



ANNUAL REPORT DIXI GROUP 2017



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This report can be downloaded at DiXi Group website (<http://dixigroup.org/>).

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INTRODUCTION



Vision without execution is just hallucination, Henry Ford said. Therefore, in 2017, as in previous years, our team was doing its best to make the developed recommendations and proposals implemented as part of the energy sector reform.

The past year was marked for DiXi Group by open data. Together with partner organizations, our team started a campaign to publish more information about the sector on the website of the Ministry of Energy, and in summer, this initiative turned into the project of Ministry's data audit which continued in 2018. With the TEXTY team, the tool "Winter is Coming" was launched, showing the state of coal stocks at the thermal power plants – one of the hottest issues for Ukrainian journalists before the heating season. DiXi Group launched and presented the first platform where you can

get the maximum amount of data on the Ukrainian energy sector in open data formats, as well as the database of journalist investigations – the online energy sector map.

We not only accompanied the process of implementation of the Extractive Industries Transparency Initiative (EITI), but along with other partners passed through the first validation of Ukraine in the framework of the Initiative. We have deepened international cooperation with the EITI partners, in particular in Germany. **DiXi Group, together with the NRGI experts, took the next step in reforming the Ukrainian extractive sector** by preparing a "roadmap" for sectoral changes, and on its basis – changes to the regulatory framework. In 2018, further advocacy of upstream reforms is among the priorities of our work.

We have succeeded in moving to a new level in the public dialogue on the state of play and the reform of the energy sector. Within the framework of the USAID project, several dozens of national and regional journalist investigations helping detect corruption schemes in the energy sector have been published. The new Ukrainian Energy website has provided new means for informing a wide range of readers about Ukrainian and international energy policy, journalist investigations, infographics.

With the partners in the Energy Reform coalition and with the support of the European Union, we have started a dialogue with the regions. The coalition experts have developed recommendations on how to monitor the Association Agreement implementation in the field of energy on the local level, and suggested to regional civil society organizations to test such monitoring in their regions. In 2017, the Kharkiv and Lviv regions became "pilot" ones; in 2018, the coalition team plans to expand the geography of trips to new regions.

There are some more plans, with results we hope to show already in 2018. **Of course, it is the launch of the new NEURC team** – and our team plans not only to monitor the process of selecting new members of the Regulator, but also to help them obtain the necessary knowledge and skills for effective work. **For this purpose, and not only, we really want to create the School for Energy Reforms in Ukraine** – a center for training, experience sharing, communication, which will allow the new generation of professional energy sector managers to be launched.

We will be happy to see you among our partners!

With best regards,

Olena Pavlenko
President, DiXi Group



DiXi Group is a Ukrainian think tank, which has been working in the field of energy policy since 2008.

Our mission is to be an engine of qualitative changes in the energy sector through ensuring independent governance and responsible consumption aimed at making the energy sector development sustainable. These changes include the establishment of free and competitive markets with a high level of transparency, quality regulation and the rule of law, efficient production and consumption of energy resources, the fight against corruption and other negative phenomena.

DiXi Group works with government officials, politicians, journalists, international partners to promote high-quality and dynamic energy reforms, and helps consumers adapt to the sector's developments.

We want the pro-European reformist forces in Ukraine to make changes, and ordinary Ukrainians to be well-informed about their rights and opportunities as consumers. Our vision is that the irreversibility of such changes will be ensured by a clear model of sustainable energy sector development, a new generation of managers, a high level of transparency and intense competition for the consumers and the quality of services in energy markets .

Our strategic priorities:

Support for European reforms is aimed at advocating the fulfilment of Ukraine's obligations within the framework of the Energy Community and the Association Agreement with the EU, ensuring the irreversible changes in the rules in gas and electricity markets, in the field of energy efficiency, renewable energy and sustainable development, achieving high security standards of energy supply and quality of services.



Fight for transparency and accountability is aimed at ensuring application of international mechanisms of transparency, including in fiscal issues, in Ukraine, as well as disclosure of information about the companies' and markets' performance, the detection of and alarming about illicit schemes in the energy sector.

Educational activities are aimed at providing public discourse on responsible energy consumption, involving citizens in the development and control of the energy policy. The main task is to constantly raise consumers' awareness of the state of play in energy and to highlight key issues.

Creating the School of Energy Reforms is needed to introduce modern governance practices in the energy policy, to form a new generation of industry managers.

Those who supported us on this path in 2017:

USAID is an independent agency of the U.S. federal government working to overcome extreme poverty in the world and help sustainable democratic societies to fulfill their potential. In Ukraine, USAID has helped creating powerful independent media, formation of an active civil society and wider business class.



International Renaissance Foundation (IRF) is one of the largest charitable foundations in Ukraine that a part of the Open Society Foundations global network. The IRF's mission is to promote the development of an open society in Ukraine on the basis of democratic values through the support of viable public initiatives.



Delegation of the European Union to Ukraine is the EU's diplomatic mission in Ukraine, the main tasks of which are to promote political and economic ties between Ukraine and the EU by maintaining an effective dialogue with government institutions and raising awareness of the EU, its institutions and programs.



Embassy of Sweden in Ukraine is engaged in development of cooperation with Ukraine and as of now focuses on assisting development of the competition-based economy, democracy, human rights and the environment. The main objective of such cooperation is further integration of Ukraine with the EU member states and the development of a market economy, strengthening democracy, increasing respect for human rights and improving the state of the environment, mitigating the negative impact on the climate and increasing the resistance to environmental influences and climate change.



Open Society Initiative for Europe (OSIFE) is an initiative that supports activists and civil society organizations that take on many challenges threatening Europe. In particular, the initiative seeks to strengthen the rights of the least privileged groups and protect the values of an open society, especially where oppression of civil and political rights is the most serious.





