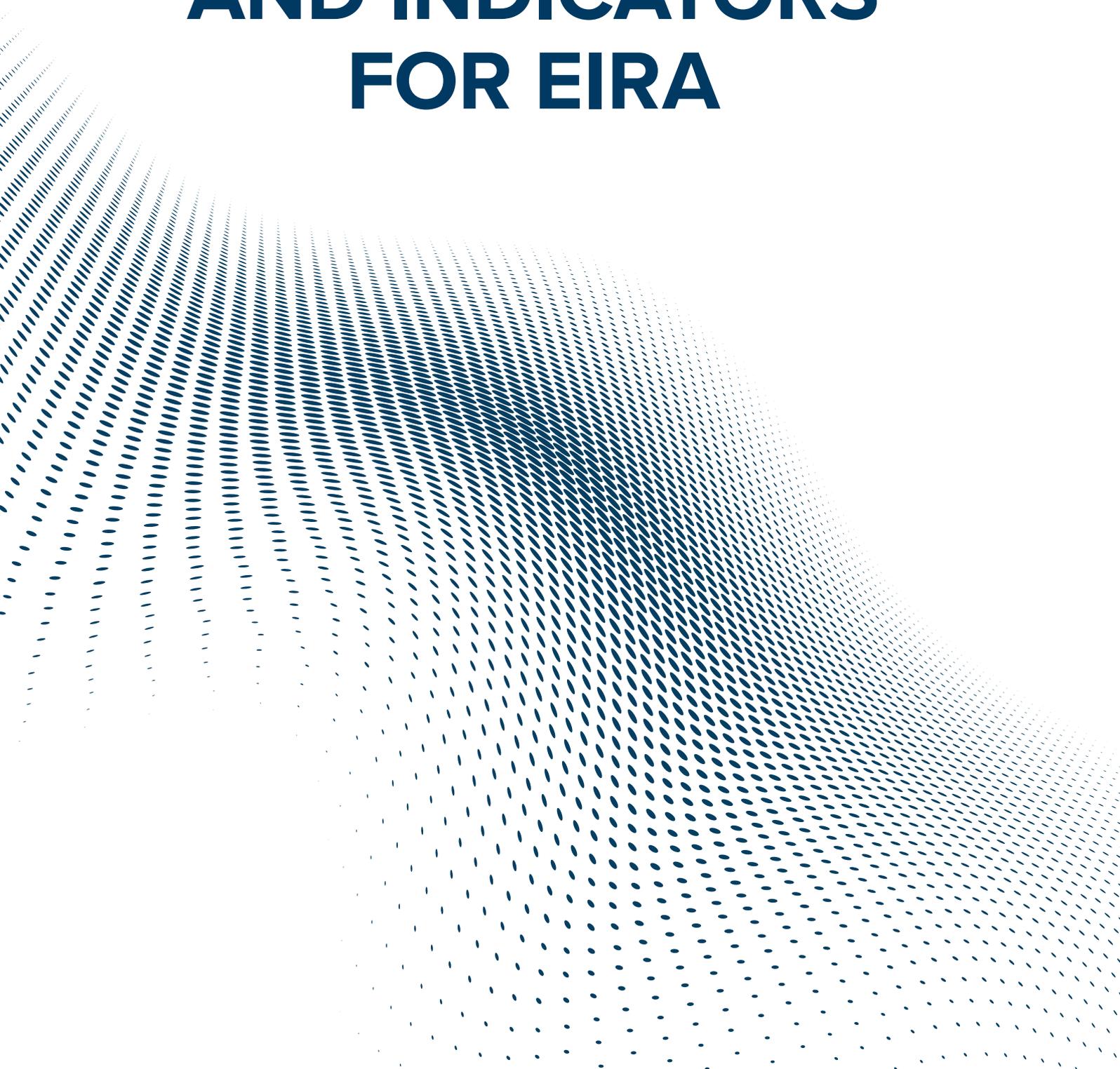


# **RISK AREAS AND INDICATORS FOR EIRA**



EIRA evaluates risks to energy investment that can be mitigated by adjusting policy, legal and regulatory frameworks. The performance of countries against the EIRA risk areas is evaluated through four indicators. The indicators reward countries for sound regulation and efficient processes, and capture their ability to cope with the risks through predictable policy objectives, transparent decision-making, strong public institutions, competent market oversight mechanisms, and the successful resolution of investor-State disputes.

## What are the risks assessed by EIRA?

EIRA analyses the following risk areas:

### **Unpredictable policy and regulatory change**

Governments reserve the right to adopt policy and regulatory measures that are necessary to pursue legitimate public policy objectives. Nevertheless, unsystematic and arbitrary modifications can detrimentally affect the interests of foreign investors. They can lead to increased or stranded costs for operating a business, reduced attractiveness of investment, and an overall distorted competitive landscape. Foreign investors may reconsider investing in the country or relocate the investment. It follows that in exercising their right to regulate, governments must make investors aware of the conditions and nature of policy and regulatory changes.

### **Discrimination between domestic and foreign investors**

Foreign investors need clarity on the extent to which markets are competitive and whether they offer a level playing field. While discrimination can take various forms, e.g. between energy

resources, technologies and types of investors, EIRA focuses on discrimination between domestic and foreign investors. This risk area assesses the likelihood of an unfair advantage to local investors, as recipients of rights and privileges, to the exclusion of foreign investors, and “protectionist” practices that give rise to foregone investment gains.

