the year, the Fund received over EUR 202.5 in new contributions, with Italy and Netherlands joining the donor community, increasing the cumulative balance to EUR 1,148.4 million. In the reporting period, the Fund received

contributions from 12 donors. The majority of contributions (EUR 174.3 million or 86% of contributions) were broadly or not earmarked, allowing for more flexibility to address immediate needs.

FIGURE 2

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

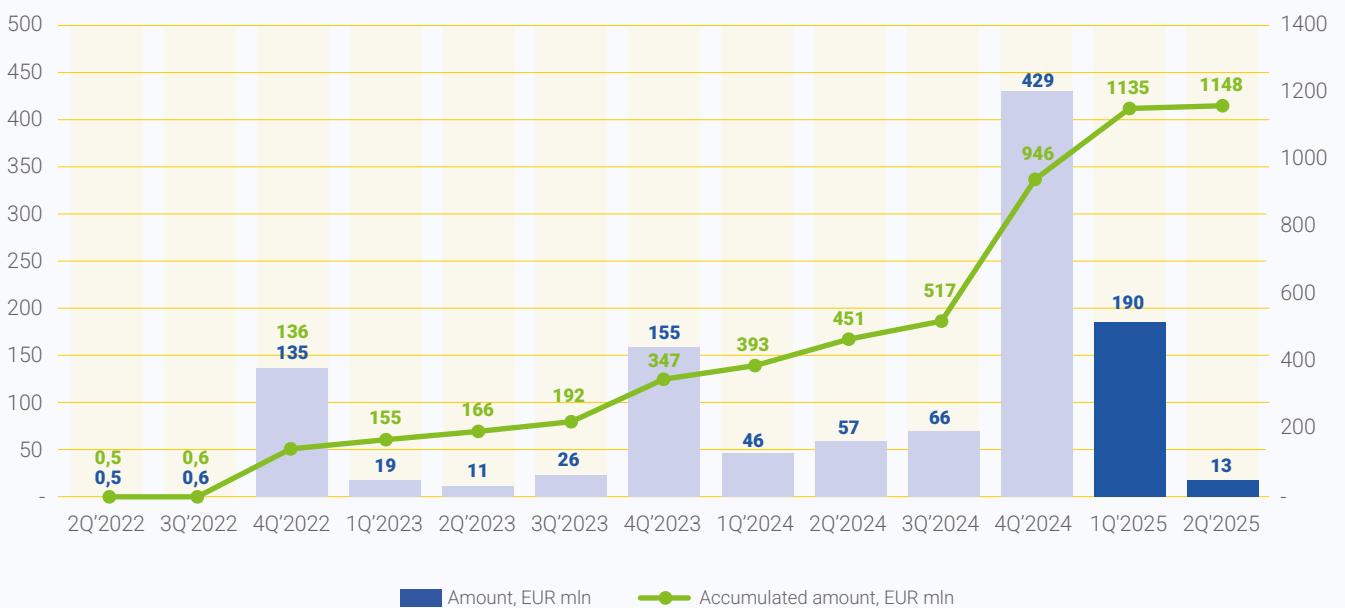
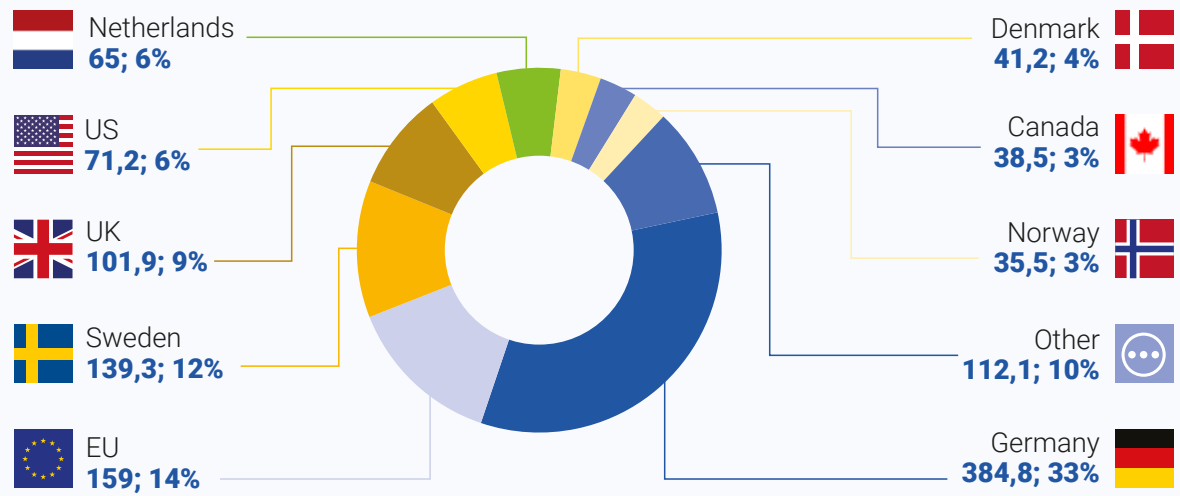


