

1 Assessment and Recommendations

This chapter provides an overview of the main findings in the publication and lists the accompanying policy recommendations.

Stocktaking of Ukraine's policy framework for investment in the energy sector

Ukraine has a large endowment of gas and mid-stream infrastructure that offer investment opportunities in Europe. The country is rich in fossil fuel resources, including coal and natural gas, while developing low-carbon sources, including hydro, biofuels and other renewables. However, structural problems, such as lack of legal certainty and major financial imbalances in the energy sector, and the presence of vested interests undermine the energy potential of Ukraine. Despite the reforms implemented from 2014 to 2021, the sector is still destabilised by two issues that were already identified in the OECD Investment Policy Reviews of Ukraine of 2011 and 2016. Firstly, in some energy sub-sectors, SOEs and privately-owned companies do not operate on an equal footing. Secondly, energy prices are regulated with price levels that are below production costs and subject to cross-subsidisation within various sub-sectors and among different consumers.

The trajectory of energy reforms in Ukraine has been constant since the signing of the Association Agreement with the European Union (EU). As such, the country has deepened its energy inter-connectivity with Europe, increased energy efficiency and set a path towards a low carbon economy. However, the reforms implemented in different energy sub-sectors vary widely and reflect the political dynamics around each subsector. The Energy Strategy of Ukraine until 2035, approved by the Cabinet of Ministers of Ukraine on August 2017, addresses the most critical issues for achieving a sectoral transformation, and is aimed at improving the country's energy efficiency, security, competitiveness and integration with the EU energy community.

The reforms implemented in the energy sector by Ukraine have secured the participation of private companies in a wide range of contracts and structures. The government has also increased the in-flow of capital into the energy sector by privatising state assets, both large and small, and by reforming public procurement. These changes

have led to growing interest from national and international corporations in the Ukrainian hydrocarbon and renewable energy sectors.

The outbreak of COVID-19 has affected investments in energy sectors both worldwide and in Ukraine. Long-awaited reforms, such as the cancellation of cross-subsidisation, have been postponed. Furthermore, restrictive measures on persons and goods put in place during the first wave of the pandemic have affected the electricity, hydrocarbon and renewables markets in Ukraine. However, by adequately implementing Ukraine's Energy Strategy until 2035 and the Energy Security Strategy, the latest approved in August 2021, the Government of Ukraine could be able to secure sustainable investments in the energy sector, going beyond corporate profitability and generating economic, social and environmental development.

Policy framework for investment

Since Euromaidan in 2013-2014, attracting investment in Ukraine's energy sector has been a top priority of the government, as is evidenced by the Energy Strategy of Ukraine (ESU 2035). To improve the attractiveness of its energy sector, Ukraine has made continuous efforts to reform the regulatory framework in line with European legislation and other international standards.

As was already identified in the OECD 2016 *Investment Policy Review of Ukraine*, there are no generalised screening or approval mechanisms for new investments or established companies in Ukraine. Ukraine does not impose limits on access to local finance and incentives or government purchasing markets for foreign-controlled enterprises incorporated in the country. National treatment of foreign investors in the post-establishment phase is guaranteed, which means that foreign investors, when incorporated and headquartered in Ukraine, are considered to be domestic legal entities, with all the rights and obligations that apply to domestic investors. Exceptions to national treatment relevant to Ukraine's energy sector include the acquisition of farm land and some aspects of

access to privatisation. In addition, only natural monopolies, which are regulated by the Law on Natural Monopolies, can carry out certain types of business activities such as transport of oil and oil products by oil pipelines, transport of natural and oil gas by pipelines, distribution of natural gas by pipelines, and electricity transmission.

The protection of investment in Ukraine

Ukraine has established a legal framework containing domestic provisions aimed at promoting and protecting investments. Creating a level playing field for energy sector investors has been seen by Ukraine as important for fostering investments. The country has implemented several legislative reforms to ensure the supremacy of law and combat corruption. That being said, there is room for further improvement. To achieve a more holistic reform, Ukraine should further strengthen institutional co-operation between existing anti-corruption bodies, ensure equal access to justice, firmly uphold the rule of law and provide efficient protection of ownership rights through the use of alternative dispute resolution mechanisms.

