## Belarus

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>9,483,499</td>
</tr>
<tr>
<td>Area (km²)</td>
<td>207,600</td>
</tr>
<tr>
<td>GDP per capita (USD)</td>
<td>6,330.07</td>
</tr>
<tr>
<td>TES (Mtoe)</td>
<td>26.96</td>
</tr>
<tr>
<td>Energy intensity (toe/10³ 2015 USD)</td>
<td>0.46</td>
</tr>
<tr>
<td>CO₂ emissions - energy (MtCO₂)</td>
<td>57.1</td>
</tr>
</tbody>
</table>

There is no data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021

### Sources:
1. The World Bank 2018
2. ©IEA (2021), World Energy Balances [https://www.iea.org/data-and-statistics]. All rights reserved.
3. ©IEA (2021), CO₂ Emissions from Fuel Combustion [https://www.iea.org/data-and-statistics]. All rights reserved.
Belarus’ overall risk level against the assessed areas is low.

Of the three risks assessed in EIRA, breach of State obligations is lower compared to discrimination between domestic and foreign investors and unpredictable policy and regulatory change.

Belarus’ performance is good on all four indicators. On management of decision-making processes its score is 73, followed by rule of law at 72. Its scores on regulatory environment and investment conditions (69) and foresight of policy and regulatory change (61) are the same as in EIRA 2020.

On a more detailed level, Belarus’ overall sub-indicator performance is good. The highest-scoring sub-indicator is restrictions on FDI at 100, followed by management and settlement of investor-State disputes at 85. Its score is good on the sub-indicators transparency (78), communication of vision and policies (73) and institutional governance (69). It has maintained its scores from EIRA 2020 on respect for property rights (58). On robustness of policy goals and commitments its score has increased by a point, from 49 to 50. Regulatory effectiveness is the lowest-scoring sub-indicator at 39.

While Belarus has the relevant policies and measures in place, there is potential for improvement. Attention should be given to strengthening its regulatory effectiveness.

YEAR-ON-YEAR COMPARISON

<table>
<thead>
<tr>
<th>RISK AREAS</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpredictable policy and regulatory change</td>
<td>34</td>
<td>34</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Discrimination between domestic and foreign investors</td>
<td>30</td>
<td>30</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Breach of State obligations</td>
<td>31</td>
<td>31</td>
<td>28</td>
<td>28</td>
</tr>
</tbody>
</table>

INDICATORS

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foresight of policy and regulatory change</td>
<td>57</td>
<td>57</td>
<td>61</td>
</tr>
<tr>
<td>Management of decision-making processes</td>
<td>72</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>Regulatory environment and investment conditions</td>
<td>69</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>Rule of law</td>
<td>69</td>
<td>69</td>
<td>72</td>
</tr>
</tbody>
</table>

SUB-INDICATOR PERFORMANCE
The Government is taking steps to strengthen its energy security. On 7 November 2020, it commissioned the first unit of the Ostrovets nuclear power plant with a planned annual production capacity of 18.5 billion kWh. The plant will help decrease the annual consumption of imported natural gas by 4.5 billion cubic metres and reduce the country’s GHG emissions by 7 million tonnes. Meanwhile, Belarus’ total renewable power generation capacity increased from 47 MW in 2006 to 491 MW in 2020. The Government has also approved new State Programmes to reduce energy intensity and strengthen the power infrastructure from 2021-2025. The State Programme on Energy Saving envisages that by 2026, the energy intensity of GDP will be reduced by 7% compared to the 2020 level. The State Programme on Increasing Electricity Use for Heating, Hot Water and Food Preparation (2021-2025) plans to refurbish 3465 km of the 0.4-10 kV distribution network. The Programme for Complex Modernisation of Gas Pipelines, 2021-2025 intends to install 6179 km of high and medium pressure gas pipelines. The Council of Ministers has also adopted Resolution no. 137/2021 to implement the Paris Agreement. The Resolution approves the procedures for maintaining the State inventory of anthropogenic emissions and absorption by GHG sink removal. It also establishes a national GHG inventory system.

