



**Ukraine Energy
Support Fund**

A photograph of high-voltage power lines and pylons against a blue sky with a yellow horizontal band. The pylons are made of metal lattice and are silhouetted against the sky. The power lines stretch across the frame.

THE UKRAINE ENERGY SUPPORT FUND

**SOLIDARITY IN ACTION:
A GUIDE TO SUPPORTING
UKRAINE'S ENERGY SECTOR**



FOREWORD BY GERMAN GALUSCHENKO, MINISTER OF ENERGY OF UKRAINE

Russia's invasion of Ukraine has caused catastrophic damage to Ukraine's energy infrastructure. Ukrainian families, businesses, hospitals and schools lack electricity, heat and hot water, while Ukrainian energy companies are struggling to keep up with the necessary repair works to restore damaged energy infrastructure.

We ask all our partners to step up their support and help keeping the lights and heat on for the benefit of our citizens. The Ukraine Energy Support Fund is a well-functioning vehicle to mobilize significant international support to rebuild Ukraine's critical energy infrastructure. The Fund responds to donor's needs for a transparent mechanism to finance equipment, fuels and services urgently needed by Ukrainian energy companies.

If you would like to help Ukraine and its citizens in their darkest hour, please contact the Energy Community Secretariat, as the fiduciary of the Ukraine Energy Support Fund: UkraineSupportFund@energy-community.org.

A handwritten signature in white ink, appearing to read 'German Galuschenko'.

German Galuschenko
Minister of Energy of Ukraine

UKRAINE ENERGY SUPPORT FUND IN BRIEF

In agreement with the European Commission and the Ministry of Energy of Ukraine, the Ukraine Energy Support Fund was established to counteract the impact of the Russian attacks targeting critical energy infrastructure. The Fund enables governments, international financial institutions and international organizations as well as corporate donors to provide financial support to the Ukrainian energy sector's efforts to repair that damage and keep functioning.

Contributions to the Fund are used to finance the most urgent needs of Ukrainian energy companies such as equipment, spare parts and other technical items, as well as fuels and services needed to repair infrastructure and maintain energy and heat supply in Ukraine.

The Fund is managed by the Energy Community Secretariat, the independent executive institution of the Energy Community based in Vienna, Austria. The Energy Community is an international organization to which Ukraine and the European Union are members. The Secretariat acts as the fiduciary of the Fund as well as an intermediary between the donors and the Ukrainian authorities. Its services are free of charge.