TABLE 1*Overview of contributions to the Fund as of 30.06.2025, in EUR*

Donor	Pledged and/or Signed	Deposited on Account
Public sector:	1.148.628.081	1.137.093.529
Germany	389.517.804	384.765.799
European Union	159.000.000	159.000.000
Sweden	139.263.185	139.263.185
United Kingdom	101.925.324	101.925.324
United States	71.246.827	71.246.827
Netherlands	65.000.000	65.000.000
Canada	45.161.042	38.485.749
Denmark	41.266.049	41.158.795
Norway	35.457.999	35.457.999
Swiss Confederation	18.969.639	18.969.639
Australia	18.470.000	18.470.000
Austria	15.000.000	15.000.000
Italy	12.988.432	12.988.432
Luxembourg	12.000.000	12.000.000
France	5.710.000	5.710.000
Iceland	5.648.029	5.648.029
Spain	4.506.000	4.506.000
Poland	3.127.751	3.127.751
Belgium	2.500.000	2.500.000
Croatia	1.000.000	1.000.000
Estonia	470.000	470.000
Latvia	400.000	400.000
Private sector:	11.263.000	11.263.000
GRAND TOTAL:	1.159.891.081	1.148.356.529

FIGURE 3

Share of contribution by donor in total contributions credited to the Fund, in %



Status of Implementation

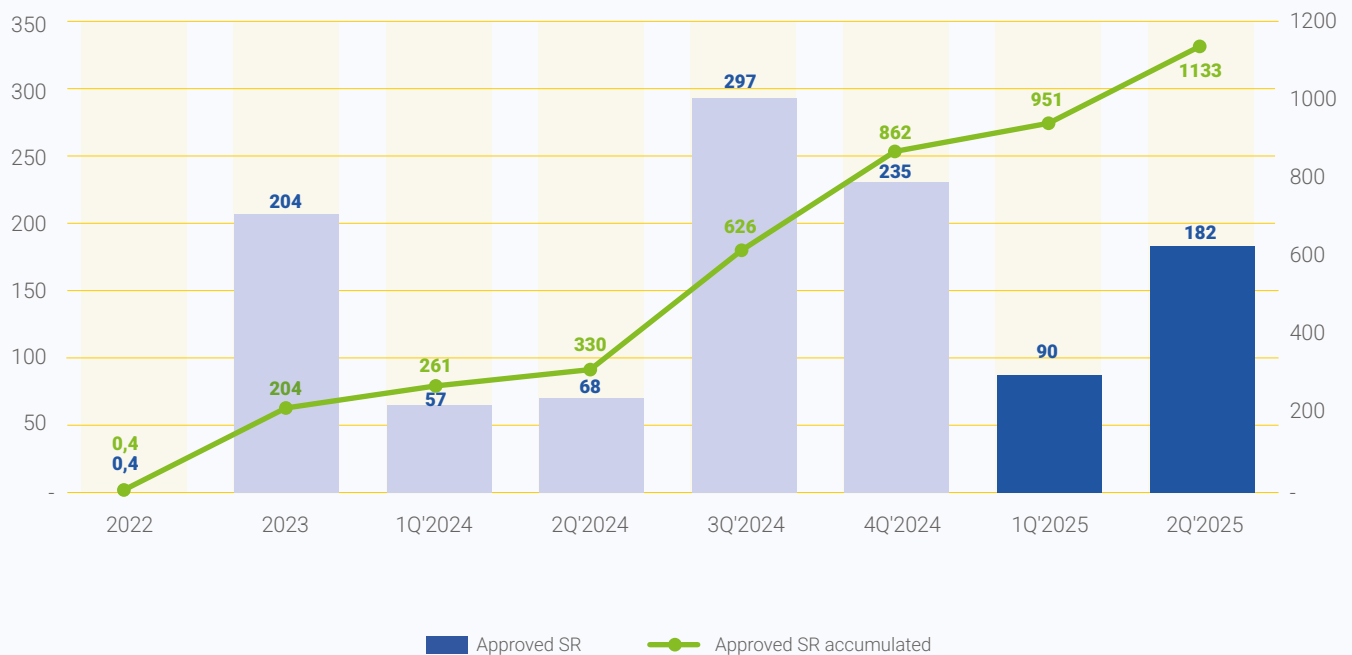
Support Requests