By Resolution no. 758/2020, the Council of Ministers of Belarus approved the Activities Programme of the Government of the Republic of Belarus until 2025, including an action plan containing performance indicators, implementation activities, and timelines. The Resolution outlines mechanisms to monitor and evaluate the Programme’s progress annually. The Government agencies responsible for completing the relevant activities must submit annual implementation reports to the Ministry of Economy and provide any requested clarifications before 1 March of each year. By 1 April, the Ministry of Economy must submit to the Council of Ministers a summary of the activities implemented. The Vice Prime Ministers are accountable for controlling the execution of the Government Programme within their areas of responsibility.

The Government is encouraged to cooperate and negotiate with prospective electricity buyers within the EAEU and beyond to ensure the successful implementation of the country’s energy export plans.

The energy sector’s policy monitoring and evaluation will improve if the final assessment reports are publicly available and open for stakeholder feedback.
AREAS FOR IMPROVEMENT

STRENGTHS

The tariffs for electricity, gas and heating increased in 2021 following the approval of Presidential Decree no. 490/2020 “On Setting Tariffs for Housing and Public Utilities for 2021” and the Council of Ministers Resolution no. 795/2020 “On Amendment of Resolution of the Council of Ministers of the Republic of Belarus no. 1166 dated 30 December 2013”. The tariff hike is aligned with the Republic of Belarus’ Budget and Finance Policy for 2021-2023, which refers to the necessity of increasing the tariffs for housing and public utilities. It also furthers the Government’s plan to introduce economically feasible mechanisms to revise tariffs for energy customers due to various external and internal conditions, as outlined in the National Strategy for Sustainable Social-Economic Development until 2030. In the long-term, the new tariffs aim to phase out the cross-subsidisation of utility tariffs.

Law no. 53-Z/2013 “On Investments” guarantees to investors the right to freely transfer investment-related capital, payments and profits outside of the Republic of Belarus after paying all taxes and duties. According to the Ministry of Economy’s annual report, foreign investment inflow reached USD 8.7 billion in 2020, out of which USD 6 billion USD or 69.2% was FDI. The Government's plan to implement this Strategy.

Law no. 58-Z/2013 “On Mediation” regulates the mediation and investment conditions. It is a legal basis for mediation. On 21 May 2020, the House of Representatives of the National Assembly adopted Law no. 25-Z/2021 “On ratification of the United Nations Convention on International Settlement Agreements Resulting from Mediation” (Singapore Convention). On 10 June 2020, the Council of the Republic (upper house of the National Assembly) endorsed the ratification of the Singapore Convention. This development signals the country’s continued commitment to promoting mediation as an alternative method to resolve disputes between investors and the State and will help to improve the enforceability of settlements mediated across borders. The National Assembly also enacted Law no. 89-Z/2021 “On amendments to laws on matters related to mediation”, effective from 15 January 2021, to harmonise local legislation with the requirements of the Singapore Convention. The amendments bring in new provisions on the recognition and enforcement of international mediation agreements, and they define the grounds for denying enforcement.

Nationalisation of private property is possible only on the grounds of “social necessity” and on the timely and full payment of compensation equivalent to the property’s value and other losses. Domestic laws do not include provisions restricting the transfer of technology in the energy sector. On 18 December 2020, the Council of the Republic of the National Assembly endorsed the ratification of the Agreement on Trademarks, Service Marks and Appellation of Origin of Goods in the EAEU (Law no. 79-Z/2021). Belarus signed and ratified BITs with 66 countries, of which 56 are in force, and eight treaties with investment protection provisions, of which seven are in effect.