### **Breach of State obligations**

Disputes brought by investors against a State can disrupt the relations between the two parties and even damage the overall investment climate. Investors must have confidence that they will have recourse to mechanisms for dispute resolution and the enforcement of rights if governments default on their obligations. Such obligations include protection against discrimination, expropriation and nationalisation, breach of investment treaties, and limited access to alternative dispute settlement avenues.

## How are the EIRA indicators selected?

The indicators are constructed from a wide range of variables. They are premised on the objective of governments to guarantee investors a secure, favourable, and transparent investment environment.

Five criteria are applied to determine the appropriate indicators:

**Functionality/actionability** – The indicators are “reform-oriented”. They reflect best practices through which countries can manage the risks, and capture aspects of policy-making and regulation that are under the control of governments.

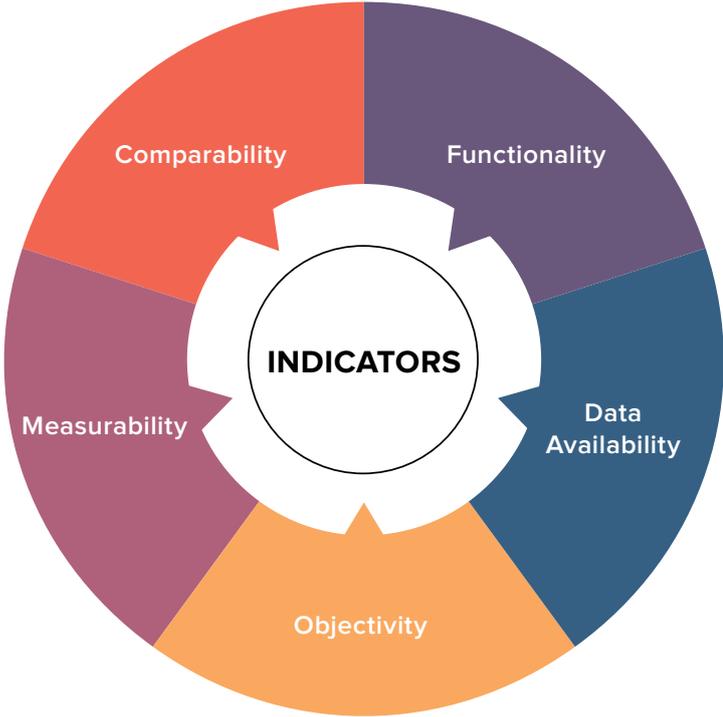
**Data availability** – Data for the indicators is available from sources that are reputable and reliable. The indicators are based on data that is relevant, readily accessible and easy to collect.

**Measurability** – The indicators provide a quantifiable assessment, are robust, and unaffected by minor changes to their construction methodology.

**Comparability** – The indicators remain comparable over time, and across countries, energy sub-sectors, and the energy value chain.

**Objectivity** – The indicators reflect an accurate overview of the policy, regulatory and legal reality in the countries.

Figure I.1 – Criteria for selection of indicators



**What are the EIRA indicators?**

Based on the above criteria, the EIRA indicators developed are:

- | Foresight of policy and regulatory change
- | Management of decision-making processes
- | Regulatory environment and investment conditions
- | Rule of law (compliance with national and international obligations)

The indicators apply to more than one risk, and consist of two sub-indicators each. They measure the ability of governments to identify whether the assessed risks exist, and the extent to which they can mitigate these risks. The indicators reward countries for taking concrete measures to manage and limit arbitrary or discriminatory policy changes, and for reducing the possibility of breaches of State obligations. Such measures include setting long-term policy objectives and goals, ensuring transparency in decision-making, granting equal treatment to domestic and foreign investors, and effectively managing disputes with foreign investors.

Table I.1 – Correlation between EIRA risk areas and indicators

RISK AREAS	INDICATORS			
	Foresight of policy and regulatory change	Management of decision-making processes	Regulatory environment and investment conditions	Rule of law
<b>Unpredictable policy and regulatory change</b>	✔	✔		✔
<b>Discrimination between domestic and foreign investors</b>		✔	✔	✔
<b>Breach of State obligations</b>				✔

## INDICATOR 1

### Foresight of policy and regulatory change

National energy priorities and regulatory frameworks evolve in response to changing circumstances. Ensuring stable investment conditions is a significant challenge as the global energy transition is proving to be a highly dynamic process. Policy and investment patterns are likely to evolve as countries seek to decarbonise their energy sectors under the Paris Agreement. Meeting new objectives will result in policy revisions, and governments must be able to anticipate the impact of these revisions on long-term investments. They must, therefore, communicate any adjustments to their energy policy objectives well in advance, and have a realistic plan to implement these adjustments with minimal impact on the country's investment climate. Investors can then better manage risk, modify investment portfolios and cope with the policy changes.

#### SUB-INDICATOR:

##### COMMUNICATION OF VISION AND POLICIES

This sub-indicator evaluates whether governments are effectively communicating their short- and long-term energy sector vision to investors. It looks into the immediate and future energy sector targets of countries, and the timely adoption and implementation of policies and action plans.

Risk management requires a view of the future. As countries transition to sustainable energy systems, there will be new demands placed upon regulatory frameworks and existing decision-making structures. Understanding the energy landscape, and how it is evolving, is a central element of investment planning. National policies are the most relevant documents for informing investors about the goals governments intend to pursue, and the timeframes they have set for achieving these goals. Accordingly, governments must make investors aware of their current and future national energy priorities, and of any course corrections in these priorities, by adopting clear and timely energy policies. By doing so, they will be able to retain the confidence of investors better, keep them updated on the need, pace and nature of policy changes, and in turn, avert risk.