Ukraine's governance challenges are among the most important impediments to improving growth prospects and unlocking the private sector's contribution to the development of the energy sector. While addressing these challenges requires fundamental institutional change that will take time and yield broad-based improvements only in the long term, progress in specific areas can have important impacts on strengthening transparency and accountability in the short and medium term. Therefore, it is important to sustain ongoing actions in key areas such as effective implementation of anti-corruption laws, implementation of reforms in the judiciary system, and strengthening of regulation enforcement.

Investor protection granted under Ukraine's investment treaties is another important part of the legal framework that is relevant for investment in the energy sector. Ukraine has over 60 investment treaties in force today. These

treaties grant protections to certain investors in addition to and independently from protections available under domestic law to all investors. Most of these treaties apply to investments across the entire economy, including the energy sector, while some apply specifically to the energy sector. Like treaties that are signed by many other countries, Ukraine's investment treaties typically protect investments made by treaty-covered investors against expropriation, discrimination and unfair or inequitable treatment. They also give covered investors access to investor-state dispute settlement (ISDS) procedures, including international arbitration, in cases where they claim that the government has infringed these protections.

A significant number of Ukraine's investment treaties have rather vague investment protections and ISDS provisions that may create unintended consequences in ISDS cases and ultimately undermine the goals of such treaties – a situation that Ukraine shares with many other countries. Many governments now recognise that it would be desirable to reform some older investment treaties so that they include specific design approaches commonly used in newer investment treaties. Updating existing treaties remains a separate challenge to negotiating new treaties, with time, cost and resource allocation constraints. Reform options for older treaties may also need to take account of new needs and priorities for such treaties today, including the growing urgency of tackling the climate crisis and creating the necessary incentives for the transition to low-carbon, renewable energy sources. Recommendations to reconsider several aspects of the government's approach to investment treaties in this context are set out in chapter 4 of this *Review*.

Whatever approach the government takes towards investment treaty-making, these treaties should not be seen as a substitute for long-term improvements in the domestic business environment, including through measures to improve the capacity, efficiency and independence of the domestic court system, the quality of the legal framework, and the strength of national institutions responsible for enforcing such legislation.

Energy infrastructure in Ukraine

Ukraine remains far behind developed countries in terms of building efficient and innovative energy infrastructure. Chronic underfunding from the state budget and inefficient state property management are two important factors for explaining the current condition of infrastructure. The government is aware that one way to enhance infrastructure is by attracting private investors to the country. Besides, the Ministry of Infrastructure has recognised seven necessary conditions that would aid in successfully implementing energy infrastructure in the country: i) political will and support by the state and society; ii) reliable legal framework and strong institutions; iii) flexible financing through equity and debt; iv) transparent and impartial tenders; v) reliable feasibility studies; vi) fair risk allocation between partners; and vii) rate of return expected by private partners remunerating adequately the level of risk.

Ukraine has the opportunity of generating policies that will enable energy infrastructure projects to advance the country's commitments to achieve a carbon-neutral economy and integrate with the EU market. For instance, strengthening policies that regulate electricity ancillary services will enable investments to upgrade transmission and distribution infrastructure by private sector participants. For Ukraine to comply with its National Determined Contributions under the Paris Agreement, it is essential that the government provides legal certainty to investors developing renewable energy generation projects. Ukraine should consider the importance of resolving the issue of fiscal arrears due to renewable energy companies. This could help improve the investment climate in the renewable energy sector and attract additional foreign capital.

1. Ukraine should establish principles to improve regulatory and administrative predictability not only during the preparation and construction of energy infrastructure projects but also during the operation, as less risk and uncertainty over infrastructure projects can increase the flows of investments in the country. Additionally, to decrease the high per capita

consumption of electricity and heating, it is necessary to advance infrastructure projects that foster energy efficiency.

Investment promotion and facilitation

In the context of reforming the energy sector and transforming it into a clean, green, decarbonised sector of the economy, one of the main challenges for Ukraine is the need to leverage significant investment flows. Targeted investment promotion and facilitation efforts, along with effective and quality policy-making relative to the overall investment climate are crucial for modernising Ukraine's energy industry.

Recent initiatives have aimed to promote Ukraine as an attractive destination for foreign investments in all sectors of the economy, including in the energy sector in line with the Energy Strategy of Ukraine until 2035. These initiatives are part of the liberalisation efforts in the electricity, oil and gas markets, and due to the potential of renewable energy generation in Ukraine. As a result, Ukraine, supported by international partners such as the OECD, the EU, EBRD and the IMF, has been exploring ways to develop a greener energy sector, notably through solar and wind power, and ultimately through a green hydrogen industry in the country.