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 195 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, the Secretariat was able to allocate funding to and processing of 158 support requests. The remaining requests were either withdrawn or could not be funded due to limited available resources or specific earmarking restrictions that prevented their financing. This brought the total number of support requests financed and processed since the Fund’s inception to 381.

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 34² different Ukrainian counterparties.

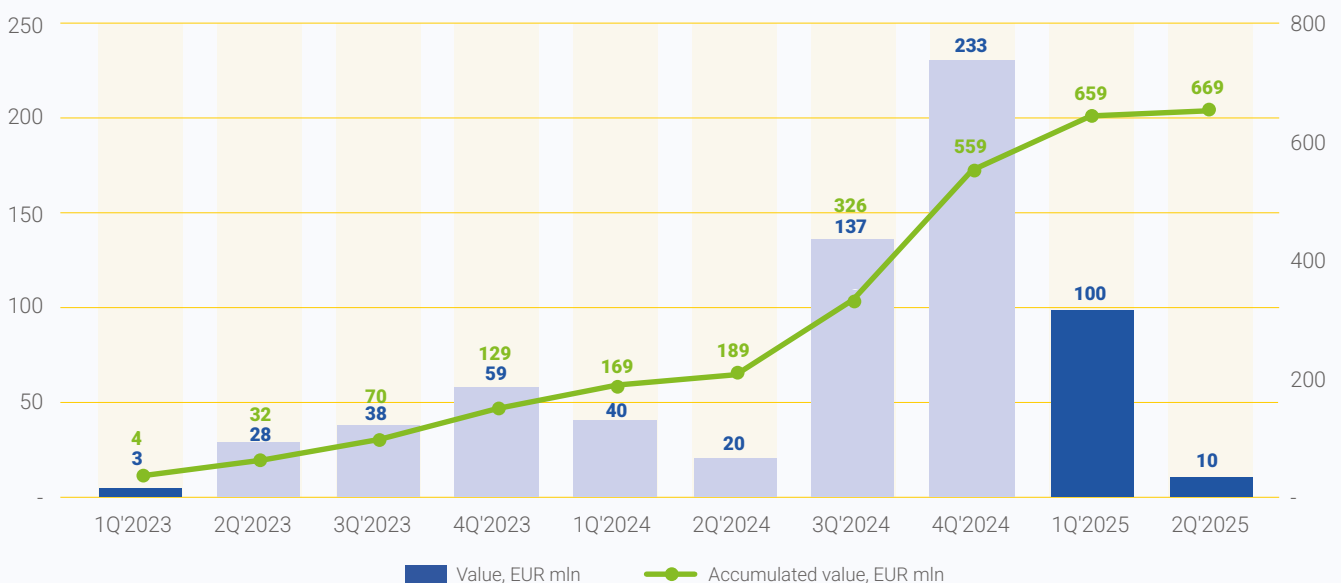
Purchase Agreements

While the reporting period saw a change of procurement agent for the Fund and hence a dip in the number and value of

purchase agreements finalised within this period, the total value of procurements finalized, and supply agreements concluded in the reporting period amounts to EUR 109.7 million, bringing the cumulative value of contracts to EUR 668.7 million. The monthly reports finalised since the end of the reporting period already show a strong uptake of procurement activities with the number and value of purchase agreements increasing significantly.

