

E I R A

ENERGY INVESTMENT RISK ASSESSMENT



EVOLUTION OF EIRA

| The geographical reach of EIRA has grown from 9 countries in 2017 to 34 countries in 2021

| Over 215 globally renowned experts have contributed to the research and analysis of EIRA 2021 on a voluntary and pro bono basis

EVOLUTION OF EIRA

| A revised scope and methodology will be utilised for the EIRA reports from next year

| The changes are driven by the commitment of countries to align the Energy Charter Process with the UNFCCC Paris Agreement

| EIRA will have a new indicator on achieving the clean energy transition

| A new sub-indicator will examine market structure and competition in the electricity industry

HIGHLIGHTS OF #EIRA2021

| The country profiles include

- a year-on-year comparison of the risk level and indicator performance of returning participants
- a summary of the recommendations implemented by the countries from April 2017 to April 2021
- data from Orbis Crossborder Investment on energy projects and deals completed in the participating countries between 2015-2021

KEY FINDINGS OF #EIRA2021

| Unpredictable policy and regulatory change is the highest risk for the fourth consecutive year

| The risk-level reduced in 20 out of the 29 countries that previously participated in EIRA

- Countries with the least risk of unpredictable policy and regulatory change: **Rwanda and the Republic of Moldova**
- Country that showed the maximum risk reduction: **The Gambia**

KEY FINDINGS OF #EIRA2021

| The risk of unpredictable policy and regulatory change dropped in 2021 because policy-makers:

- Adopted long-term strategies (2030 - 2050) on energy, climate change and low carbon development: **Armenia, Colombia, Croatia, Jordan, Kazakhstan, Mongolia, Panama, Rwanda, Sierra Leone and Uzbekistan**
- Set quantifiable targets to achieve a progressive and predictable clean energy transition: **Albania, Bosnia and Herzegovina, Croatia, Jordan and Uzbekistan**

| Implementation of the EIRA recommendations is ongoing in nine countries and pending in four countries

KEY FINDINGS OF #EIRA2021

| Breach of State obligations is the next most significant risk– highest in nine countries

| The risk level remained the same in 25 of the 29 countries returning to the EIRA assessment from past years

- Countries at least risk of breaching State obligations: **Rwanda and the Republic of Moldova**
- Countries that showed the maximum risk reduction: **Eswatini and Jordan**

KEY FINDINGS OF #EIRA2021

| Countries made measurable progress in implementing judicial reforms

- Seven countries introduced alternative dispute resolution mechanisms in their national laws and regulations: **Benin, Eswatini, Kazakhstan, Senegal, Ukraine, Uzbekistan** and **Viet Nam**
- Four countries adopted regulatory measures to improve domestic case management mechanisms: **Afghanistan, Colombia, Mongolia** and **Ukraine**

KEY FINDINGS OF #EIRA2021

| Discrimination between domestic and foreign investors is the next most significant risk– highest in six countries

| The risk level has reduced in 17 of the 29 countries returning to the EIRA assessment from past years

- Countries at least risk of discrimination between domestic and foreign investors: **The Republic of Moldova and Montenegro**
- Countries that showed the maximum risk reduction: **Benin and Rwanda**

KEY FINDINGS OF #EIRA2021

| Compared to EIRA 2020, the performance of countries was better on the indicator “management of decision-making processes”

| Another indicator contributing to a lower risk of discrimination between domestic and foreign investors in some countries was “regulatory environment and investment conditions”

THE WAY FORWARD

- | Policy monitoring and evaluation processes need to be more robust
- | The performance on the “rule of law” indicator should be improved
- | Policymakers may consider establishing a single point of reference for conflict resolution between foreign investors and the State
- | Just like policy-makers, investors must align themselves with the changing national objectives