Ukraine's investment promotion agency (IPA), UkraineInvest, has played a central role in investment promotion and facilitation activities since its creation in 2016, while government actions aim to enhance the regulatory and institutional framework surrounding foreign investment. Investment facilitation also stems from administrative simplification efforts that have been implemented over recent years. Despite Ukraine's improvement with respect to international rankings assessing its business climate (OECD FDI Regulatory Restrictiveness Index, World Bank Doing Business), the institutional environment remains challenging for investors and harmful for Ukraine's competitiveness. Further efforts are needed to improve investors' perception of Ukraine's business climate as this *Review* highlights, particularly in the energy sector, where the

historical prevalence of monopolistic and state-owned enterprises has been viewed by business and international organisations as a feature that hinders investments.

Public governance in Ukraine's energy sector

Since the Revolution of Dignity in February 2014, Ukraine has strengthened its anti-corruption policies by adopting reforms such as the 2014 Law on prevention of corruption (in force since April 2015) and reforms of the judicial system. A weak judiciary and corruption nevertheless remain outstanding issues despite important reforms. According to a survey on Ukraine's investment climate released in September 2021 by the American Chamber of Ukraine, 93% of surveyed businesses stated that implementation of real and effective judicial reform, the rule of law, fair justice, and the eradication of corruption should be the government's primary objectives in order to deliver economic growth, improve the business climate, and attract FDI

Public procurement has substantially improved, although numerous amendments to the law on public procurement have provided a challenge for businesses, as they have affected legal certainty. The enforcement of the Law on prevention of corruption and the work of Ukraine's anti-corruption agencies have also faced challenges, as evidenced by the 2020 Constitutional Court's controversial rulings. Strengthening judicial capacity is also crucial not only for the success of Ukraine's energy transformation but also for the country's

development overall. There are also long-standing risks related to political interference in Ukraine's energy sector, which corruption continues to plague.

RBC in Ukraine's energy sector

Promoting and enabling responsible business conduct (RBC) is of central interest to policymakers to attract quality investment and to ensure that business activity in their country contributes to broader value creation and sustainable development. RBC principles and standards set out an expectation that all businesses should avoid and address negative impacts stemming from their operations, while contributing to sustainable development where they operate.

Although Ukraine has been an Adherent to the OECD *Declaration on International Investment and Multinational Enterprises* since 2017, more work needs to be done to ensure that a comprehensive regulatory framework creates an enabling environment for the promotion and implementation of RBC principles in the upstream, midstream and downstream activities in the energy sector. Further to streamlining the existing RBC-related policies and legal and regulatory frameworks, further efforts are needed to strengthen environmental, human and labour rights protections, anti-corruption efforts, and transparency and disclosure practices.

Box 1.1. Policy recommendations

General recommendations

- Progressively move from feed-in tariffs to more competitive support mechanisms. In addition to the feed-in tariffs, Ukraine's renewable energy market offers the possibility of auctions and the introduction of corporate power purchase agreements that will play an important role in energy transition efforts. Ukraine may wish to consider putting in place awareness campaigns highlighting the benefits of renewable energy.
- Advance the implementation of regulations on the development of bioenergy potential of Ukraine related to the development of solid biofuels market, development of liquid biofuels market, development of bio methane market, development of energy crops on marginal lands, reduction of the tax burden on bioenergy facilities running on biofuels by setting a zero rate of CO₂ emissions tax for them.
- Move forward with the implementation of regulations that promote competition in the electricity sector, while placing a special emphasis on the Auctions Law.
- Assess electricity and gas tariff schemes for consumer households, abolish cross-subsidies and provide targeted subsidies to benefit the poorest households. In this regard, ensure that tariff and pricing policies reflect the costs of production, transmission, and distribution and allow for a profit for investors. In addition, gradually reduce public service obligations and ensure that those applicable in the country are in line with the EU acquis.
- Develop a regulatory framework and action programmes that advance the economic switch from hydrocarbons to renewable energy sources at a faster rate by strengthening the national and regional efforts to phase out coal power plants and eradicating policy support mechanisms for the consumption of fossil fuels.
- Continue implementing policies and programmes that pursue the integration of Ukraine's power and gas system with the EU through synchronisation with the ENTSO-E and the ENTSO-G, including integration measures such as reinforcements of the transmission network, realisation of frequency regulation reserves, establishment of a telecommunication network, and studies on future grid stability.
- Establish a mandatory condition for power quotas for entities generating electricity from renewable energy investors, according to which they must simultaneously provide highly manoeuvrable generation, efficient balancing capacities or Energy Storage-type systems. Include policy investments that allow RES producers to use the grid to store surplus generated power for a long time and to consume it later.
- Adopt a progressive regulatory framework to bring the players with new technologies, such as battery energy storage systems, demand response technologies, and green hydrogen to the energy markets. This step will encourage the implementation of many investment projects with these technologies.
- Ensure that public procurement and privatisation processes in the whole energy sector are transparent, open to quality private investors, free of corruption and continue using public procurement e-platforms such ProZorro and ProZorro.Sales, Continue providing training for public officials, both at the central and local levels of governments, on the use of ProZorro and ProZorro.Sales.
- Take additional actions to ensure that state-owned enterprises active in the energy sector observe high standards of transparency and are subject to the same high quality accounting,