DIXI GROUP IN 2017 IN FIGURES



340+
EVENTS



67

EVENTS BY DIXI GROUP



930

THE LARGEST NUMBER
OF VIEWS OF THE VIDEO
BLOG ON FACEBOOK

23 000

TOTAL AUDIENCE
IN FACEBOOK



1000+

NEWSLETTER
SUBSCRIBERS

1200+

MEDIA APPEARANCES



116

video
streams

14+

MEMBERS IN THE DIXI
GROUP TEAM



150+

ANALYTICAL
PRODUCTS



96

REGULAR ONES



54+

THEMATIC
ONES



NEW CORE PROJECTS



TEAM

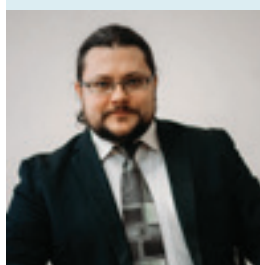
Olena Pavlenko,
President



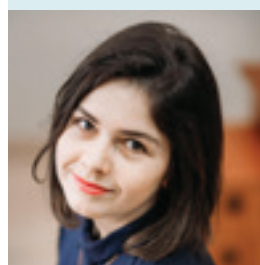
Anton Antonenko,
Vice President



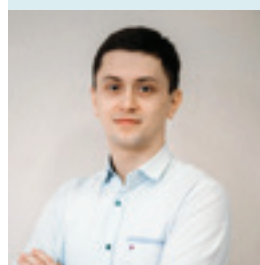
Roman Nitsovych,
Head of Programs



Mariia Melnyk,
Junior Expert



Andrii Bilous,
Analyst



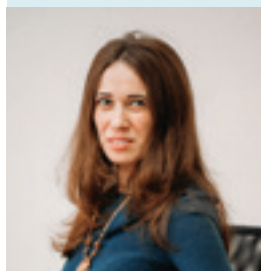
Viktoriia Petrovych ,
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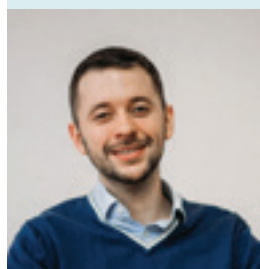
Denys Kyrkach,
Communications Expert



Olha Lutsyshyna,
*Organizational
Development and Support
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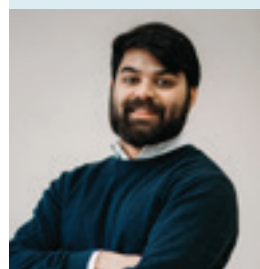
Denys Nazarenko,
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Taras Tkachuk,
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Roman Vybranovskyi



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Georg Zachmann



Frank Umbach



Keith Smith



Alan Riley





EUROPEAN REFORMS

Monitoring and promoting Ukraine's implementation of the Association Agreement with the European Union remained one of the highest priorities within the organization's functioning. While continuing the project activities in monitoring and consulting government authorities, the DiXi Group team has also successfully launched completely new action formats and tested new creative approaches to promoting the idea of European integration in the energy sector of Ukraine.

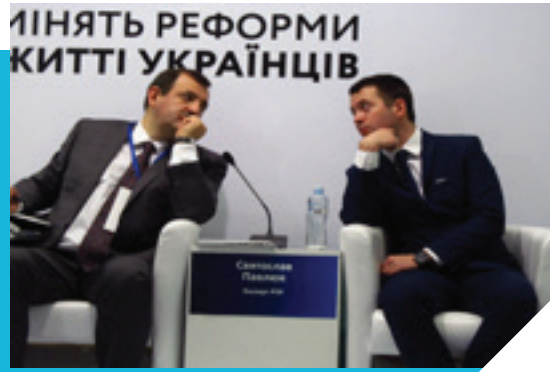
The framework project "Enhancing impact of civil society in monitoring and policy dialogue on energy and related sectors' reforms in line with the Association Agreement implementation" remained the core of these activities. As part of its implementation, DiXi Group has successfully issued 12 monthly reports, each of which summarized the efforts of the governmental authorities in transposition and harmonization of the legislation, as well as analyzed the main acts of the adopted legislation in the field of energy and environment.

In addition to the monthly reports, the team also presented the annual report for 2016, which was symbolically called "Ukraine and the Association Agreement: How to prevent a storm?", to the public in Ukraine and in Brus-

sels. The monitoring reports were also accompanied by a review of changes to the relevant EU acquis on the quarter basis, and the report on the year's results also contained detailed recommendations on optimal ways to increase the pace and quality of the Association Agreement implementation.

Similarly to the past year, monitoring and analytical work was carried out in the form of six working groups split on the branch basis and in cooperation with experts and partner non-governmental organizations: Resource and Analytical Center "Society and Environment", NGO "Civil Network "Opora", Association "European-Ukrainian Energy Agency" and NGO "Energy Association of Ukraine". In addition to the actual monitoring, the team has twice evaluated Ukraine's progress in implementing the Agreement in accordance with the system of benchmarks of completeness and quality of transposition of the EU acquis and implementation of its provisions in practice, developed by own efforts.

The working groups have actively contributed to the public dialogue – in general, during the year only in Kyiv the project team organized and held 10 public events. In particular, the experts raised the issue of creating oil reserves, ownership over the gas distribution networks,



monetization of subsidies to cover the utility payments, and many others.

For the first time all working groups have been also united to hold joint round tables in the regions – first in Lviv, then in Kharkiv. These round tables with local activists, analysts and journalists were preceded by an analytical work on the development of the system of “beacons” – the indicators, by which the local public can participate in monitoring and advocating the implementation of the Association Agreement with the EU. As a result of this activity, a number of local projects were launched, and next year, DiXi Group is planning a new series of regional round tables that have shown significant efficiency.

“Energy Breakfasts” – informal meetings of public experts, representatives of international organizations and those responsible for the adoption and implementation of key decisions on the fulfilment of the Association Agreement, became another brand new format in the organization’s operation. In particular, a series of such meetings helped MPs to better understand the requirements of the Energy Performance of Buildings Directive, and allowed the experts from the Energy Community Secretariat to better understand the difficulties in adopting a law that would cover 100% of the requirements. The compromises found during such meetings allowed the adoption of a whole package of four laws aimed at promoting energy-efficient measures in the country.

The adoption by the Government of the Energy Strategy of Ukraine until 2035, to which the project team put significant efforts, be-

came another significant event in 2017. On the other hand, unwillingness of the President, the Verkhovna Rada and the Cabinet of Ministers to comply with the provisions of the Law on the National Energy and Utilities Regulatory Commission in good time and manner, the adoption of which DiXi Group achieved in 2016, was a pity disappointment. Despite numerous protests, the competition committee for the selection of new NEURC members was assembled only at the end of the year, and DiXi Group provides all possible organizational and informational support for the national regulator reformation process.

The DiXi Group team regularly serves as advisers and consultants in working meetings and high-level talks, including those with the participation of the Office of the Vice Prime Minister, the Ministry of Ecology and Natural Resources, the Ministry of Energy and Coal Industry, the State Agency on Energy Efficiency and Energy Saving, etc. In particular, contribution to the work of the Public Council under the State Agency on Energy Efficiency and Energy Saving gave the DiXi Group experts the opportunity to improve the draft Law On Energy Efficiency as to the implementation of the provisions of Directive 2012/27/EU, while the regular participation as observers of the NEURC’s sessions allows for high quality monitoring and timely response to shifts (or their absence) in the process of reforming the regulator. DiXi’s experts also participated in consultations with the participation of international organizations, financial institutions and diplomatic representations in various issues of reforming the energy sector of Ukraine.





