

G7+ and Government of Ukraine Clean Energy Partnership for the Sustainable Recovery and Reconstruction of Ukraine's Energy System

At the Ukraine Recovery Conference in London, we, the members of the G7+ Coordination Group in support of Ukraine's Energy System¹ and the Government of Ukraine, commit to develop a Clean Energy Partnership to support the sustainable recovery and reconstruction of Ukraine.

We firmly condemn Russia's illegal, unjustifiable, and unprovoked war of aggression against Ukraine. Russia has launched relentless missile and drone strikes deliberately targeting civilian energy infrastructure, in an attempt to weaponise winter by crippling Ukraine's energy system and precipitating a humanitarian crisis. There must be no impunity for war crimes and other atrocities, such as Russia's attacks against civilians and critical civil infrastructure. All commanders, perpetrators and accomplices must be held to account. Despite these attacks, President Putin has failed to break the resolve of the Ukrainian people. Ukraine's energy workers have bravely carried out repairs and reconnected millions to heating and power. Without their tireless and courageous efforts, our collective support would not have been as impactful.

G7+ partners have made concerted efforts to support Ukraine's energy system by providing significant emergency assistance to mitigate the effects of Russia's attacks. The G7+ have also supported electricity operators with emergency finance, partnered with international organisations and called on our respective private sectors to help where they can. We will continue to support Ukraine in this way as it focuses on maintaining and stabilising its energy system and preparing for next winter.

The G7+ also commits to supporting Ukraine's goal of building a more modern, secure, decentralised, and cleaner energy system fit for a Net Zero future and with greater integration with Europe. The G7+ group will work with Ukraine to develop and deepen a Clean Energy Partnership over the coming months with goals of:

- accelerating the adoption of the applicable core European Union energy legislation (EU acquis), increasing energy market efficiency and integrating with the EU market;
- increasing the production and use of low carbon energy sources;
- implementing just transition principles in making efforts towards the phase out of Ukraine's use of unabated coal in power generation to accelerate carbon neutrality while adding power capacity that improves reliability and competitiveness of Ukraine's energy system;
- upgrading energy infrastructure to the best global standards to enhance resilience and increase efficiency;
- and, through an enabling environment, attracting innovative technological and financial solutions.

In doing so, the Partnership will seek to help Ukraine meet and reinforce its climate objectives and demonstrate that Ukraine can achieve both an energy transition in line with Paris Agreement goals and increased energy security, despite Russian aggression. We commit to strengthening coordination of the G7+ group's diplomatic, development and trade efforts, to catalyse and maximise investment in support of Ukraine's Energy Strategy to 2050, the forthcoming National Energy and Climate Plan and Ukraine's National Recovery priorities. The group will focus on utilising existing donor instruments to provide coordinated support towards

¹ The G7+ Ukraine Energy Coordination Group was established in November 2022, to coordinate and mobilise donors behind mechanisms to help Ukraine repair, restore and defend its energy infrastructure. Members of this group are: Bulgaria, Canada, Czech Republic, Estonia, France, Germany, Italy, Japan, Latvia, Lithuania, Poland, Norway, Romania, Slovakia, Sweden, Ukraine, United Kingdom, United States and the European Union, Energy Community Secretariat, World Bank Group, EBRD, UNDP.

a resilient, efficient, more decentralised and smart energy system which will serve Ukraine's economic revitalisation and long-term growth. Our efforts will aim to support private financing for the energy sector, laying the groundwork for Ukraine's transition away from its reliance on hydrocarbons, and firmly link Ukraine's energy reconstruction to its EU accession path and EU energy and climate policy. The Partnership will complement existing bilateral energy partnerships between G7+ members and Ukraine and will recognise the importance of involving and empowering local administrations in the green recovery. The work of this partnership group will support the wider efforts of the Multi-Agency Donor Coordination Platform (MDCP) for Ukraine.

To enable this, the Government of Ukraine commits to accelerate critical reforms, which will support the private sector's role in Ukraine's recovery and reconstruction. These include but are not limited to: preventing monopolisation through further liberalisation of electricity and gas markets, ensuring OECD-compliant corporate governance at state-owned energy companies; advancing tariff and subsidy reforms by phasing out public service obligations and replacing them with social support for vulnerable energy consumers; and adoption of EU energy efficiency standards and strengthening the independence of the energy regulator.

Achieving progress on these reforms is essential to signalling that Ukraine's future clean energy sector can be profitable and open for business. This will demonstrate that Ukraine can offer a safe and sure place to invest, including an updated and transparent, EU-compliant regulatory environment ready to receive the best innovations, and a solid platform for growth opportunities as part of Ukraine's clean energy sector expansion and integration with the European grid. We welcome the Verkhovna Rada's recent adoption of legislation to implement 'Regulation on Wholesale Energy Market Integrity and Transparency' (REMIT). The adoption of the REMIT law marks an important step on Ukraine's path towards further electricity and gas market integration with Europe.

The G7+ group will support the Government of Ukraine's leadership in undertaking reforms through access to coordinated provision of expertise and resources. We, the G7+ and Government of Ukraine, recognise that by demonstrating our collective commitment to enabling these reforms, private investors will continue to be attracted to scale up efforts in support of Ukraine's recovery. The G7+ and the Government of Ukraine agree on the importance of tracking and reporting on key reform activities as a priority for the Clean Energy Partnership and acknowledge the existing efforts of the Energy Community and other international organisations.

Today, we have launched the beginning of a strong and united partnership which builds on our successful collaboration. The G7+ group remains steadfast in our determination to help Ukraine resist Russia's war of aggression and protect its people for as long as it takes, while laying the foundations for a stronger, cleaner, and more prosperous Ukraine that is on its way to becoming a member of the European Union.