dixigroup
ANALYTICS
ON DUTY

Annual report.

2018

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The opinions and content of this publication are the sole responsibility of NGO “DIXI GROUP” and do not necessarily reflect the position of the Embassy of Sweden to Ukraine, the International Renaissance Foundation and the Open Society Initiative for Europe (OSIFE).
This report can be downloaded at DiXi Group website (http://dixigroup.org/eng).

DiXi Group has turned 10. Enough for a team of like-minded persons who understand each other at first glance to be born and grow strong. Yet not enough to change the country the way we want. Still, we have everything to make that happen: aspiration, knowledge and a lot of partners by our side.

Sometimes, years of hard work are needed to make things done. In 2018, our team saw fruits of persistent efforts. The Extractive Industries Transparency Law was adopted after three years of advocacy. The National Energy and Utilities Regulatory Commission became operational again. New fields of activity have been launched after more than a year of preparatory work: open data, a mobile app, the School for Energy Reforms. They will surely produce high-quality results in the years to come.

We will keep working on changing our country. With a constantly growing team, partners who trust in us, and knowledge and patience needed to achieve new, ambitious goals.

Stay tuned for DiXi Group!

Olena Pavlenko
DiXi Group President

DiXi Group milestones

2008

Idea to create information source for those interested in energy sector

Registration

2009

Presentation of the Ukrainian Energy website

Development of the first analytical document

2010

Start of promotion of the Extractive Industries Transparency Initiative (EITI) in Ukraine

2016

Combining the monitoring of implementation of Ukraine's energy- and environment-related commitments under the Energy Community Treaty and the EU-Ukraine Association Agreement

Developing a draft law on information disclosure in the extractive industries

Organizing a training for journalists explaining the meaning and purpose of European energy reforms

Helping publish the first EITI Report in Ukraine

Research into Naftogaz unbundling options

Creating the "energy breakfast" format to discuss issues in the energy sector with key stakeholders

Organizing the first Friends Reception

2017

Developing factsheets explaining gas, motor fuel, electricity and heat prices and tariffs

Integrity checks of the candidates for positions of the National Energy and Utilities Regulatory Commission members

2018

Presentation of the online energy sector map

Launch of a dialogue regarding implementation of the EU-Ukraine Association Agreement at the local level

Organizing the Citizen-Oriented Data in Energy, a contest of ideas on using open data

2011

Addressing a new issue: solar energy, with first large-scale event held

2012

Launched monitoring of implementation of Ukraine's commitments under the Treaty establishing Energy Community

Initiating establishment of the Kyiv Unconventional Gas Institute

2013

Co-founding the Ukrainian Think Tanks Liaison Office in Brussels

Organizing a contest of essays for the best energy security strategy of Ukraine

2014

Investigation into corruption schemes in the extractive industries (Games of Gas Thrones)

Establishment of the Energy Reforms coalition of experts and think tanks

Initiating establishment of the government's Multi-Stakeholder Group for implementation of Ukraine's commitments under the Energy Community Treaty

2015

Facilitation of developing the legislation regarding the energy regulatory authority

Joining the development of legislation on the gas market

Presentation of the Energy Transparency Index

Achieving adoption of the Law on Ensuring Transparency in Extractive Industries

Analyzing legislative proposals regarding new support scheme to renewable energy

Organizing the Transparency for Trust event, a discussion on instruments for information disclosure

Describing lessons for Europe in the history of Ukraine-Russia relations in energy sector

Developing recommendations for data audits at public authorities

WHO WE ARE

DiXi Group is the leading Ukrainian think tank active in the energy policy field since 2008.

Our mission is to drive innovative solutions and fair rules for affordable, clean, high-quality energy. For this purpose, we help promote new standards of governance, disseminate knowledge and best practices in emerging markets, increase transparency and openness of information.

TRANSPARENCY AND ACCOUNTABILITY
creating conditions for implementation of the best standards and practices of information transparency and disclosure by companies and public authorities

EUROPEAN REFORMS
promoting implementation of European market rules in Ukraine under the Energy Community Treaty and the Ukraine-EU Association Agreement

Areas of our activity

PUBLIC AWARENESS RAISING
drawing attention to responsible energy consumption and public involvement in the process of energy policy making

SCHOOL FOR ENERGY REFORMS
creating a platform to share knowledge and implement modern governance instruments in the energy sector

ENERGY SECURITY
countering threats to information security and infrastructure in Ukraine's energy sector

Achievements 2018

LAW ON ENSURING TRANSPARENCY IN EXTRACTIVE INDUSTRIES ADOPTED
Providing access to complete and reliable information on payments in upstream