TRANSPARENCY AND ACCOUNTABILITY

The year of 2017 was rich in implementing the ideas of transparency. Working on transparency issues in the energy sector since its creation, DiXi Group this year, focused on promoting the availability of information, open data, and in particular, their understandability and use for socially important objectives. We thank our partners for cooperation in this area and we are very pleased to see the community of experts, journalists, programmers and other like-minded people grow up around the common objectives of disclosure and greater availability of energy information.

ONLINE ENERGY SECTOR MAP

Within the framework of the USAID Transparent Energy project, DiXi Group, together with a coalition of experts and journalists, has developed and presented an online tool that shows the path of energy resources from extraction to consumption in such sectors as gas, electricity, heat and oil products (<http://map.ua-energy.org/en>). This path is divided into appropriate stages, each of which contains a description, as well as tangent datasets collected by the project team, a list of journalistic investigations, if such are related to it. In cases where one or another stage journalist to the events, about which there are no data or they are hidden, the project team marks "black boxes" in it – as a sign of the fact that the information must be found and disclosed.

This tool is intended to better explain what is happening in the energy sector. It will also be useful to look for data on certain sector indicators that the team collects through information requests, monitoring of disclosure of information, and own calculations. In addition to providing these data for direct download, experts also want to show them as clearly as possible, so they use visualization tools to present the most important information.

The DiXi Group team, together with external experts, continues to work on the map, further expanding it and focusing, in particular, on fiscal issues. Within the framework of the project, there is a constant monitoring of journalist investigations, which are then added to the map. The

project also supported a number of journalistic investigations in the sector, working both within the framework of the ongoing competition, as well as providing expert support and comments on energy issues.



DATA AUDIT

DiXi Group, together with the Transparency and Accountability in Public Administration and Services (TAPAS) project, implemented with the support of USAID and UKaid, in particular with the Texty.org.ua Data Journalism Agency, began data audits in the Ministry of Energy and Coal Industry. The task of this activity, which the team implemented inside one of the first departments, was to analyse the data flows collected in the key departments, to select a list of socially important data sets and to provide recommendations for a sustainable process of their collection and further publication exactly in the open data format.

The first step on this path was publishing by the Ministry. Despite the fact that the information was not presented in the open data format, it allowed to start the process. In particular, on the basis of such data, together with partners, it was possible to develop the service "Winter is Coming. Watch the Coal Reserves" – an interactive reflection of the level of accumulation of coal reserves at Ukrainian TPPs and CHPPs. The service allows visual assessing the status of reserves in the warehouses, following daily changes and understanding how well the companies provide their plants with fuel.

The project team together with its partners conducted the audit of two Ministry of Energy and Coal Industry departments – oil and gas and nuclear ones – and prepared adapted and supplemented forms of data sets in accordance with the requirements of the International Charter on Open Data, to which Ukraine joined in September 2016. In general, 23 forms in the open data format have been developed and recommendations for their use and prop-

er disclosure have been provided. All materials were transferred to the Ministry for further implementation. It should be noted that 14 of the adapted forms relate to the implementation of the new wording of provisions of the CMU Resolution No. 835 on the Disclosure of Information in the Open Data Format, adopted on 20 December 2017. According to this resolution, the list of the sets of the Ministry of Energy and Coal Industry has been extended from 4 to 47.

Meanwhile, the project team plans to build upon the achievements and will continue to work on the audit of the data of the Ministry of Energy and Coal Industry in 2018. First of all, for representatives of the departments



that have already been audited, seminars on further sustainable implementation of the recommendations will be held. In addition, a similar procedure will be carried out at least with data of the coal and electricity departments. We expect that after these efforts, the Ministry of Energy and Coal Industry will be able to introduce a regular publication of publicly important sectoral information in the open data format, which will make the energy sector more transparent and understandable for the society.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)

The DiXi Group team together with its partners continues to contribute the implementation of the EITI in Ukraine by joining the efforts for preparation and issuing the **UAEITI Report for 2016**. Our experts are working hard to moderate the trilateral “companies-public-government” dialogue for the effective implementation of the Initiative, in particular, the implementation of procedures and ensuring the unimpeded data collection. In addition, this year, the team of Ukrainian Secretariat of the EITI was validated by the International Board of the Initiative, which analyzed the progress in the implementation of key provisions, adherence to rules and standards, and the quality of the dialogue.

The legislative **initiative On Securing Transparency in the Extractive Industries** (No. 6229) was registered to replace the draft Law On Disclosure of Information in Extractive Industries (No. 4840), which was not supported by the Verkhovna Rada. The draft law was supported by a number of MPs, companies’ representatives, the expert community, the international community. The team continues to work on promoting the draft law and its objectives to introduce a consistent practice of high-quality and timely preparation of EITI reports at the level of individual extractive projects. In parallel, experts started a dialogue on facilitating the implementation of the previously adopted Law On Amendments to the Law of Ukraine On Accounting and Financial Reporting in Ukraine.

DiXi Group, together with the Natural Resources Governance Institute (NRGI), has been also actively working towards transparency and creating a favorable investment environment in the oil and gas industry. Using the Global Natural Resources Governance Index developed by the NRGI, the team of experts identified the problem areas to be addressed and prepared the “road map” for possible solutions to these problems. The research incorporated the comments received from politicians, companies’ representatives, other industry experts and donors. The material was also reviewed by NRGI experts for the plan’s compliance with the best world practices and experiences.

The team structured the developed document by three main areas: transparency and disclosure of information, related licensing and regulation, and local influence. Each of the areas contains a detailed description of the required actions, for each of them, it is clearly explained how it is recommended to solve the problem, an approximate implementation plan with specific expected steps, as well as a list of responsible government bodies is provided.

The draft document was presented and discussed at the Verkhovna Rada’s round table. According to the results of the event, the solutions offered by DiXi Group, were used as the basis for updating and finalizing the action plan for the implementation of the Concept for the Development of Ukraine’s gas industry.

In this area, the team plans further promoting of the dialogue between stakeholders and analytical support for the approval of the mentioned action plan (in a new edition) and its further implementation. In particular, DiXi Group’s analysts formed a group of interested reformers around them and joined the working group under the Ministry of Ecology and Natural Resources to develop a new edition of the Subsoil Code, which is one of the key tasks for achieving the objectives of the Concept for the Development of the Gas Industry.