disclosure, compliance and auditing standards as listed companies as recommended in the OECD 2021 *Review of the Corporate Governance of State-Owned Enterprises: Ukraine*.

National treatment of investment

- Further liberalise sectors that remain relatively closed to foreign investment as already noted in the OECD 2016 *Investment Policy Review of Ukraine*.
- Finalise the pending land reform and evaluate the restriction on foreign companies purchasing agricultural land, especially if Ukraine wishes to activate the biofuel industry.
- Continue strengthening the competition law regime, notably in the areas highlighted in the 2016 OECD *Review of Competition Law and Policy in Ukraine* such as improving the impartial and transparent functioning of the Anti-Monopoly Committee of Ukraine, and ensuring that privatisation encourages more competition in previously monopolistic sectors instead of merely replacing public with private monopolies.

Investment protection

- Increase the number of IP rights-trained judges as well as judges with expertise in other key areas such as competition and economic regulation. An increase in the number of judges is likely to improve the quality and efficiency of IP dispute consideration. It will contribute to the Ukrainian court system and the state in general as the solution to the jurisdiction problem by boosting the effectiveness of decision, creating an opportunity to set special court procedures and practice generalisations to enhance efficiency and accuracy, serving as a basis for the consistency and predictability of case outcomes and the source of progressive development and dynamism in IP cases.
- Expedite the examination for green technology IP applications. As part of the strategy to enhance the protection of IP rights of green technologies, various national IP offices offer expedited examination for green technology patent applications. In the United Kingdom, the Green Channel platform is open to all patent applications that can make a reasonable assertion of having an environmental benefit.
- Strengthen international co-operation to nurture innovation. To stimulate the breakthroughs necessary to advance renewable energy investments, existing platforms designed to foster international collaboration should be prioritised at a national level. This allows countries to share ideas, pool resources and capital, and co-develop programmes that support common interests.
- Ensure independent, integral and rigorous work of the HACC towards adjudication of corruption without political interference and other undue influence. As mandated by the Law, the HACC must keep its independence and respect the separation of powers but it must solve the cases brought by NABU and SAPO against designated high-level officials (including ministers, deputies, members of parliament, agency leaders, judges, prosecutors, and heads of state-owned enterprises) for a specified set of corruption-related crimes that entail damage in excess of a monetary threshold (at the time of writing of this *Review*, NABU was conducting a pre-trial investigation into corruption offenses which incurred damages exceeding UAH 1 189 500, roughly equivalent to USD 44 500). It is of the utmost importance that this final element in the specialised anti-corruption criminal justice system functions effectively and with integrity. The backlog of cases from NABU and SAPO should be eliminated to ensure fair and transparent judgements in corruption cases. This should help to strengthen trust in the judiciary, including on behalf of investors.
- Adopt a comprehensive legislative package that sets a complete systemic enforcement framework. Ukraine should incorporate a comprehensive problem-solving mechanism for a genuine enforcement reform. The proposed framework should involve an open discussion with representatives of the legal community, businesses and other service users, professional associations, and scholars, as well as international experts. The final enforcement framework

must ensure institutional independence of the enforcement service from state intervention and deliver significant results of judgment enforcements.