ENERGY TRANSPARENCY INDEX DEVELOPED
Making a comprehensive assessment of the actual accessibility of information in the energy sector, and diagnosing gaps

FIRST ENERGY TRANSPARENCY WEEK ORGANIZED
Creating biggest educational event in the energy sector: for five days, almost 500 people could take a look at various aspects of transparency

DATA AUDIT AT THE MINISTRY OF ENERGY AND COAL INDUSTRY
Datasets regarding key energy indicators became available in machine-readable format. These datasets can be used to develop services, in particular, for consumers

SURVEY OF WHAT UKRAINIANS THINK ABOUT TRANSPARENCY AND OPENNESS OF THE SECTOR
Respondents said they sorely lack information about numerous aspects of the energy sector, which adversely affects their trust

MONITORING ENERGY AND ENVIRONMENTAL REFORMS
The pace and quality of energy reforms affect everyday life. That is why every month we helped find out what has already been done

ESTABLISHING A DIALOGUE BETWEEN ALL STAKEHOLDERS IN THE SECTOR
Discussions concerning electricity market and renewable energy sources helped get closer to solving the sectors' current problems

EXPLAINING REFORMS AT THE LOCAL LEVEL
Helping better understand the role of regions in European integration in the energy sector, and therefore, better implement planned reforms

FACTS AND FIGURES

74
ANALYTICAL PRODUCTS
- 56 of which are regular publications (weekly and monthly analytical reports)
- 93% of which also available in English

15
STAFF MEMBERS
in the **DiXi Group** team

over **150** **DATASETS**

and over **350** **REFERENCES** to journalist investigations on the energy sector online map

over **50** **DATASETS** in the energy sector required to be published by the updated Cabinet Resolution **No.835 approving the Regulation on Datasets Required to be Published in the Open Data Format**, developed and approved with participation of DiXi Group experts

over **30**
DATASETS
already published by the Ministry of Energy and Coal Industry on **data.gov.ua** portal

30 000
VIEWS
of animated videos based on journalist investigations

over **300 EVENTS**
held every year

over **500 PARTICIPANTS**
of the Energy Transparency Week

100% OF SURVEYED Energy Transparency Week participants believe this event is useful and must be held every year

over **1000 MENTIONS**
of the Transparent Energy project alone in Ukrainian and foreign media

70 VIDEO BLOGS
with expert opinions

244 MPS VOTED
for the **Law on Ensuring Transparency in Extractive Industries**

over **100 INFOGRAPHICS** under the **Figure of the Week** rubric

20 235 VIEWS of the animated video supporting the **Law on Ensuring Transparency in Extractive Industries**, shown on the Ukrainian Energy website

3856 RESPONDENTS
polled on the perception of transparency in the energy sector

over **23 000 USERS** is the aggregate Facebook audience of DiXi Group

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Keith Smith

Alan Riley

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Transparency and Accountability

We aim to make information on the energy sector open and comprehensible for average citizens. Discovering and rooting out corruption schemes, clear and understandable market rules, good governance and communication can improve the quality of life of every Ukrainian.

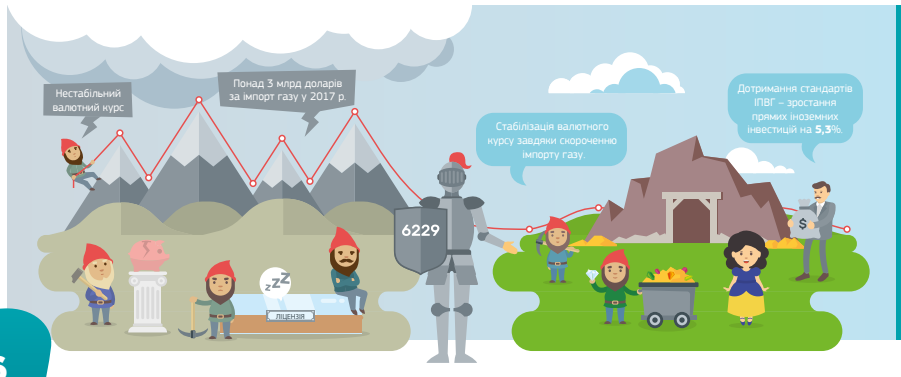
Under the USAID Transparent Energy project, we were able to develop a number of instruments to promote transparency. Our online energy sector map helps better understand how this sector operates, offering information in machine-readable format and enabling to view journalistic investigations. Placing a request for access to public information in the energy sector became easier as well: we have developed a reference source telling which public authority is responsible for what.