"TRANSPARENCY FOR TRUST"

The conference with such a title brought together key projects and ideas in the energy sector and related fields. The event hosted more than 80 participants, including the Director of the USAID Mission in Ukraine Susan Fritz, Deputy Minister of Energy and Coal Industry Nataliya Boyko and Acting Chairman of the Verkhovna Rada Committee on Fuel and Energy Complex, Nuclear Policy and Nuclear Safety Oleksandr Dombrovskyy. The services and ideas visited, the services and ideas on data disclosure, as well as work with them to improve the dialogue with consumers were presented. The event was also attended by a delegation from the Energy Regulator of Alberta (Canada), which shared experience of work with online sector management systems.

DiXi Group presented a number of products within the framework of the event. Together with the online energy sector map, **the results of the sociological express survey on energy transparency issues** were also pre-

sented. They pointed to a low level of public awareness of tariff issues, their components, and the lack of involvement in the dialogue on providing important energy data to them.

In response to this request, the project team developed a series **of factsheets that letters that reveal details of tariffs and prices for gas, electricity, heat and oil products**. Factsheets display informational letters display available information of relevant tariffs and prices structure for the population, indicate the sources of this information, and their dynamics in time and in comparison with industrial prices also shown. In 2018, the project team anticipates to expand its efforts in this area – to conduct a full nationwide sociological study and focus groups on the transparency and information needs in the energy sector, as well as to prepare the Transparency Index for the energy sector.

UPDATED "UKRAINIAN ENERGY", ONLINE SERVICES AND IDEAS COMPETITION

The "Ukrainian Energy" portal (<http://ua-energy.org/en>) not only changed its appearance, but also offers a completely improved user experience. From now on, users can enjoy wider media capability, watch online streaming events, and gain better understanding through affordable infographics and intuitively understandable navigation.

The portal has become a platform for the online map of the energy sector and will subsequently include several web tools for receiving the sector information. In particular, the planned appearance of a convenient means for sending requests for information in the energy sector. In addition, the project team, together with the NEURC, has begun developing a mobile application that will have extended capabilities for both obtaining information and building a more qualitative dialogue with consumers of energy services.

Against the background of shifting in information disclosure, DiXi Group seeks to enhance the clarity and use of these data. In our view, the power of data is a crucial characteristic of the digital age, and should contribute to better citizen awareness and comfort. For this purpose, we launched the **Citizen Oriented Data in Energy (C.O.D.E.)** Contest. We invited everyone who has ideas on how to use the data that are being opened in the energy sector for making the most of the public benefit and file applications for participation.

The competition commission summed up the results of the competition's first round, having evaluated 30 applications from more than 90 participants. The ideas, which passed to the second stage of the competition, will be presented by the authors in a pitching session format, and the winners will receive support for the implementation of such projects. The project team will continue to work on finding and supporting the most creative and socially useful services that use energy information.



ACTIVITIES OF COALITIONS

During 2017, DiXi Group continued coordination of the Energy Reforms and Transparent Energy coalitions. Thus, within the framework of the Transparent Energy coalition, DiXi Group team, experts and journalists actively participated in roundtables and conferences, as well as assisted journalists in conducting their investigations (identified priority topics, provided expert opinion and comments).

As part of the Energy Reforms coalition, round tables were organized in Lviv and Kharkiv, where experts were talking in details with local activists and the media about the possibilities of monitoring the implementation of the Association Agreement with the EU in the Areas of Energy and Environment. Moreover, representatives of the Institute for Economic Research and Policy Consulting outlined the opportunity to receive financial support for such monitoring.

One of the bright events organized by the Energy Reforms coalition was a round table discussion on the failure of the regulator's reform "Two Months Without the NEURC: What Will the Energy Sector Do?" conducted jointly with the UCMC in September. The event has become an



impetus for developing general recommendations on possible options for solving the problem with launching the regulator's reform and consolidating all stakeholders around this issue.

One more effective roundtable was called "Under Which Conditions Will Gas Consumers be Able to Freely Choose a Supplier?" and dedicated to the launch of the retail gas market. It was held in November with the participation of government officials, independent traders and energy regulator. According to its results, experts have developed recommendations for the government concerning ensuring the liquidity of the retail segment of the market, minimization of financial risks for new suppliers and structural changes aimed to ensure the competition.

In total, for 2017, the Energy Reforms coalition held 12 events, including 7 roundtables on the most pressing energy issues: launching the retail gas market, failure of the regulator's reform, introducing subsidy monetization, launch of the electricity market, creation of strategic oil reserves, and environmental protection.

EnergyTransparency Association became another platform of the partners. In 2017, the Association continued its work on promoting transparency in the energy sector through trainings and roundtables in the regions and by participating in the work of the Group Multilateral-stakeholder Group of the Extractive Industries Transparency Initiative (EITI) in Ukraine.

The current network of partners was expanded mainly due to networking and participation in partners' events. The most useful contacts that were later used in the organization of roundtables in the regions were obtained due to the meetings organized by the Reanimation Package of Reforms coalition. Such meetings included about 100 people from different areas, united by one objective - the implementation of reforms in Ukraine.



INFORMATION AND ANALYTICAL RESOURCES OF DIXI GROUP

In 2017, the well-known and unique Ukrainian Energy informational platform (<http://ua-energy.org/en>) was updated as a part of the Transparent Energy project. The website is gaining a new status – the center of information fight against corruption and improvement of financial transparency in the energy sector of Ukraine.

The Energy Reforms website (<http://enref.org/en/>) publishing analytics on the most urgent issues in the sector, providing information support to the expert coalition activities, containing a unique library of regulatory acts adopted for implementation of each directive within the implementation of Ukraine-EU Association Agreement. Energy Reforms website also disseminates exclusive information through its own mailing list (in Ukrainian and English).