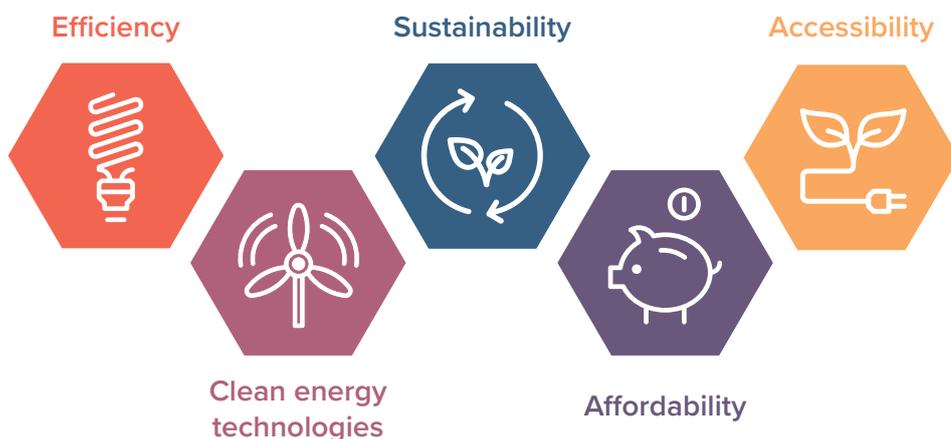
#### SUB-INDICATOR:

##### ROBUSTNESS OF POLICY GOALS AND COMMITMENTS

Effective monitoring mechanisms play a significant role in assessing how far governments have progressed on achieving their policy goals. Conversely, a fragmented or weakly implemented monitoring and evaluation framework can greatly reduce the ability of policymakers and investors to track if there has been any real progress made on the goals.

This sub-indicator focuses on proper monitoring and evaluation of the energy goals, policies and targets. Monitoring and evaluation authorities, which are financially and institutionally independent of governments, will be more objective in assessing the implementation of the national energy priorities. The existence of independent monitoring authorities will also give investors confidence that policy revisions will be proportionate to the situation, subject to evidence-based evaluations, and not due to arbitrary and unsupported reasons.

Figure I.2 – Energy priorities under the UN Sustainable Development Goal 7



## INDICATOR 2

### Management of decision-making processes

The second indicator addresses the importance of coordinated and transparent policies in eliminating perceived or actual opacity of government initiatives, and the inclusion of investors in the planning and decision-making phases. The roles and responsibilities of the national and sub-national government levels must be clear to ensure structured and simplified decision-making processes. It is also essential that investors are well informed and consulted whenever governments intend to revise laws or regulations. Stakeholder engagement will allow foreign investors to participate in decision-making processes actively and take well-informed and timely decisions.

#### SUB-INDICATOR: INSTITUTIONAL GOVERNANCE

Formulating investment and energy policies requires the engagement of multiple government levels. Provinces, municipalities as well as regional and local authorities participate in framing and implementing these policies. Multi-level governance can make the decision-making process complex and result in the risk of overlapping or contradictory decisions. Unless managed and coordinated correctly, policy choices of countries with multi-layered governance structures may end up being sub-optimal, and in turn, inadequately implemented.

This sub-indicator measures how well governments coordinate the decision-making process in their respective countries. While the degree of centralisation in each country may differ significantly, one central body should ultimately be responsible for coordinating across different levels of government, and for reconciling the diverging perspectives of public agencies. Effective intra-governmental coordination in policy design and implementation is, therefore, an essential precondition for minimising unpredictability and maintaining an investment-friendly climate.

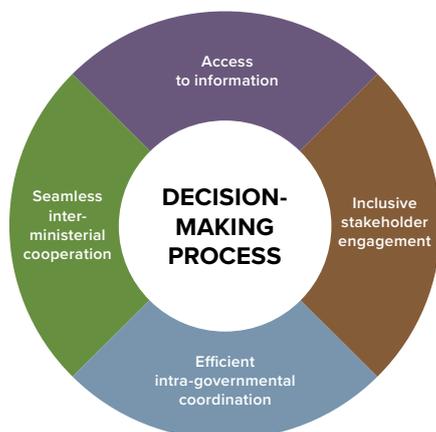
#### SUB-INDICATOR: TRANSPARENCY

Policy and regulatory changes that are systematised and transparent give investors time to plan and align their business models, operations, and finances according to the changing circumstances. While transparency is beneficial to all types of investors, it is particularly crucial for foreign investors who have to cope with regulatory systems and administrative frameworks that may be unfamiliar to them. This sub-indicator measures inclusiveness shown by governments in designing and implementing their laws and policies.

EIRA understands transparency as (1) the effective communication of information on national laws, regulations and practices that may materially affect investments, and (2) prior notification of and consultation on regulatory changes that are of interest to investors.

Governments can enhance the quality and predictability of their regulatory framework by reviewing and publishing administrative decisions, codifying legislation, disseminating regulatory materials, and developing registers of the existing and proposed regulation. These measures will help to ensure that investors are aware of policies affecting them. Prior consultation on investment- and energy-related governmental actions can provide investors with more foresight on the conditions in the host countries. For instance, it may reveal indirect discrimination in secondary measures, even though the enabling legislation does not intend for this. Moreover, affording interested parties the right to comment on policy options and regulatory decisions will allow policy-makers, legislators and regulators to take stock of different opinions, parameters and considerations before modifying the existing framework.