FIGURE 5

Accumulation of value of purchase agreements concluded since the establishment of the Fund, EUR mln



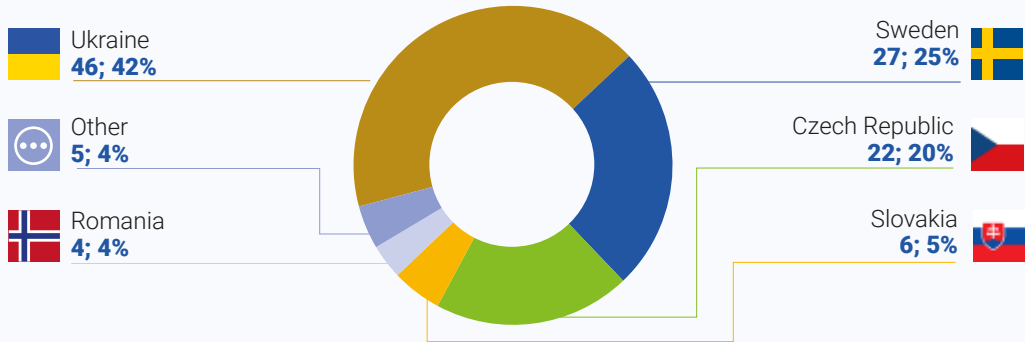
The largest share of purchase agreements concluded during the reporting relate to electricity generation sector. In total the Fund has provided support to Ukrainian counterparties in 21 regions of Ukraine, delivering a nation-wide impact.

In the reporting period, there was a notable shift towards European suppliers, while Ukrainian companies remained

dominant. High-value generation equipment and high voltage components originating from companies registered in Sweden, Czechia, Slovakia, and Romania played a key role in new contracts during the period.

FIGURE 6

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



Disbursements

In the reporting period, the Fund executed a total of 468 payment transactions (valued at EUR 185 million), bringing the cumulative number of payment transactions to 1,662 (valued at EUR 548 million) since the Fund's inception.

reporting period compared to 4Q 2024 is mainly attributable to the fluctuation in the maturing of contracts and reaching payment milestones therein. Another contributing factor is the reduced financing of passive protection and special purpose vehicles due to shifting priorities.

The Fund is executing payments as invoices are submitted by the suppliers. The decrease in disbursements during the