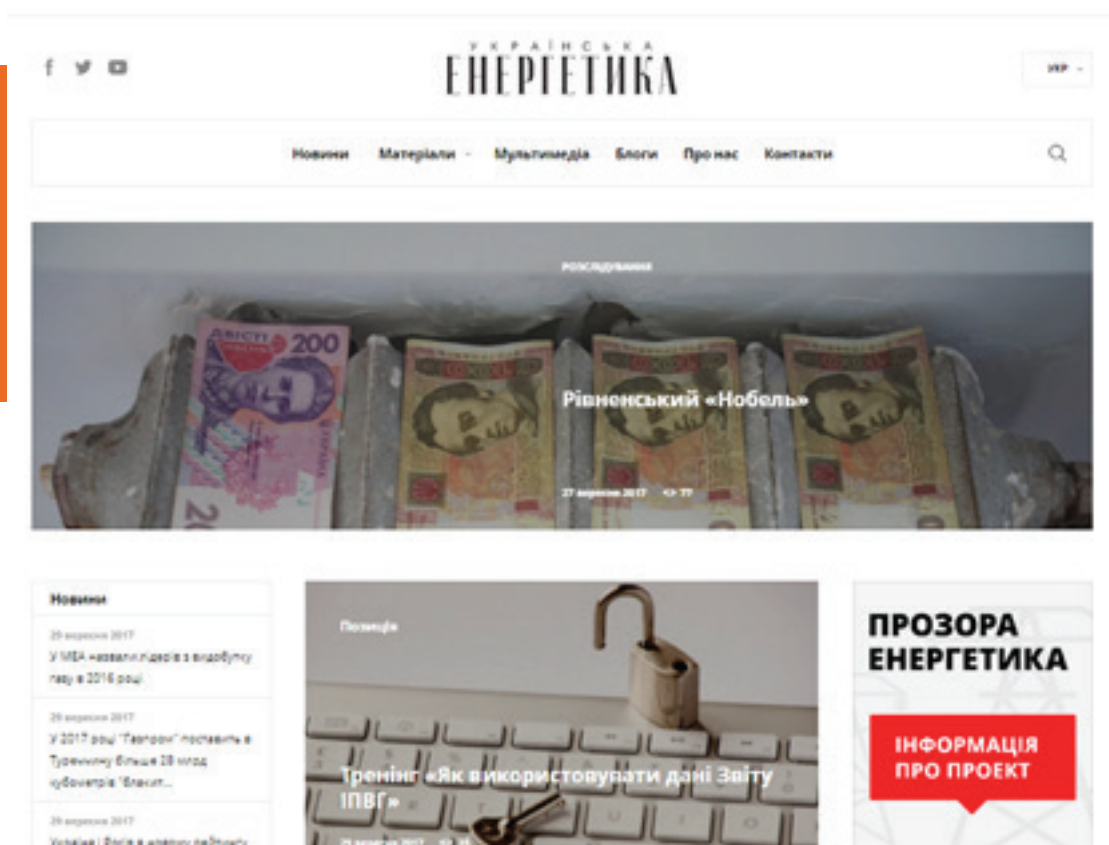
During the year, the official DiXi Group portal (<http://dixigroup.org/eng/>) was

finalized: Photo, Video and a separate Competitions page were launched. Since January 2017, the site has been visited by 13,000 users.

The number of Facebook page followers of our think tank is also increasing. At the beginning of 2017, their number was 1,156 while on December 31 there were already 1,621 of followers.

DiXi Group is currently producing three newsletters every month, each of them has its own audience: informing about DiXi Group activities in general, the European reforms in the Ukraine's energy sector, and the activities of the USAID Transparent Energy project. Except of journalists, experts, government officials and public figures, these mailings are received by representatives of foreign embassies and international organizations.



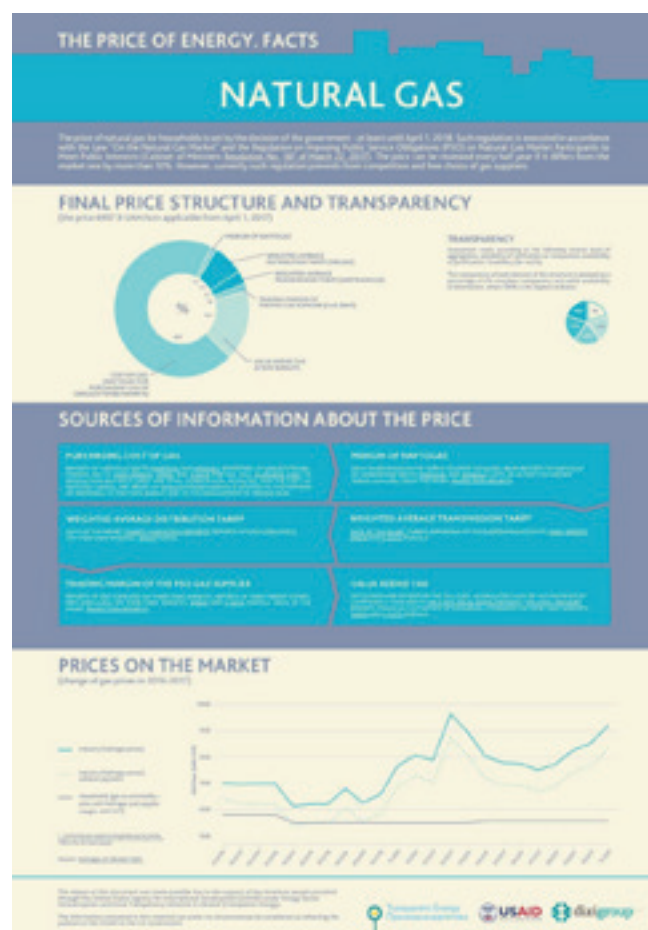
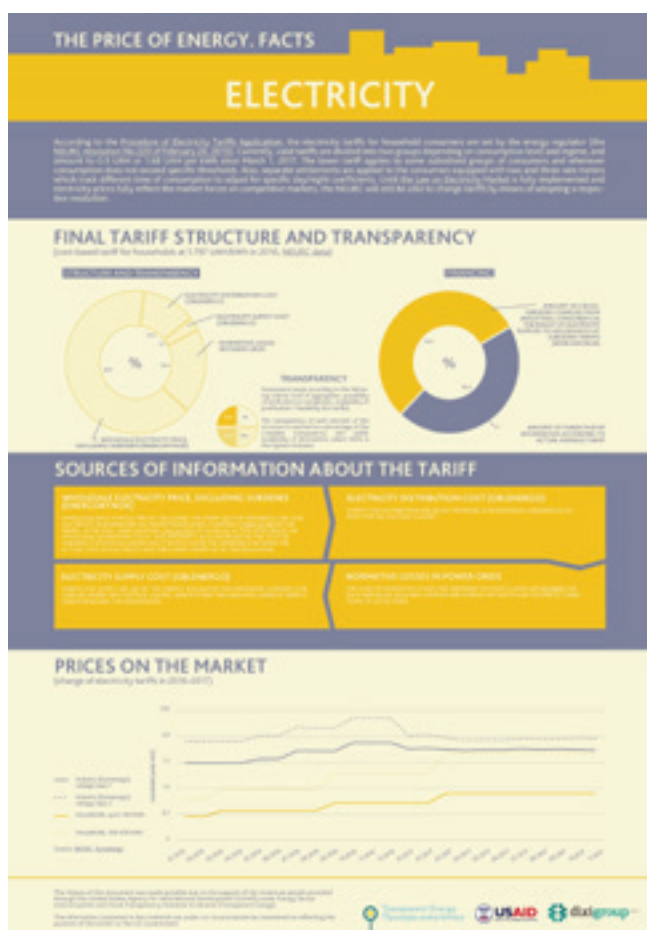


MEDIA CO-OPERATION

In 2017, DiXi Group continued its active work towards developing a public dialogue. An important role in this was played by the media activity of the organization's experts. In 2016, DiXi Group was mentioned more than 390 times in the media, in 2017, the number of appearances in the media exceeded 1,000. Our experts actively collaborated with Hromadske Radio, Ekonomichna Pravda, Obozrevatel, Pershyi Dilovyi, 5 Channel, 24 Channel and many other media. In addition, we started cooperation with UA TV channel broadcasting outside Ukraine.