Figure I.3 – Key aspects of effective decision-making processes



## INDICATOR 3

### Regulatory environment and investment conditions

This indicator evaluates the independence energy regulators exercise in taking decisions, setting tariffs, and in performing their functions. Regulatory independence guarantees neutrality and helps to avoid situations where decisions are continuously revised, to the detriment of some market actors and investors. The indicator further examines the restrictions faced by foreign investors in the energy sector. Despite the increasing realisation that international capital flows are crucial for developing the energy sector, persisting restrictions tend to deter foreign investors. Key FDI restrictions include investment screening, local content and other performance requirements, and limitations on currency and investment-related capital transfers.

#### SUB-INDICATOR: REGULATORY EFFECTIVENESS

When an independent and specialised institution monitors the market, there is a lower risk of biased decision-making, discriminatory rules, and anticompetitive behaviour. Political distance gives regulatory authorities credibility because it limits governmental influence, and provides investors assurance that political events will not interfere with regulatory decision-making.

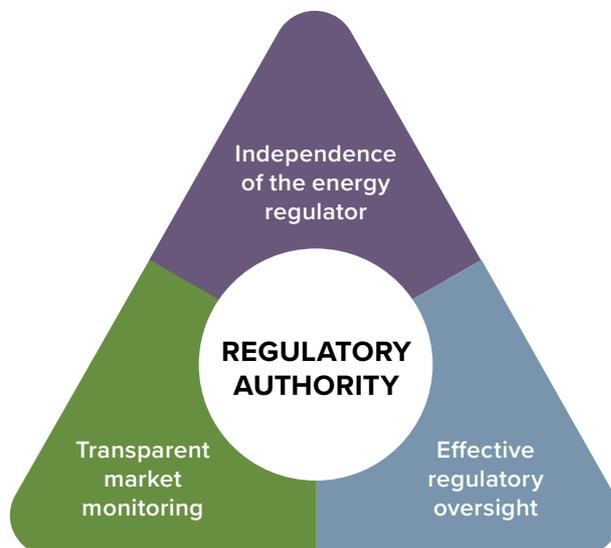
This sub-indicator examines the autonomy of energy regulators through various parameters, such as their legal basis, sources of funding, financial accountability to independent institutions, and their relationship to ministries and other public authorities. It also assesses the level of transparency exercised in the selection of the regulatory staff.

#### SUB-INDICATOR: RESTRICTIONS ON FOREIGN DIRECT INVESTMENT

Policy and regulatory measures that discriminate between domestic and foreign firms can restrict inward investment flows. They can obstruct foreign investments or make the cost of operation financially unviable. Some of the typical restrictive measures foreign investors may face are lengthy investment screening and approval procedures, regional investment restrictions, and operational controls.

This sub-indicator assesses the commitment of countries to accord non-discriminatory treatment to foreign investors. It evaluates whether domestic and foreign investors receive equal treatment in the application of domestic laws and regulations, and gives particular attention to sectoral restrictions, limits on the transfer of profit and repatriation of capital abroad, and onerous local content requirements.

Figure I.4 – Regulatory environment and investment conditions



## INDICATOR 4

### Rule of law (compliance with national and international obligations)

EIRA relies on the “rule of law” definition presented in the UN Report *The rule of law and transitional justice in conflict and post-conflict societies*<sup>1</sup>. It focuses on three aspects of this definition. First, fair and effective implementation of national laws and international commitments arising from treaties and international agreements; second, settlement of investor-State disputes promptly and according to due process; and third, respect for the property rights of foreign investors. Peace, security and human rights are outside the purview of EIRA.

#### SUB-INDICATOR:

##### MANAGEMENT AND SETTLEMENT OF INVESTOR-STATE DISPUTES

This sub-indicator examines the efficiency of case-management and dispute settlement procedures. International companies tend to invest in low-risk host countries that provide them with transparent and predictable legislation, avoid retrospective changes to laws, and make efforts to resolve disputes through alternative dispute resolution mechanisms, without unnecessary cost or delay.

Well-organised judicial procedures help to foster trust between investors and the State. Timely and cost-effective enforcement of foreign judgements and awards give investors assurance that the domestic courts of host countries will safeguard and uphold their rights. Similarly, the existence of appeal mechanisms and domestic dispute mitigation instruments, such as an investment ombudsman and mediation, provide additional avenues for resolving conflicts between investors and States. Beyond the national legal system, governments must provide an extra layer of protection to investors by granting them recourse to dispute settlement mechanisms under international law. They may give foreign investors this benefit either through BITs or on a case-by-case basis.

#### SUB-INDICATOR:

##### RESPECT FOR PROPERTY RIGHTS

This sub-indicator assesses the risk of companies losing ownership, or control, over their investment as a result of government action. Arbitrary acquisition of property by the State can also lead to the risk of discrimination when foreign investors, in particular, suffer a loss.

In this sub-indicator, the term “investment” refers to tangible and intangible assets, including IP rights. It does not delve into the forms of expropriation. Instead, it focuses on whether expropriation,

nationalisation or confiscation (or any action equivalent to these) was undertaken for a legitimate public purpose, following the due process of law, in a non-discriminatory manner and with adequate compensation.

