

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

Last winter, Ukraine survived the months-long onslaught of Russian attacks on its integrated energy system, thanks to the brave efforts of the Government of Ukraine, Ministry of Energy, energy companies and the Ukrainian people, and with support from the international community. As Russia continues its unrelenting attacks on energy infrastructure, we, the members of the G7+ Coordination Group in support of Ukraine's Energy System and the Government of Ukraine¹ continue to firmly condemn Russia's actions and demand that all those implicated in these attacks be held responsible. We commit to continue to support Ukraine with significant emergency assistance to help repair and stabilise the energy grid and prepare for this winter. Over €300 million in funding has been provided to the Energy Community's Ukraine Energy Support Fund for the restoration and protection of Ukraine's critically damaged energy infrastructure. Members of this group are also supporting the provision and procurement of a least 65 high voltage autotransformers and six mobile gas turbine generators so far. We will continue to stand with Ukraine in the face of Russian attacks, and in their aftermath.

At the June 2023 Ukraine Recovery Conference in London, this group committed to develop a Clean Energy Partnership² to support the sustainable recovery and reconstruction of Ukraine.

At COP28, we are pleased to formally launch the new, expanded Clean Energy Partnership, in recognition of Ukraine's recent progress on key reforms in the energy sector, and significant investments from international partners in Ukraine's clean energy future.

This Partnership brings together the Government of Ukraine, bilateral donors, key international organisations and financial institutions and voices representing the private sector. Following the Ukraine Recovery Conference in London, we are proud to welcome the following new partners to the Clean Energy Partnership: the World Bank Group's International Finance Corporation, whose \$2bn Economic Resilience Action platform is already investing in Ukraine's green, resilient reconstruction; the UN Global Compact's Ukraine Energy Initiative, which will act as a voice for its private sector signatories within the Clean Energy Partnership; and the International Renewable Energy Agency (IRENA), which aims to support Ukraine's transition to a sustainable energy future by mobilising green investment.

With these additional partners, we collectively reaffirm our unwavering commitment to supporting Ukraine's goal of building a resilient, efficient, more decentralised and smart energy system fit for a Net Zero future and with greater integration with Europe thereby also linking Ukraine's energy reconstruction to its EU accession path and EU energy and climate policy. This group will continue to seek to help Ukraine meet its climate objectives in line with the Paris Agreement while strengthening Ukraine's energy security and supporting a clean energy transition. The Partnership continues to complement existing bilateral energy partnerships between G7+ members and Ukraine

All members recognise the importance of highlighting progress made on reforms to showcase Ukraine's investment potential. We would like to congratulate the Government of Ukraine for making progress on reforms, not only in ensuring its citizens have security of supply and access to energy during the war of aggression, but also supporting the private sector's role in Ukraine's future recovery and reconstruction. These include:

- passing new legislation to attract investment in low carbon energy and promoting the development of small, distributed generation, with a special focus on renewable energy,
- passing legislation to develop energy storage systems,
- progress towards the full adoptions of REMIT (regulation on wholesale energy market integrity and transparency),
- progress made to liberalise wholesale energy tariffs,

¹ 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, IRENA, UN Global Compact, IFC.

² [Clean Energy Partnership: G7+ and Ukraine joint statement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/clean-energy-partnership-g7-and-ukraine-joint-statement)

- progress in the corporatisation of state-owned enterprises including Energoatom, as well as the implementation of a proper corporate governance system for the gas transmission system operator of Ukraine.

We encourage close coordination in the development of the “Ukraine Plan” and the reforms necessary for Ukraine’s EU accession process. As highlighted in the World Bank Group’s recent report ‘Private Sector Opportunities for a Green and Resilient Reconstruction in Ukraine’³, concerted reform efforts will create significant opportunities for the private sector to drive a green and resilient reconstruction and could generate \$169 billion in private financing. We support the key recommended interventions outlined in the report that are projected to increase the share of private financing to address the needs outlined in the World Bank’s Ukraine Rapid Damage Needs Assessment⁴:

- Further electricity market liberalisation.
- Reduce household electricity costs through energy efficiency and energy saving, development of decentralised renewable energy generation and social support.
- Launch auctions for electricity from renewable energy.
- Gradual transition to cost-recovery tariffs with incentives to switch to efficient and decarbonised district heating.
- Allow commercial financing of, or gradual private participation in, state-owned enterprises without compromising energy security.
- Allow private participation in construction of independent high voltage lines and modernization of district heating systems.

To support the transparent reporting and assessment of reforms in the energy sector, the Clean Energy Partnership would like to acknowledge the efforts of: IFC², the Energy Community Secretariat⁵, UN Global Compact⁶ and DiXi Group⁷ to monitor progress on reforms.

Alongside its reform efforts, we also congratulate the Government of Ukraine, and in particular the Ministries of Energy, Restoration and Economy on progressing efforts that will realise a pragmatic green and resilient recovery. These include finalising their 2050 Energy Strategy, and its commitment to developing a comprehensive implementation plan; making renewed progress on the National Energy and Climate Plan; completing several full feasibility studies in Wind, Solar, Bioenergy, Geothermal energy production and supporting the development of electric vehicles and energy storage; and developing a new decarbonisation fund with consultation on design from IRENA. We applaud the Government of Ukraine’s continued commitment, despite the ongoing war of aggression, to phasing out state-owned coal power plants by 2035⁸.

The Clean Energy Partnership is supporting these efforts by providing grants, guarantees, technical support and expertise in a coordinated way that reinforces the Government’s efforts to integrate with regional energy markets, harness private finance, and support the adoption of cutting-edge clean energy innovations. This group has collectively committed substantial financial support to help lay the foundations for a cleaner and more secure energy system and serve as a catalyst for Ukraine’s Economic Recovery.

The Clean Energy Partnership will serve as a forum for discussion, coordination and knowledge sharing to help deliver support for recovery, drive reforms and harness the private sector in Ukraine’s clean energy transition. The members of Clean Energy Partnership will continue to support Ukraine’s efforts for immediate, medium, and long-term recovery and reconstruction of the energy sector.

³ [Private Sector Opportunities for a Green and Resilient Reconstruction in Ukraine \(ifc.org\)](https://www.ifc.org/ukraine)

⁴ [Ukraine Rapid Damage and Needs Assessment: February 2022 - February 2023 \(worldbank.org\)](https://www.worldbank.org/ukraine)

⁵ [Ukraine Energy Market Observatory - Energy Community Homepage \(energy-community.org\)](https://energy-community.org/)

⁶ [Ukraine Energy Initiative](https://www.energy-community.org/)

⁷ [DiXi Group - Publications](https://www.dixigroup.com/)

⁸ [Amid war, Ukraine recommits to phasing out coal power by 2035 - PPCA \(poweringpastcoal.org\)](https://www.poweringpastcoal.org/)