

BARONESS GOLDIE DL  
MINISTER OF STATE IN THE HOUSE OF LORDS

4/8/1/1/ap

17 October 2023

Dear Angela,

Thank you for your contribution to the debate on Ukraine on 21 September. During your speech you asked if I would provide an update on the implementation of the G7+ Clean Energy Partnership<sup>i</sup> and provide more information on how we have engaged with the private sector on reconstruction.

Among our top priorities for Ukraine is that they receive timely and dependable support to defend their civilian national infrastructure, and make the necessary repairs to continue to service the energy needs of the country, throughout winter and beyond. This is in the face of increased targeting by Russian forces on critical economy-and-life-sustaining infrastructure. The UK works in coordination with G7+ to ensure this support is well coordinated and gaps are addressed swiftly, in support of Ukraine's plans and priorities.

In total, the UK has committed almost £130 million since the start of the conflict to help Ukraine respond to attacks on its energy infrastructure and support recovery efforts in the energy sector.

In August 2023, the UK announced its intention to provide up to £192 million in a loan guarantee through UK Export Finance (UKEF) – the UK's export credit agency. This loan would enable UK-headquartered Urenco to supply Ukraine's national nuclear company, Energoatom, with uranium enrichment services which will help power Ukraine. HM Government has also leveraged support from UK industry to support Ukraine's energy sector recovery, including two shipments of large scale specialist equipment to Ukraine from the UK's gas and transmission networks.

Ukraine, and their G7+ allies, also recognise that it is also important to plan early for the recovery and reconstruction of the sector, in a way that increases Ukraine's energy security and reduces its reliance on hydrocarbons that can be leveraged by Russia and Belarus. Given the extensive damage to the sector already, private finance will need to play a vital role in reconstruction efforts.

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At the Ukraine Recovery Conference (URC) in June, the G7+ reaffirmed their commitment to continue to respond to Ukraine's immediate needs and a new intention to coordinate in support of Ukraine's 2050 vision for the sector. The UK led the negotiation of a G7+ joint written statement announcing a commitment to develop a new Clean Energy Partnership. The Clean Energy Partnership focuses on coordinating donors, including on the planned use of grants, advisory support, and de-risking financial instruments. It also supports private sector interest in the reforms and investments that are required to enable the fullest possible role for the private sector in the longer-term recovery and reconstruction effort.

Since July, the UK has taken forward a number of bilateral discussions with institutions that would like to support the Clean Energy Partnership, including with the UN Global Compact Ukraine's Ukraine-Energy-Initiative and with the International Renewable Energy Agency (IRENA) who have offered to provide ongoing advisory support to the Clean Energy Partnership. The UK has also been undertaking efforts to map current and future plans of donors to support clean energy recovery and reform efforts, as well as engaging with private investors and philanthropic investment funds.

At the URC in London, the UK signed a Memorandum of Understanding with Ukraine's Energy Ministry reaffirming our support to Ukraine's energy recovery and the G7+ Clean Energy Partnership. The UK committed to providing strategic ODA support and announced increased support through the FCDO's £62 million Ukraine Resilience and Energy Security programme referenced above. This includes: £10 million to launch the InnovateUkraine green energy challenge fund - designed to lay the groundwork for Ukraine to adopt innovations; a £25 million contribution to the International Finance Corporation's (IFC) Ukraine Economic Resilience Action Platform to de-risk investments in businesses that can make a contribution to Ukraine's current and future energy security; and £3 million for a technical assistance facility to speed up energy sector reform.

Since July, the Ukraine Resilience and Energy Security programme has been providing additional support to Ukraine to fully engage with the Clean Energy Partnership. Work is underway to finalise Ukraine's 2050 Energy Strategy and Implementation Plan, preparing feasibility studies on proposed clean energy investment projects, and providing support to develop Ukraine's National Climate and Energy Strategy. The InnovateUkraine Green Energy Challenge Fund has seen 500 expressions of interest, and received 50 high quality applications from partnerships between Ukrainian and UK businesses and academic institutions. The UK has supported a first investment by the IFC to boost Ukraine's production of renewable biowaste to biogas and bio-methane fuel, as part of resilience support to one of Ukraine's largest agricultural producers. This support will enable the company to maintain its operations and safeguard jobs through self-sufficiency of energy production, as well as reducing carbon emissions by 90,000 tonnes by 2050.

HM Government is engaging with UK businesses across multiple sectors to support recovery and reconstruction efforts. Through the UK-Ukraine Infrastructure Taskforce, the UK has agreed to support a number of critical construction projects to support Ukraine's recovery from the war and unlock new, larger and mutually beneficial collaborations for UK businesses and Ukraine. The Ukraine Business Compact, launched at the URC in June, has secured over 600 signatories globally, representing strong support for Ukraine's recovery from leading international businesses. This compact is now being leveraged by the Government of Ukraine to support its private sector engagement in reconstruction efforts.

I will place a copy of this letter in the Library of the House.

*Yours sincerely,  
Annabel Su Hooie*

**BARONESS GOLDIE DL**

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<sup>1</sup> 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.