There are some steps governments may take to reduce the risk of perceived arbitrariness. For instance, they should define in the national laws (1) activities and areas of “public interest” that are grounds for expropriation, (2) the process for determining expropriation compensation, and (3) a timeframe for paying the compensation. These details will give increased security to foreign investors operating under BITs, and also protect investors not covered under these treaties. Investors will also be able to assess better whether the host country’s laws, mechanisms and guarantees are in line with international practice and investment agreements.

Figure I.5 – Rule of law elements covered by EIRA



<sup>1</sup> EIRA interprets “rule of law” as “a principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency”. United Nations, Report of the Secretary-General, *The rule of law and transitional justice in conflict and post-conflict societies (2004)*. UN Member States reaffirmed their commitment to uphold “rule of law” in the United Nations, Declaration of the High-level Meeting of the UN General Assembly on the Rule of Law at the National and International Levels, A/RES/67/1 (30 November 2012).

# **EIRA METHODOLOGY**



EIRA assesses three types of risk to energy investment. It applies four indicators to (1) identify the actions needed to address these risks, and (2) highlight the corrective measures countries may take to mitigate them.

EIRA evaluated risks by examining whether countries have adopted the necessary laws, policies and actions. However, legislation and policy measures have maximum impact when they are enforced. EIRA 2021 recognises this and tries to give a clearer picture regarding the enforcement of laws and policies. This year, the country profiles reflect the implementation of the existing policy framework and highlight the progress made by countries in translating their commitments to actions. EIRA 2021 also contains an annex summarising the actions taken by governments to implement the improvements suggested in the previous editions of EIRA. Depending on the progress made, it categorises the work done as fully implemented, partially implemented, ongoing, or pending.

There has been no change to the methodology since last year. The indicator scores are derived from a questionnaire, developed over two years, which allows comparability across energy sub-sectors and captures trends over time. The questions are designed to be user-friendly and ensure that the responses received can be easily verified. While most of them are binary, requiring simple “yes” or “no” answers, some are cascading and multiple-choice. The EIRA website allows respondents to give detailed information, clarifications and additional remarks on each question.

## How are the respondents for EIRA selected?

The EIRA questionnaire is provided to the national governments in the participating countries. It is also sent to selected external parties to counter the perception of self-assessment and secure an objective viewpoint.

The unit of analysis for EIRA is a country. The policies taken into consideration are those framed and implemented at national level. In federal arrangements, the central government is designated as a single point of contact responsible for collecting and processing inputs from relevant ministries/departments at State and municipal level.

External parties are chosen from a pool of experts comprising local and international law firms, legal practitioners, business councils, accounting and consulting firms, think-tanks, energy associations, chambers of commerce, international institutions and non-governmental organisations operating in the assessed countries. In 2021, the ECS invited 160 parties to participate in the report. It conducted extensive research on various aspects, such as their expertise, renown, and previous participation in other international reports. Of these, 60% of the parties were shortlisted and agreed to participate in the report. All the participants contributed to the project pro-bono.

The main parameters for selecting the external parties are:

**Expertise in the energy sector:** Active involvement in different stages of energy projects, and experience of providing consulting services in multiple energy sub-sectors and on regulatory issues.

**Diversity of clients and neutrality:** Vast experience working with governmental entities as well as private investors. This ensures the external party has a holistic understanding of issues in the energy sector and contributes to a more balanced approach.

**Reputation:** Parties with extensive global reach or local partner groups. For law firms, international guides identifying leading providers of legal services (local and global) in each country are consulted.

## What is the data collection and validation process for EIRA?

Data was collected in a standardised manner through the EIRA questionnaire. The ECS received responses from the national government focal points and the external parties over five months. The respondents provided copies of the source documentation to support their responses. This year, the questionnaire responses, and the supporting documents, were collected through the EIRA website. The new online system helped to streamline the ECS' data collection process. It gave recurrent participants the option to view, copy and take guidance from last year's answers, as per their needs.

The answers provided by the respondents were accepted only to the extent that they relied on laws, regulations, national plans, and strategies that are currently in force. The cut-off date was 1 April 2021. Accordingly, countries are scored only on legislation, regulation, policies, legislative initiatives and regulatory reforms that came into force before this date.