Cooperation with media representatives was also maintained due to their participation in the journalist investigation contest. Cooperation with journalists specializing in investigations in the energy sector has intensified when experts of the Transparent Energy coalition (which also includes DiXi Group analysts) started providing assistance to investigative journalists. Many journalists have continued to cooperate with DiXi after participating in the competition. Thus, the journalist of Realna Gazeta Oleksandr Bilokobylskyi, the author of the investigation on coal smuggling from the occupied territories, expressed his desire to involve the representatives of the Transparent Energy coalition in future (and in particular the DiXi Group analysts) as experts in their materials devoted to the energy sector.

In 2017, DiXi Group, as speakers, started cooperation with the VoxConnector project, which prepares content for regional media. Thus, the experts of the think tank significantly increased the number of their appearances in the regional media.





VIDEO CONTENT AND NEW FORMS OF INFORMATION REPORTING

In order to make complex energy issues more easier to understand and increase the awareness of as many people as possible about energy reforms, DiXi Group continues to actively work on creating new products. In particular, making its own video content.

At the beginning of 2017, an updated version of the weekly video outlining the most breaking news in the energy sector was launched on Facebook and Youtube Channel. In a short video, DiXi Group experts summarize in a fun way the events that took place in the domestic energy sector during the past week. These videos are very popular in social networks – the average number of views per video ranges from 300 to 400.

Within the framework of the USAID Transparent Energy project, several materials for consumers were also developed. These are the Number of the Week infographics and video version of this rubric, where DiXi Group experts share interesting numbers from their research. The average number of views of the Number of the Week (infographics and video) is 1,300-1,500.

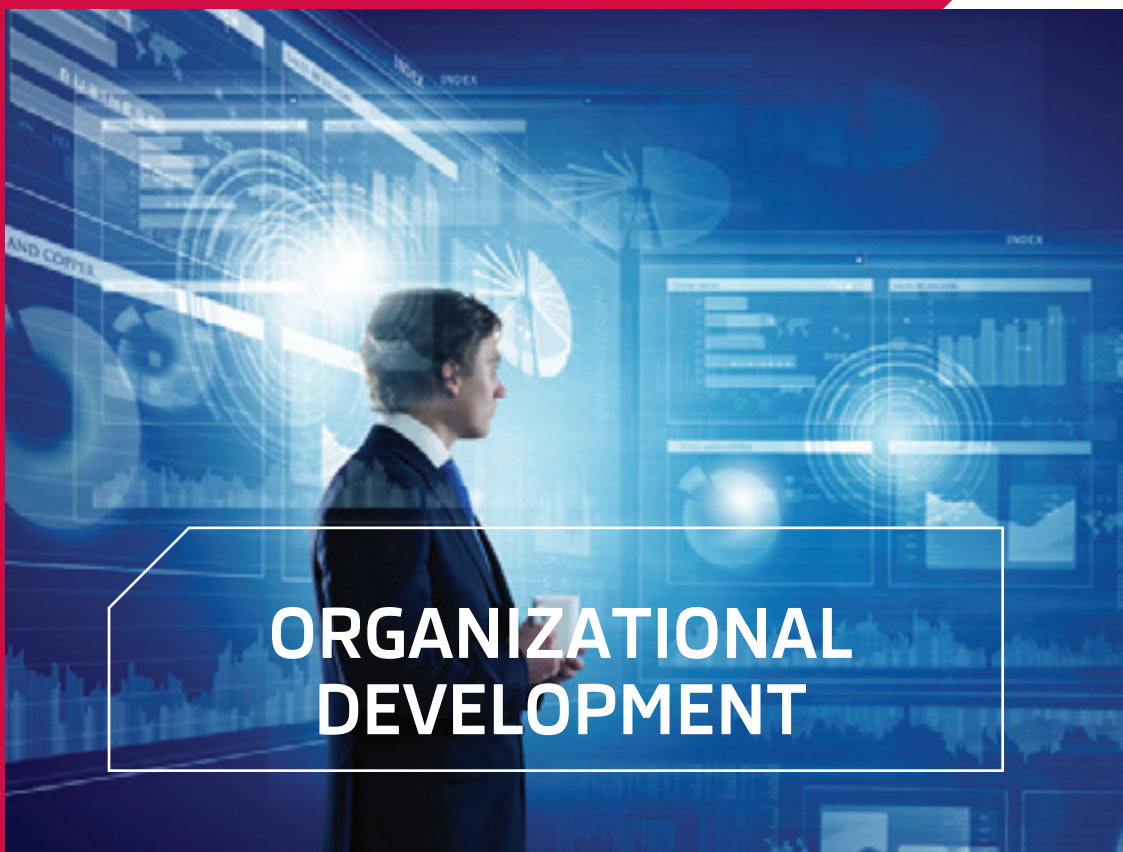
In addition, regular video blogs devoted to transparency in the energy sector are disseminated within the framework of the project. These videos are also very popular among the audience. The blog devoted to the compensation of expenditures from the state budget for the energy efficiency program has been viewed more than 900 times. A video on the

possible introduction of a “monthly fee” for gas distribution and transportation services gained nearly 550 views.

Seven videos were made to promote the C.O.D.E. competition of ideas in social networks. The purpose of the first five videos was to draw attention to the event in a humorous way, using online memes and thematic fragments from famous movies. After that, two other videos were developed, in which DiXi Group experts gave actual examples of how exactly open data in the energy sector could be used.

In 2017, the communication team continued mobile online broadcasting. In particular, it took place during the events in the Verkhovna Rada. Another area of work is the preparation of video reports and video versions of events. Thus, a video report from the conference “Transparency for Trust. How to Make the Energy Sector Open” organized within the framework of the USAID Transparent Energy project was released as a separate video.