- Implement mediation and ADR mechanism legislation. It is recommended to further develop mediation and other ADRs in all types of process, which would have positive impact on the court's workload (the workload of the courts of first instance would be affected directly, while agreements reached through ADR mechanism could prevent appeals, thus reducing the workload of appeal courts). Compulsory pre-litigation settlement attempts in certain categories of cases (mandatory pre-requisite for taking legal action) should also be considered.
- Continue to reassess and update the government's priorities with respect to investment treaty policy. An important issue in this regard is an evaluation of the appropriate balance between investor protections and the government's right to regulate, and how to achieve that balance in practice. Many of Ukraine's older investment treaties do not contain the clarifications and more specific design approaches to key clauses used in many newer investment treaties. A clearer specification of these provisions would likely help to reflect government intent and ensure policy space for government regulation, as well as providing greater predictability for covered investors, including in the energy sector. The interface between investment treaties and broader priorities for Ukraine and many other governments – such as tackling climate change, promoting responsible business conduct and fostering sustainable development – are also important considerations. It has proven difficult for governments to update older treaties to reflect updated priorities but some multilateral reform initiatives are underway. Aside from multilateral action, it may be possible to clarify language through joint interpretations agreed with treaty partners or treaty amendments, depending on whether the parties wish to clarify original intent or revise a provision. Replacement of older investment treaties by consent may also be an appropriate option in some cases (as Ukraine appears to have done with Israel, Finland, Turkey and Slovakia).
- Continue to participate actively in and follow closely government and other actions on investment treaty reforms at the OECD, UNCITRAL and for the ECT. Consideration of reforms and policy discussions on frequently-invoked provisions in ISDS cases and whether investment treaties are achieving their intended purposes are of particular importance in current investment treaty policy. The government should prioritise its engagement in these various inter-governmental initiatives.
- Continue to improve ISDS dispute prevention and case management tools. The government may wish to consider drawing on examples of institutional frameworks in other countries for the prevention of investment disputes and policy-setting activities. It may also wish to consider ways to promote awareness-raising and inter-ministerial co-operation regarding the government's investment treaty policy and the significance of investment treaty obligations for the day-to-day functions of line agencies. Whatever approach the government adopts towards international investment agreements, complementary measures can help to ensure that treaties are consistent with domestic priorities and reduce the risk of disputes leading to international arbitration.

Energy infrastructure in Ukraine

- Improve market conditions for commercial banks to finance a higher share of energy infrastructure by adopting policies that enable competition between commercial and state-owned banks. Reinforce projects' screening by lenders to avoid the very high proportion of non-performing loans that in turn increase banks' profitability and widen access to affordable credit.
- Foster the development of green and climate financial products, such as green bonds, that comply with best environmental, social and governance standards and practices.

- Strengthen institutional capacity of the governmental agencies that participate in PPPs by providing training to officers and develop awareness-raising tools directed at investors.
- Establish prioritisation of PPP projects by the government in order to send clear signals to investors and outline long-term relevant goals in the PPP area. In addition, Ukraine should evaluate the possibility of allowing PPPs with SOEs that are in the process of being privatised to mobilise private capital in energy infrastructure.
- Finalise the pending reform on land and evaluate the restrictions on foreign companies to acquiring agricultural land, especially if Ukraine would like to activate the biofuel industry.
- Keep implementing measures to enhance transparency and tackle corruption in the energy sector by using technological tools in infrastructure energy projects such as CoST, and align citizen participation and information disclosure with the Open Contracting and Open Data Standards.
- Advance the efforts to upgrade district heating and open investment opportunities to private companies by scaling up the capital available for energy efficiency and DH modernisation projects with further potential to attract FDI.
- Transpose the EU Regulation 347/2013 through the Law on Projects of Highest National Priority in the Field of Energy.
- In collaboration with IFIs or development agencies, create and offer continuous trainings to officials involved in PPPs, covering topics from project selection criteria, contract management, prioritisation in infrastructure development and fiscal impacts of infrastructure projects, focusing on energy efficiency and renewable energy.