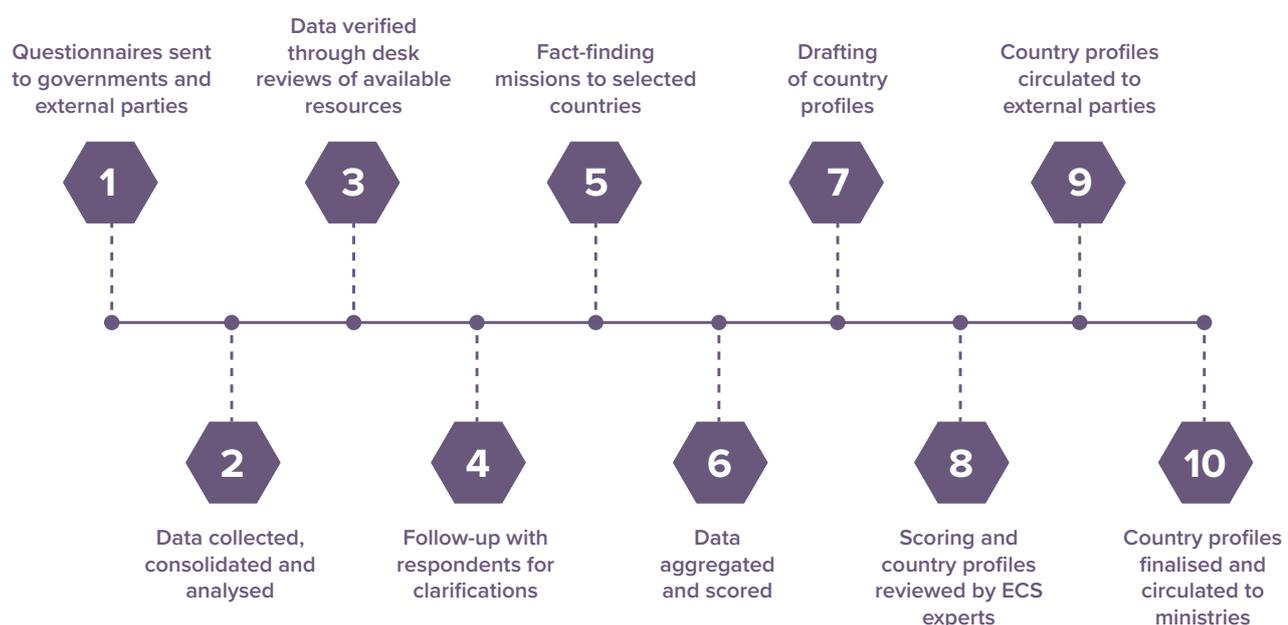
Upon receiving responses to the questionnaire, the ECS in-house experts engaged in an extensive data-validation process. They confirmed that the respondents correctly understood each question, and that the submitted documents supported the responses. In the absence of supporting documents, or if respondents gave conflicting answers, the ECS experts sought clarifications from government officials and external parties through correspondence and phone interviews.

The ECS took steps to address the issue of low data availability in certain countries, but the spread of the COVID-19 pandemic made this challenging. There were no EIRA fact-finding missions organised this year. As an exception, due to the lack of external parties, the country profiles of Mali and Sierra Leone were based on the information provided by the Government and the desk research conducted by the ECS in-house experts. At the same time, the national government focal points and external parties made substantial efforts to ensure that the ongoing global crisis has minimal impact on the report's quality by providing the ECS with exhaustive information and documents, and continual updates.

Overall, the process of data collection and validation lasted eight months, from December 2020 to July 2021.

The ECS endeavours to improve its methodology and rectify past mistakes that come to its attention. In this light, it is important to acknowledge that despite our best efforts to ensure quality control, errors slipped into EIRA 2020. In particular, Armenia's score on the sub-indicator "transparency" stands corrected. On 27 July 2021, the ECS published a corrigendum to EIRA 2020 correcting the scores and text of the country profile. The corrigendum is available on the EIRA website.

Figure I.6 – Data collection and validation process



# How are risks assessed in EIRA?

EIRA assesses countries through a quantitative and qualitative analysis. The quantitative assessment is by a scoring system that shows the performance of the countries on the EIRA indicators. The qualitative evaluation is through “country profiles” that describe their strengths and identify areas for improvement.

## Scoring system

All indicators carry equal weight. The score of each indicator is the average of its component sub-indicators. The score of each sub-indicator

is calculated through a set of questions. The questions are scored between 0 and 100 and are equally weighted. The highest possible score for each question is 100. All the scores are rounded off for the risk areas and the indicators. A country’s total indicator score is the average of (1) the score received on the government questionnaire, and (2) the combined average of the external party scores.