The video report about the participation of DiXi Group in the USAID Field Day (Mistechko USAID) in Poltava on September 23 was especially interesting. It is worth noting that DiXi Group presented another new product – an interactive game created on the basis of an online map of the domestic energy sector. Energy conversion chains had to be arranged in the correct sequence on cardboard copies of different layers of the map. The game was very popular among adults and children.



DiXi Group continues to build on the capacity to achieve more, and produce better and more interesting products. We do this in the framework of both project activity and wider development.

In particular, DiXi Group is a grantee of the Open Society Foundations in the framework of the Open Society Initiative for Europe (OSIFE) activity. In 2017, we also joined the Think Tank Development Initiative for Ukraine, implemented by the International Renaissance Foundation in partnership with the Open Society Initiative for Europe (OSIFE) with the financial support of the Embassy of Sweden to Ukraine.

Our aims are to conduct relevant policy research, based on innovative approaches and response to the demand of consumers, comprehensive communication, as well as effective management and financial sustainability. With a balanced portfolio of projects, high-quality products and effective communication with key consumers of these products (including those on the international level) we believe DiXi Group influence on the development and implementation of policies will be increasing.





Key achievements include:

- development of analytical products quality control system through peer reviews and editing;
- strengthened competencies in the field of quantitative analysis, in particular creation, processing and visualization of datasets;
- stable work of the analytical team, which will be expanded;
- better coordination of communications by the team that can simultaneously work in the areas of event organization, media coverage of activities, networking and advocacy, and administration of media resources;
- active development of new media and social networks, creation of unique video content, animations, infographics, special events;
- proper implementation of internal policies and procedures, including strategic planning and fundraising;
- improved IT-systems of accounting, financial management and planning;
- full compliance with the requirements of leading donors, in particular the recommendations of the NUPAS organizational audit.

DiXi Group engaged visiting researchers from the United States (Sagatom Saha, Sergey Logvin) studying the implementation of energy reforms, economic processes and the level of fiscal transparency, in particular quantitative indicators of energy dependence and corruption, as well as forecasts for the gas market development.

The trainees (Ihor Moshenets, Ivan Hrechanyk, Oleksandr Sytnyk, Iryna Lupashko, Samira Abbasova, Anastasiia Synytsia, Oleksandr Lapchenko, Ellina Yurchenko, Pavlo Levin, Kateryna Vashchenko), which helped the team in organizing events, projects implementation and analysis, have actively joined our activity.

In 2017, the DiXi Group team had the opportunity to improve its knowledge and skills by participating in various trainings, short courses and seminars. According to the results of the strategic session, the new Strategic Plan by 2020 has been developed.

What will be our activities in the near future? We strive to speak to consumers who are interested in issues of tariffs and energy saving in the most comprehensible language. For this



purpose, DiXi Group uses a simpler format for presentation and visualization, and also works on new products that will help deliver socially important information.

In 2017, we have already launched an interactive online energy sector map, a series of infographics and video clips about pricing, as well as several useful web-based tools. In addition, at one of the regional events, our experts tested games and quizzes about the energy sector, with a positive feedback. The preparation of new products such as alerts (express analysis) for foreign audiences and translation of key materials (articles, interviews) that are important for Ukraine are among the plans for 2018.

DiXi Group has also stepped up its advocacy efforts being more active in the numerous working groups and advisory bodies that require our expertise. However, our most valuable asset are partners and networks, including those on the international level. With colleagues in the Reanimation Package of Reforms, the Energy Reforms and Transparent Energy coalitions, the EnergyTransparency Association, experts of DiXi Group conduct monitoring and advocate for the necessary changes, share knowledge and skills, open "black boxes", debate with the authorities, businesses, and communities.

We also try to respond promptly to inquiries from decisions-makers – government officials, MPs, and international partners. In fact, DiXi Group is constantly preparing short materials (factsheets, position and discussion notes) "on demand" of stakeholders, as well as separate studies, which often rely on foreign experience, analysis of reports from the European Commission, the Energy Community, international organizations, industrial associations, and Western think tanks.

While forming a space for dialogue to achieve change, DiXi Group also organized "energy breakfasts" – events aimed at informal discussions (including those with media editors





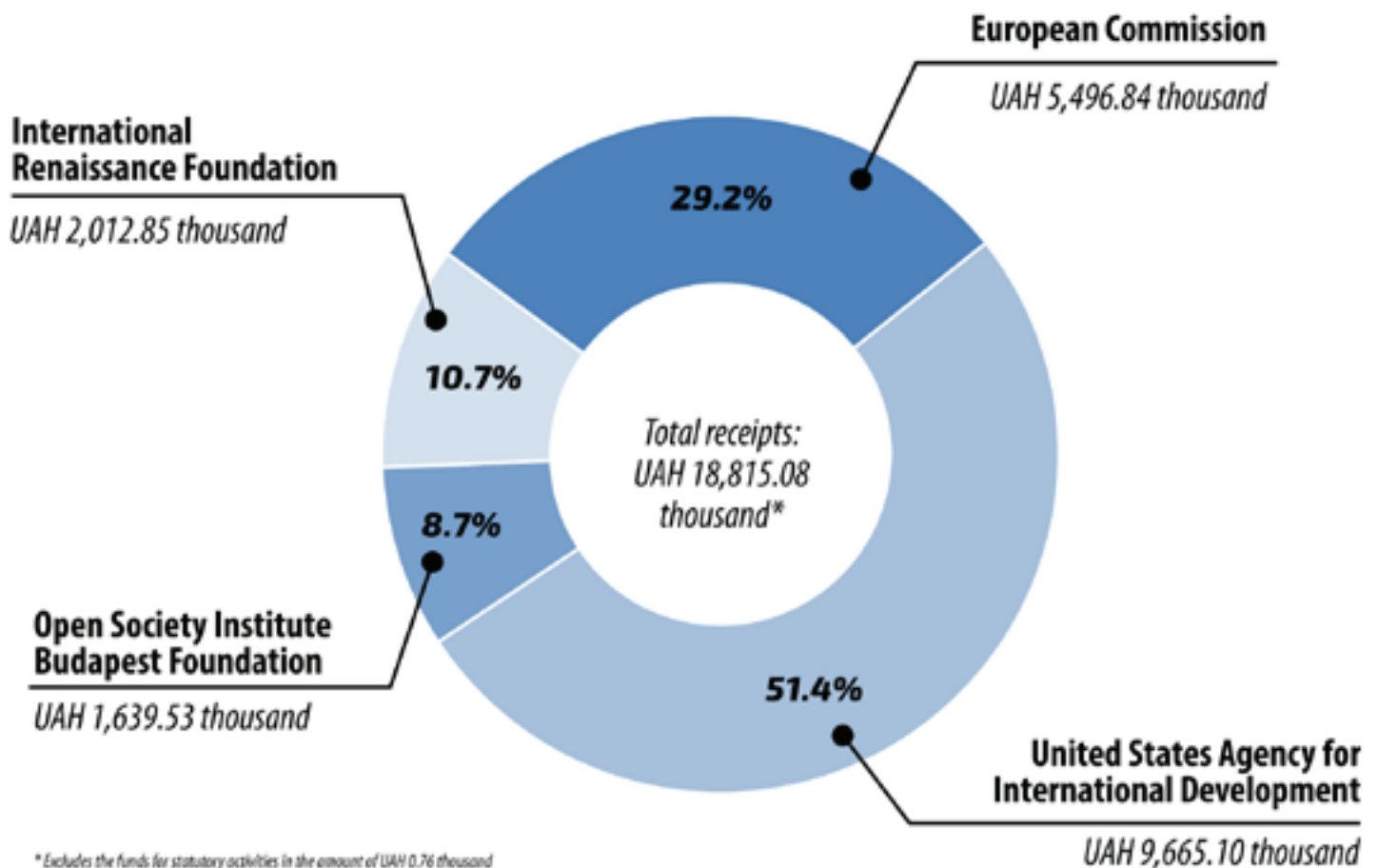
and journalists) of key issues in the energy sector with the participation of stakeholders, as well as focused on development of mutually acceptable solutions. Also, for the second year in a row, we are gathering the DiXi Group Reception meeting to sum up the achievements with our colleagues and partners and identify common plans for the next year. In 2017, along with informal communication, we also held a charity event and raised funds for needs of the pre-school institutions of Maryinka and Krasnohorivka (Donetsk region) located at the frontline.