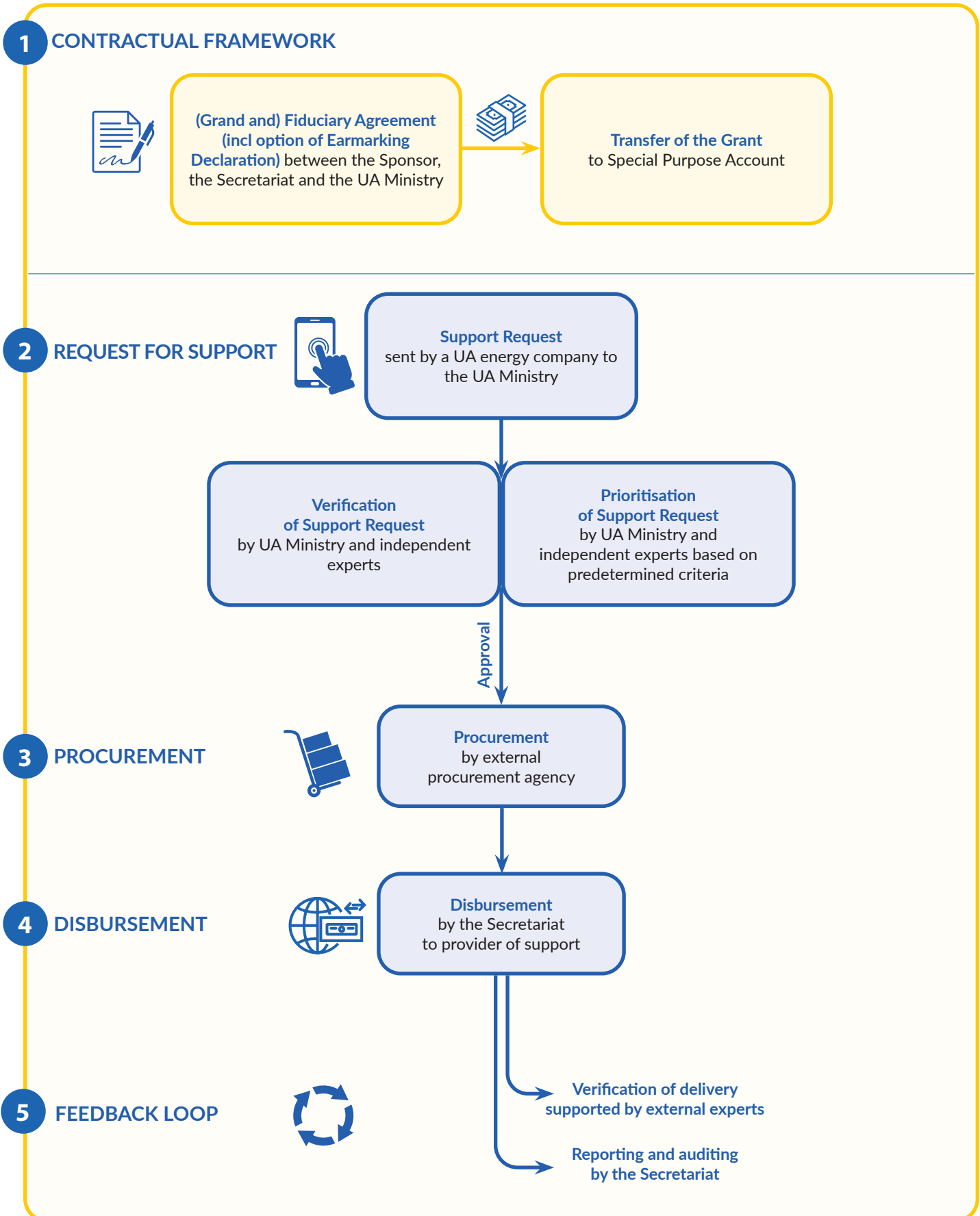
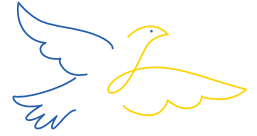


“Ukraine and its energy sector need our support, but no country or organisation alone has the resources to maintain the country’s energy security. The Ukraine Energy Support Fund makes helping Ukraine easier and better coordinated. It is a real European success story. The Fund is an especially good option for those who want to contribute in manner satisfying the most urgent needs of Ukraine’s energy sector while making sure that their donations are being disbursed under a safe and transparent procedure. I am grateful for the Energy Community Secretariat for creating this opportunity and I call on all our partners to donate to the fund.”

EU Commissioner for Energy Kadri Simson

HOW DOES THE UKRAINE ENERGY SUPPORT FUND WORK?

1 Contractual framework 	<p>A donation to a special purpose account can be made upon conclusion of a grant and fiduciary agreement between the donor, the Energy Community Secretariat as fiduciary of the Fund and the Ministry of Energy of Ukraine. The agreement can be complemented by a declaration earmarking donations for a specific purpose and/or companies. It is complemented by standard framework agreements between the Ministry of Energy of Ukraine and eligible Ukrainian energy companies.</p>
2 Request for support 	<p>An eligible Ukrainian energy company can request support from the Fund via the Ministry of Energy of Ukraine. The Ministry, with the assistance of independent international experts, verifies the necessity, usefulness and urgency of the items requested and prioritizes them according to pre-determined criteria. The Ministry of Energy of Ukraine approves each support request.</p>
3 Procurement 	<p>The procurement of equipment, fuels or services is conducted by an independent procurement agency in accordance with international standards. The process is overseen by the Energy Community Secretariat. A contract is concluded directly between the supplier and the Ukrainian energy company.</p>
4 Disbursement 	<p>Upon the conclusion of the procurement procedure, the Energy Community Secretariat, as the fiduciary of the Fund, disburses the funds directly to the supplier of procured items, fuels or services in accordance with the contract terms.</p>
5 Feedback loop 	<p>The delivery and installation of the procured items is tracked by the Energy Community Secretariat with the support of external experts. Donors receive a report informing them how their contribution was used. An independent audit of the entire process is ensured by the Secretariat.</p>



FREQUENTLY ASKED QUESTIONS – DONORS

How does the Fund ensure that donations are going where they are needed most?