Figure I.7 – Scoring an indicator for individual respondents

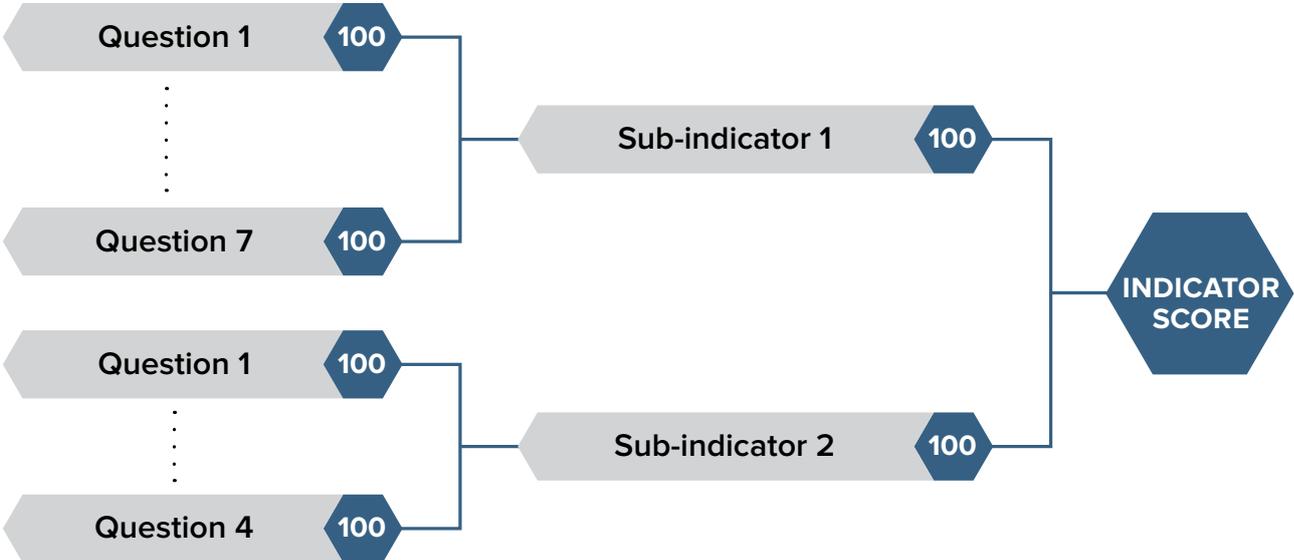
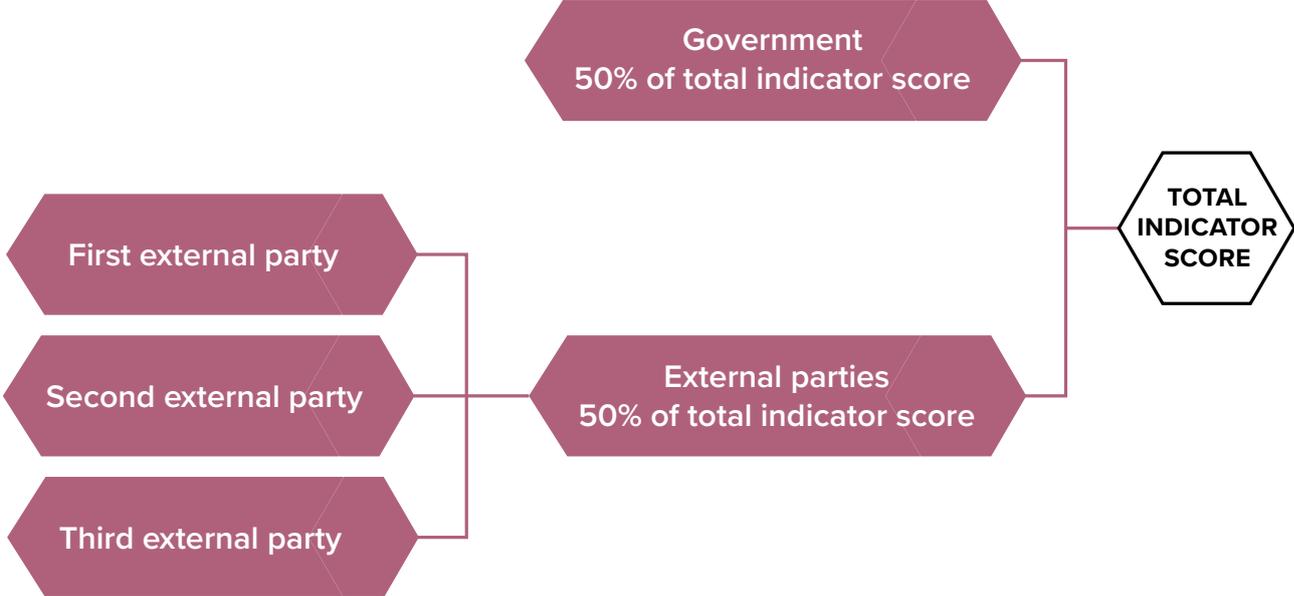


Figure I.8 – Total score of an indicator



## Country profile outline

The qualitative assessment for each country is through a four-page profile. The first page gives background information on the assessed country. It features a table of key metrics on area, population, GDP per capita, total energy supply, energy intensity and CO<sub>2</sub> emissions. This year, the page also includes new information from Orbis Crossborder Investment on energy projects and deals completed between 2015-2021 in the participating countries. The second page of the profile contains three charts showing the risk level across the assessed areas, the performance of

the country on the four indicators, and the score on the sub-indicators. A five-colour-coded bar chart depicts the indicator scores. Dark green represents the highest band of scores, while the colour red represents the lowest. In the radial chart, representing the sub-indicator scores, 0 denotes the weakest performance and 100 the strongest. Profiles of the recurrent countries have a table that reflects changes to their performance, vis-à-vis the past years. The final two pages of the profile describe the country's strengths on the EIRA indicators and the main areas for improvement.

**INDICATOR 1** 30

**Foresight of policy and regulatory change**

**QUICK FACTS**  
The State-level Renewable Energy Action Plan of the country brings together the renewable sector strategy of the political...

**STRENGTHS**  
The primary, safe and reliable production, and investment through policy...

**AREAS OF IMPROVEMENT**  
Existing laws, country's time to expedite 3 particular the until 2025 and...

**INDICATOR 2** 46

**Management of decision-making processes**

**QUICK FACTS**  
The Ministry of Industry, Energy and Mining plans and manages the electric power sector.

**INDICATOR 3** 75

**Regulatory environment and investment conditions**

**QUICK FACTS**  
The State Electricity Regulator is responsible for transmission of electric transmission system operation.

**INDICATOR 4** 58

**Rule of law**

**QUICK FACTS**  
The country ratified the Energy Charter Treaty in 2001.

**FLAG**

**Country name**

Metric	Value
Population <sup>1</sup>	2,866,376
Area (km <sup>2</sup> )	28,750
GDP per capita (USD) <sup>2</sup>	5,284.38
TES (Mtoe) <sup>3</sup>	2.34
Energy intensity (toe/10 <sup>3</sup> USD) <sup>4</sup>	0.18
CO <sub>2</sub> emissions - energy (MCO <sub>2</sub> ) <sup>5</sup>	4.3

Data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021

Target industry	Number of projects and deals	Project CapEx and deal value (million EUR) by source country
Electric power generation, transmission and distribution	1 new project	Nominaly 142 million of investment
Exploration of natural gas and crude petroleum	2 acquisition deals	Nominaly 1.6 billion of investment

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) CO<sub>2</sub> Emissions from Fuel Combustion (https://www.iea.org/data-and-statistics). All rights reserved.  
 4. Orbis Crossborder Investment (2021) Orbis Vantage One, Atlanta is the headquarters of the investment.  
 Data represents the period 1 April 2015 - 1 April 2021 (accessed on 1 July 2021). For more information see Annex B of this report.  
 5. Electricity generation from renewable resources

The country's overall risk level against the assessed areas is **moderate**.

