

Foreword

Scaling up investment in energy is critical to successfully implementing Ukraine's Energy Strategy as well as the 2015 Paris Agreement on climate change and the country's 2050 Green Energy Transition Concept (Ukraine Green Deal), which was launched in 2020. Despite the implementation of important reforms to date by Ukraine, a great deal remains to be done to underpin and ensure effective energy sector reforms. The energy sector represents 12.6% of the country's GDP, yet issues regarding governance, pricing policy, bid-rigging, management and security of energy assets have continued to present obstacles to its development. Key challenges for further investment in Ukraine's energy sector include improving energy security, reducing fossil-fuel consumption and imports, the closure of coal mines, improving market functioning, addressing corrupt practices and justice system weaknesses.

The OECD *Energy Investment Policy Review of Ukraine* provides analysis and recommendations to help policy makers strengthen the enabling conditions for investment in Ukraine's energy sector. It assesses Ukraine's investment climate *vis-à-vis* the country's energy sector reforms and discusses challenges and opportunities in this context. Capitalising on the OECD *Policy Framework for Investment* as well as on the OECD *Policy Guidance for Investment in the Clean Energy Investment Infrastructure*, the *Review* takes a broad approach to investment climate challenges facing Ukraine's energy sector, with chapters assessing investment trends in the sector, reviewing Ukraine's current policy and regulatory framework for investment in the energy sector (including key policy reforms implemented to date to support such investment), the legal and institutional framework for investment protection, investment promotion and facilitation, public governance, energy infrastructure and policies to promote and enable responsible business conduct (RBC).

This *Review* is a response to Ukraine's request to the OECD to undertake a sector-specific investment policy review in the framework of a broader OECD project aimed at supporting energy sector reforms in Ukraine. The project is carried out in the context of the OECD-Ukraine Action Plan, in line with the Memorandum of Understanding between the Government of Ukraine and the OECD, and encompasses a mix of analytical and capacity-building activities to ensure relevance and support to Ukrainian institutions in reforming the energy sector. The Government of Norway has been funding this project.

Building on previous OECD Investment Policy Reviews (IPRs) of Ukraine, including the 2016 IPR conducted in the context of Ukraine's application to adhere to the OECD *Declaration on International Investment and Multinational Enterprises*, the OECD *Energy Investment Policy Review of Ukraine* assesses specific aspects of the regulatory environment with implications for energy investments, as well as the overall quality of the country's investment climate for attracting investors in the energy sector.

The *Review* was developed by the OECD Investment Division and OECD Centre for Responsible Conduct, both of the OECD Directorate for Financial and Enterprises Affairs, in co-operation with Gabriela Miranda, Head of Unit, and Peline Atamer, Deputy Head of Unit, OECD Global Relations Secretariat (GRS). It was prepared under the overall guidance of Ana Novik, Head of the Investment Division, and Stephen Thomsen, Deputy Head of the Investment Division, in coordination with a team led by Dr. Frédéric Wehrlé (OECD Investment Division and OECD Centre on Responsible Business Conduct) comprising Boryana

Kiskinova and Baxter Roberts (OECD Investment Division); Coralie Martin (OECD Centre on Responsible Business Conduct); and Silvia Carolina Rocha, senior consultant at the Investment Division.

The *Review* benefitted from valuable comments received from Ukrainian officials, representatives from donor agencies and private and civil society stakeholders, including: The European Bank for Reconstruction and Development (EBRD), the Delegation of the European Union to Ukraine, the International Financial Cooperation (IFC), the Gesellschaft für Internationale Zusammenarbeit (GIZ), the Extractive Industries Transparency Initiative (EITI) and Dixi Group. It also benefitted from inputs by the OECD Secretariat, including the Global Relations Secretariat, the Corporate Governance and Corporate Finance Division, the OECD Centre for Responsible Business Conduct, the OECD Competition Division and the Anti-Corruption Division, all within the Directorate for Financial and Enterprise Affairs. The *Review* also builds on the experience of the Secretariat of the OECD Investment Committee in helping countries improve their domestic investment environment.

The *Review* was produced with the financial assistance of Norway. The views expressed herein can in no way be taken to reflect the official opinion of Norway.

The information in this *Review* is current as of 1 October 2021.



From:
OECD Energy Investment Policy Review of Ukraine

Access the complete publication at:
<https://doi.org/10.1787/6e6e58c6-en>

Please cite this chapter as:

OECD (2021), "Foreword", in *OECD Energy Investment Policy Review of Ukraine*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/43b0bcef-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.