AREAS FOR IMPROVEMENT

The Government should expedite the finalisation and adoption of the Strategy on Attraction of Direct Foreign Investments. It may also consider developing an action plan to implement this Strategy.
IMPLEMENTATION STATUS
| Indicator 1 | 2018 | Develop a long-term investment plan for the energy sector. | Work ongoing. The 2017-2030 National Infrastructure Strategy (NIS), approved in 2017, serves as a guidance document for the business community. In 2020 and 2021, several State Programmes covering the period of 2021-2025 were adopted. The Programmes “On Increasing Electricity Use for Heating, Hot Water and Food Preparation”, “On Complex Modernisation of Gas Sector Production” and “On Comfortable Housing and Favourable Environment” contain plans to increase investment in the energy sector. |
| Indicator 2 | 2018 | Define long-term targets to reduce carbon emissions in the energy sector. | Pending |
|           | 2019 | Adopt the new Law on Electricity. | Pending |
| Indicator 3 | 2018 | Establish an independent energy regulator responsible for setting tariffs, protecting consumers’ rights, regulating natural monopolies, and creating competitive conditions in the energy market. | Pending |
|           | 2019 | Clarify the eligibility criteria for availing benefits and incentives under international investment agreements. | Pending |
|           | 2020 | Complement the Draft Strategy on Attraction of Direct Foreign Investments until 2025 with an action plan and revitalise the discussions with the final aim to approve the document. | Pending |
| Indicator 4 | 2018 | Consider establishing an investment ombudsperson to resolve conflicts between investors and State agencies. | Pending |
|           | 2020 | Make efforts to expedite the country’s accession to the WTO. | Pending |

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**Belarus**

**PROPOSED IN EIRA AREAS FOR IMPROVEMENT**

**IMPLEMENTATION STATUS AS OF 1 APRIL 2021**

**Indicator 1**

- Develop a long-term investment plan for the energy sector. 
  - Work ongoing. The 2017-2030 National Infrastructure Strategy (NIS), approved in 2017, serves as a guidance document for the business community. In 2020 and 2021, several State Programmes covering the period of 2021-2025 were adopted. The Programmes “On Increasing Electricity Use for Heating, Hot Water and Food Preparation”, “On Complex Modernisation of Gas Sector Production” and “On Comfortable Housing and Favourable Environment” contain plans to increase investment in the energy sector.

**2018**

- Define long-term targets to reduce carbon emissions in the energy sector.
  - Pending

- Implement institutional reforms to make the policy monitoring authorities independent of the policy-making bodies.
  - Pending

**2019**

- Adopt the new Law on Electricity.
  - Pending

**2020**

- Cooperate with prospective buyers, within the EAEU and beyond, to ensure the successful implementation of the country’s energy export plans.
  - Work ongoing. The Belarusian national energy company, Belenergo, is working on various electricity export options.

- Develop a well-designed system to monitor the implementation of the national energy priorities.
  - Pending

**Indicator 2**

- Institutionalise and make it legally mandatory for State authorities to consult stakeholders on legal and regulatory decisions.
  - Work ongoing. According to Law no. 130-Z “On Normative Legal Acts”, draft legal acts can be submitted for consultation via the Legal Forum of Belarus website, as well as through Parliamentary hearings. Mandatory public discussion on draft legal acts are required during consultative (expert) meetings. The Ministry of Energy publishes information on its Public-Consultative (Expert) Council, including the list of members, the meeting minutes and copies of the draft laws and regulations discussed. The Council holds two to three meetings per year.

- Enhance the role of the National Agency of Investment and Privatization as a one-stop shop.
  - Pending

**2021**

- Increase the timeframe of citizen engagement and consider allowing third parties (those not directly involved in a matter) to give their feedback on important draft laws.
  - Improvement suggested in 2021. Status will be updated in 2022

**Indicator 3**

- Establish an independent energy regulator responsible for setting tariffs, protecting consumers’ rights, regulating natural monopolies, and creating competitive conditions in the energy market.
  - Pending

- Clarify the eligibility criteria for availing benefits and incentives under international investment agreements.
  - Pending

**2019**

- Develop step-by-step guidelines to support foreign companies investing in the energy sector.
  - Pending

**2020**

- Complement the Draft Strategy on Attraction of Direct Foreign Investments until 2025 with an action plan and revitalise the discussions with the final aim to approve the document.
  - Pending

**Indicator 4**

- Consider establishing an investment ombudsperson to resolve conflicts between investors and State agencies.
  - Pending

- Amend the domestic laws to include well-defined grounds to expropriate private property, clauses explaining the process to determine the compensation and a timeframe for its payment.
  - Work ongoing. In 2019, Belarus signed BITs with Uzbekistan and Hungary that define the process to determine compensation in the event of expropriation or nationalisation.

- Make efforts to expedite the country’s accession to the WTO.
  - Pending