Among the three EIRA risk areas, breach of state obligations and discrimination between domestic and foreign investors are lower compared to unpredictable policy and regulatory change.

The country's performance against EIRA's four indicators is also moderate. It has received a good score of 75 on the indicator regulatory environment and investment conditions and 58 on the indicator rule of law. On the management of decision-making processes indicator, it has scored 46 while foresight of policy and regulatory change is at 30 points.

On a more detailed level, the country's overall sub-indicator performance is moderate. The highest scoring sub-indicator is restrictions on FDI with 80 points. Management and settlement of investor-state disputes (75), regulatory effectiveness (70) and transparency (67) have received good scores. The sub-indicator respect for property rights is at 42, followed by the robustness of policy goals and commitments at 32 points. On the communication of vision and policies, the score is low (27) while institutional governance is the lowest scoring sub-indicator with 25 points.

While there are some policies and measures in place, more concrete steps must be taken to strengthen the country's performance across all indicators and underlying sub-indicators with particular attention to strengthening its institutional governance.

**RISK LEVEL**

**INDICATOR PERFORMANCE**

**YEAR-ON-YEAR COMPARISON**

RISK AREAS	2018	2019	2020	2021
Unpredictable policy and regulatory change	33	25	25	25
Discrimination between domestic and foreign investors	23	23	23	23
Breach of state obligations	23	23	23	23

**INDICATORS**

INDICATORS	2018	2019	2020	2021
Foresight of policy and regulatory change	46	60	60	70
Management of decision-making processes	79	79	79	79
Regulatory environment and investment conditions	76	76	76	76
Rule of law	77	77	77	77

**SUB-INDICATOR PERFORMANCE**

## KEY METRICS

**Population and surface area:** Data refers to year 2018. *The World Bank 2018, World Development Indicators, World Bank national accounts data and OECD National Accounts data files, <https://data.worldbank.org/> (accessed on 19 June 2021).*\*

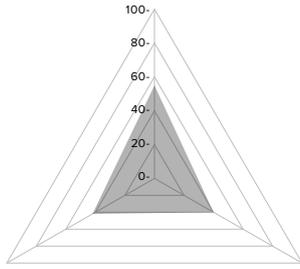
**GDP per capita (current USD):** Data refers to year 2018. *The World Bank 2018, World Development Indicators, World Bank national accounts data and OECD National Accounts data files, <https://data.worldbank.org/> (accessed on 19 June 2021).*\*

**Total energy supply (TES):** TES is made up of production + imports - exports - international marine bunkers - international aviation bunkers ± stock changes. Note, exports, bunkers and stock changes incorporate the algebraic sign directly in the number. Data refers to the year 2018. *IEA (2021), World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.*\*

**Energy intensity:** This is a measure of total primary energy use per unit of gross domestic product. Data refers to year 2018. *World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.*\*

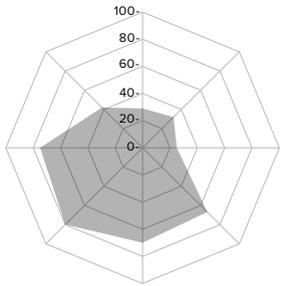
**CO<sub>2</sub> emissions from fuel combustion:** Data refers to year 2018. *IEA (2021), CO<sub>2</sub> Emissions from Fuel Combustion (<https://www.iea.org/data-and-statistics>). All rights reserved.*\*

\*N/A means data is not available for this metric



### RISK LEVEL

The risk level is displayed by the grey triangle. Each axis represents a risk area. The smaller the size of the grey triangle, the lower the level of risk.



### SUB-INDICATOR PERFORMANCE

Each axis represents a sub-indicator. The larger the size of the grey area, the better the country's performance.

### DATA FROM ORBIS CROSSBORDER INVESTMENT

Energy projects and deals completed between 2015-2021.

### INDICATOR AND SUB-INDICATOR CORRELATION

#### Indicator 1

1. Communication of vision and policies
2. Robustness of policy goals and commitments

#### Indicator 2

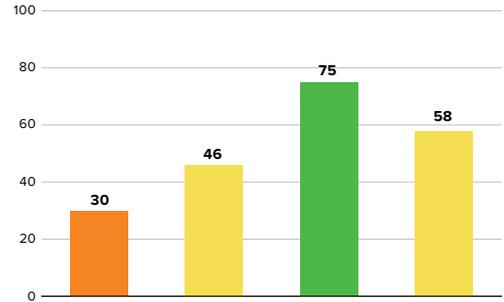
1. Institutional governance
2. Transparency

#### Indicator 3

1. Regulatory effectiveness
2. Restrictions on FDI

#### Indicator 4

1. Management and settlement of investor-State disputes
2. Respect for property rights



### INDICATOR PERFORMANCE

The indicators affect the risk areas differently. For example, *rule of law* has the highest impact since it influences all three risk areas. For details on the correlation between the indicators and the risk areas, see Table I.1.

The bars are colour-coded. Each colour corresponds to a performance level.