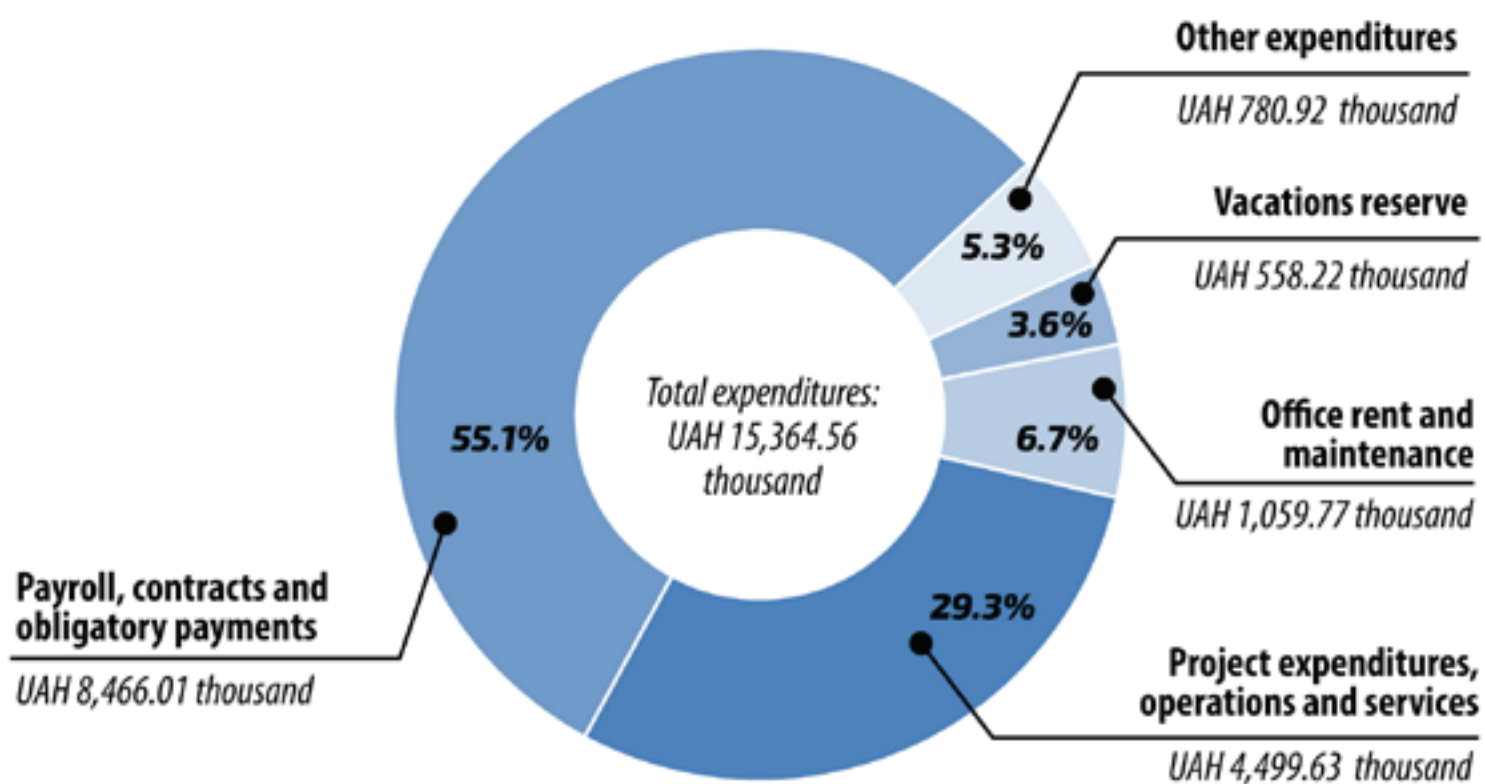
The geography of DiXi Group international contacts remains broad due to joint projects, events, training and visits with the partners in the U.S., Germany, France, UK, Sweden, Austria, Belgium, Italy, Poland, Romania, Kazakhstan, Tunisia and the Philippines. In particular, DiXi Group experts participated in several international projects and independently initiated a project to facilitate public dialogue in Ukraine and the EU countries on the possible consequences of implementation of the Nord Stream 2 project.

We also joined the analysis of the Ukraine's energy markets, which – at the request of the government and international donors – were carried out by leading international think tanks such as the Florence School of Regulation, the Carnegie Endowment for International Peace (Carnegie Europe) and Berlin Economics (the German Advisory Group Ukraine). The Ukrainian Think Tank Liaison Office in Brussels (<https://ukraine-office.eu/en/>) co-founded by DiXi Group is the contact point at the European level.



INCOME AND EXPENDITURE STATEMENT FOR 2017







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