The Fund leaves the initiative to eligible Ukrainian energy companies and matches their demand for financing necessary purchases. It thus effectively channels available donations to where they make the most useful impact. To their usefulness for the Ukrainian energy system, the Ministry of Energy of Ukraine classifies requests for support in accordance with objective and predetermined prioritization criteria.

What types of purchases are eligible to be covered by the fund?

- ✓ Equipment, spare parts, other gear etc.
- ✓ All types of fuels needed to generate heat and electricity as well as the purchase of electricity
- ✓ Services such as repairs or reinforcements
- ✓ Capital inflow
- ✓ Ancillary costs such as transportation



Can donors direct their contribution to a particular purpose or type of energy company?

Donors are able narrow down the general list of companies eligible for disbursements maintained by the Ministry of Energy of Ukraine. They can also exclude certain usages and/or earmark their contribution for a specific purpose and/or type of company. Contributions of donors which choose not to earmark their donations will be used to finance the most urgent needs as identified by the eligible companies and confirmed by the Ministry of Energy of Ukraine and independent international experts. Disbursements can be attributed to individual donors.

How does the procurement of goods and services take place?

To ensure utmost transparency and efficiency, the procurement of equipment, fuels or services is conducted by independent procurement agencies. The procurement process is limited in time to respond to Ukraine's energy sector needs as quickly as possible. The procurement process is overseen by the Energy Community Secretariat as the fiduciary of the Fund.

What safeguards are built in the operation of the Fund?

Before any disbursement is made, independent international experts will assess the necessity, usefulness and urgency of any support request, as well as the lack of capital by the requesting company on which basis the Ministry will approve or reject the request. Disbursed grants go directly to the provider of needed equipment, fuel, services, and do not pass through a Ukrainian energy companies' or the Ministry's accounts. The procurement procedure is outsourced to reputable independent experts. The Secretariat acts as fiduciary of the grants, and disburses them strictly in line with the provisions of the agreements and is subject to strict accounting, reporting and auditing rules.

How to contribute to the Fund?

Contributions to the Fund are generally based on a (Grand and) Fiduciary Agreement to be concluded between the donor, the Energy Community Secretariat and the Ministry of Energy of Ukraine. The Energy Community Secretariat provides templates of such agreements to any interested donor. They can be further adapted by the donor to cater for their specific requirements and expectations.



FREQUENTLY ASKED QUESTIONS – SUPPLIERS

What kind of equipment is needed?

The specific items procured under the Ukraine Energy Support Fund are determined directly by the Ukrainian energy companies and approved by the Ministry of Energy of Ukraine. The categories of items needed, their volumes and timing very much depend on the pursuit of the ongoing conflict. Currently, the requested items include e.g. transformers, transformer oil, gasoline, diesel, generators, cables, wires, surge arresters, switches, disconnectors, batteries, circuit breakers, pumps, pipes, welding units, insulators. An updated list of the items currently under procurement, can be found at Tenders - USAID Energy Security Project (energysecurityua.org).

Who conducts the procurement?

The procurement of equipment is done by an independent procurement agency, the US-based TetraTech. The procedure is carried out under expedited procurement rules. TetraTech carries out the procurement on behalf of the Ukrainian energy company in need of the items procured. A contract will be concluded directly between the supplier and the Ukrainian energy company.

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

The Energy Community Secretariat acts as the Fiduciary of the Ukraine Energy Support Fund. It ensures that all processes and conditions were complied with and acts as payee under the supply contracts concluded between suppliers of equipment and Ukrainian energy companies. The payments to suppliers will be effectuated in line with the signed supply contract. Advance payments and the issuance of a payment guarantee for the benefit of the supplier are possible.

How to become a supplier?

Companies wishing to present their portfolio which may be of use to Ukrainian energy companies in the current situation can express their interest by submitting the form available under <https://www.energy-community.org/Ukraine/form.html>

The information submitted is forwarded to TetraTech. Based on the information provided, prospective suppliers can expect to be contacted, provided that there are possible matches with the items requested by Ukrainian energy companies.

To submit a formal offer in response to a formal request for proposals, suppliers should contact UESFundprocurement@tetrattech.com.



OTHER QUESTIONS?

Do not hesitate to email us at UkraineSupportFund@energy-community.org.



Ukraine Energy Support Fund

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