FIGURE 7

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

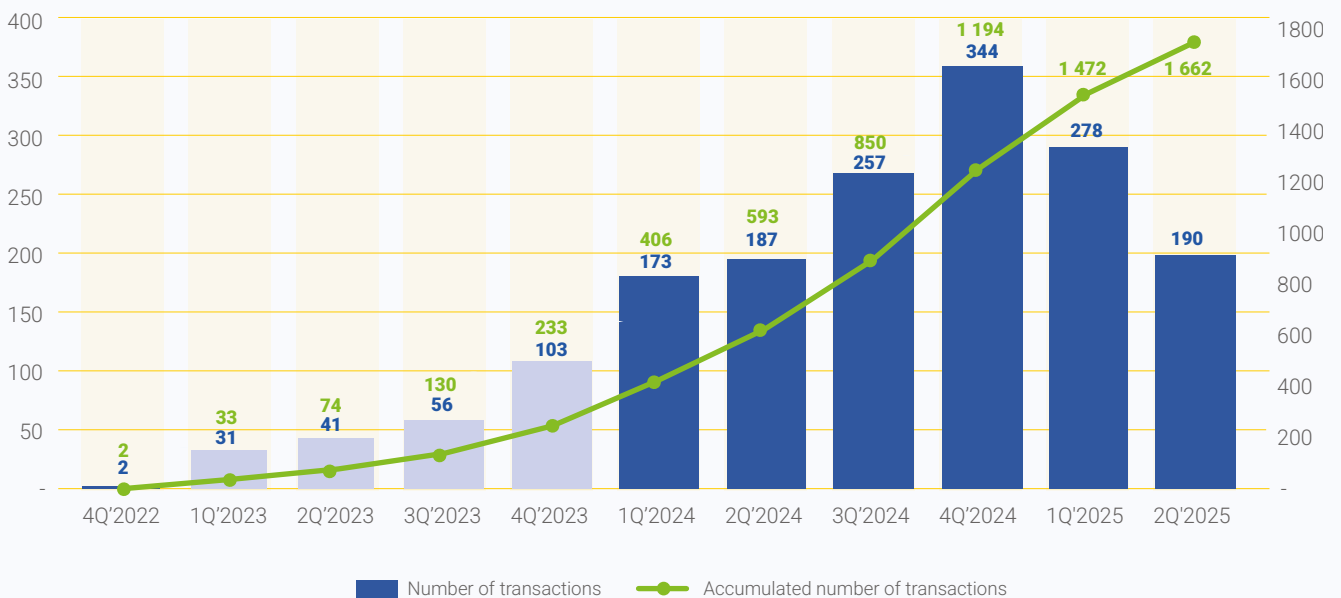
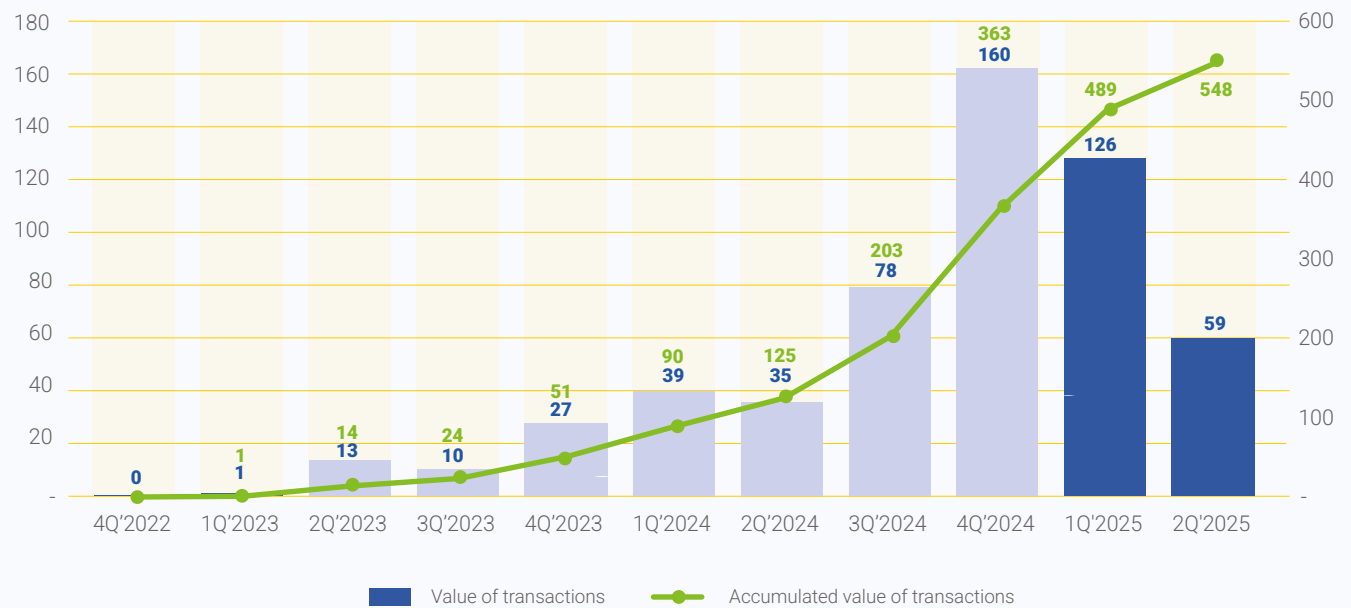


FIGURE 8

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

**Deliveries**

Delivery schedule under the supply contracts predominantly depends on the lead times offered by the market during procurement. Lead time remains to be the determining factor along with price when evaluating offers.


In the reporting period, EUR 305.2 million worth of energy equipment procured under the Fund was delivered, bringing the

cumulative value of deliveries to EUR 465.7 million since the Fund's inception. Effectively, the value of delivered items in the reporting period indicates a steep increase in deliveries, with 66% of the value of items delivered being delivered in the first half of 2025. Aligning requests more closely with market availability allows for swifter delivery of items procured under the Fund.


UKRAINE ENERGY SUPPORT FUND

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