Investment promotion and facilitation

- Further align the promotion and attraction of investment efforts with Ukraine's international commitments on decarbonisation and reduction of greenhouse gas emissions. Ukraine has the opportunity to foster the attraction of green and renewable energy sources, as well as energy efficiency companies, to consolidate its pathway as a green economy and to attract investors that generate positive environmental impacts to the country.
- National image-building should strike a balance between promoting Ukraine's attractiveness and addressing foreign investors' needs and expectations through realistic targets and a pragmatic agenda of reforms.
- Implement a CRM system allowing customer feedback and regular evaluation. These services should be offered to foreign investors as part of aftercare activities as they would enable UkraineInvest to gather information on the success and shortcomings of its investment promotion and facilitation actions. Such information would then help to improve foreign investors' satisfaction with regards to the services that UkraineInvest provides.
- Ensure predictability and certainty of government actions by maintaining the conditions offered to investors throughout time. A history of honouring long-term government commitments, such as feed-in tariffs, special economic zones, without alteration of initial conditions would lower investors' perception of risks and encourage an increase of FDI flows into the country.
- Evaluate the incorporation of a one-stop-shop investment platform for renewable energy and energy efficiency projects that encompasses all the information and procedures to de-risk projects and scale up investments in the sector.

Public governance

- Continue ongoing reforms to prevent and combat corruption, with a special focus on high-level corruption.

- Ensure the independence of the anti-corruption agencies, NABU, SAPO, and the High Anti-Corruption Court, while also ensuring that these agencies are sufficiently resourced, staffed, and empowered to conduct investigations, as well as being shielded from political and other improper interferences.
- Pursue a holistic approach for reforming Ukraine's judiciary in line with international standards and good practices. Continue judicial reforms to strengthen the independence and effectiveness of the judiciary and increase public confidence, while addressing inconsistencies in legal and regulatory frameworks.
- Continue actions to simplify and enhance the transparency of public procurement proceedings in line with the findings of the forthcoming OECD *Typology of Corruption Schemes in the Energy Sector in Ukraine*, including ensuring clear and accessible policies on procurement in SOEs and encouraging the establishment of specialised board committees on procurement when appropriate. Given that the public procurement system in Ukraine still suffers from low levels of trust by businesses and citizens alike, the country could make further use of the OECD *Recommendation on Fighting Bid Rigging in Public Procurement* and of the OECD *Recommendation on Public Procurement*. Ukraine should also continue to seek international assistance to provide capacity-building training focusing on the fight against corruption and conflicts of interest in the procurement system.

Responsible business conduct in Ukraine's energy sector

- Further streamline the existing policy frameworks on RBC and ensure applicability to Ukraine's energy sector. Over the years, Ukraine has adopted RBC-related policies, including the Concept on CSR and the National Strategy on Human Rights, which introduced provisions related to business and human rights. However, further steps are needed to streamline these policies and ensure alignment with the OECD Guidelines for Multinational Enterprises and related guidance, while continuing efforts to develop a national action plan on business and human rights. Moreover, RBC policies should be translated within legal and regulatory frameworks applicable to Ukraine's energy sector and efforts should be made to ensure their implementation.
- Ensure protections and enforcement to prevent RBC-related infringements in the energy sector. This includes strengthening human and labour rights protections, particularly in addressing challenges in the state-owned coal sector, preventing discrimination against women and vulnerable groups, and encouraging just transition. Further efforts are needed to improve environmental protection, paying attention to air pollution and emissions, and low energy efficiency, as well as engaging in climate action. Furthermore, moratoria on inspections should be removed.
- Encourage energy companies to carry out due diligence to address and mitigate RBC-related risks throughout their operations, as well as in their supply chains and business relationships. Although a number of companies have started embedding RBC due diligence frameworks, practices should be encouraged on a broader scale. In particular, efforts should be made to align with the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* for companies operating or engaged in the coal sector.
- Strengthen anti-corruption efforts in the energy sector. In particular, Ukraine should ensure that anti-corruption institutions, such as SAPO, NABU and the High Anti-Corruption Court are sufficiently empowered, staffed and resourced to carry out investigations. In parallel, anti-corruption regulations and requirements should be further streamlined to avoid potential conflicts and ensure enforcement. In parallel, both state-owned and private companies should be expected to implement high standards of disclosure and transparency, and develop risk management systems, while improving internal controls, ethics and compliance measures.

- Enforce transparency and disclosure in the energy sector, and strengthen non-financial reporting requirements so that companies disclose information on human rights, environment protection, labour rights and risk mitigation, among other areas. Further efforts are needed to implement laws and regulations, and ensure compliance with EITI requirements.
- Strengthen the role of Ukraine's National Contact Point. The NCP can play a key role in promoting the OECD MNE Guidelines and in raising awareness among energy companies, civil society organisations and trade unions to promote RBC practices. The NCP can also act as an effective non-judicial grievance mechanism with which stakeholders in the energy sector can engage.



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