The Law on Ensuring Transparency in Extractive Industries, which we helped to adopt, opens access to the complete information regarding project level payments of extractive companies. In addition, our vision of online reporting system should help the government make the gathering and administration of this data fast and convenient.

DiXi Group experts created the Energy Transparency Index that enables to measure the situation in this sector, not only making an assessment but also finding out in detail where changes are needed to fix the problem. At the same time, we conducted an unprecedented public opinion survey and obtained a better picture of the perception of Ukrainians towards the energy sector and transparency matters.

The Energy Online mobile app we have prepared for launch will not only provide answers to important burning issues concerning tariffs but also become a powerful instrument in the hands of users. Rating suppliers, studying investment programs, reporting abuse – all that will be possible with the app.

Knowledge plays an extremely important role. We were able to organize the first Energy Transparency Week featuring five days of workshops on various aspects of information disclosure in this sector. Every day, almost 100 participants confirmed this event was of extreme significance. DiXi Group experts have also developed the Transparent Energy online course addressing basic aspects of the energy sector's functioning and data use instruments. In addition, the project's team presented our products in regions, bringing together public activists, journalists and representatives of local authorities around new knowledge and instruments.

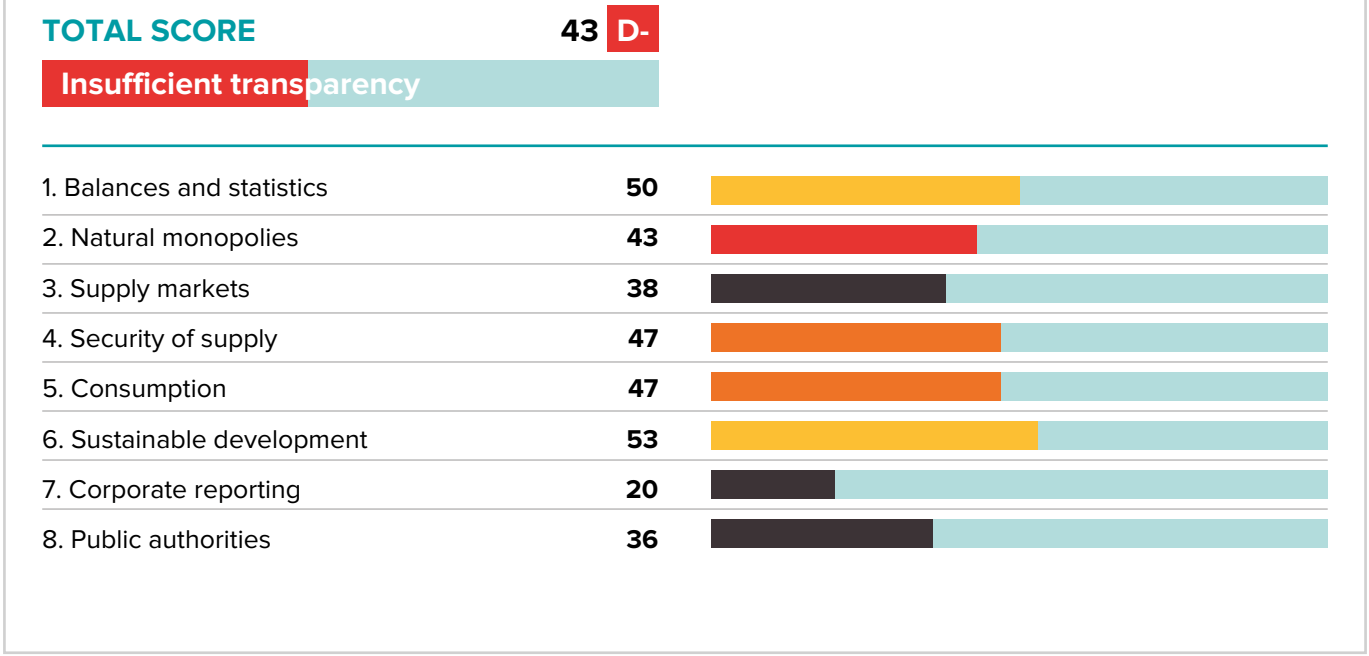


Vote for draft law No.6229 – wake up the «sleeping» license

Energy Transparency Index

The more information is available to all participants of energy markets, and especially consumers, the less breeding conditions for corruption and abuse will be, eventually translating into better quality of services and better securing interests of all players.

The Energy Transparency Index developed under the USAID Transparent Energy project became the first comprehensive instrument of its kind, designed to measure the accessibility of energy-specific information in Ukraine. Our methodology features 287 indicators grouped into 8 categories, each assessed on the basis of five criteria of information accessibility, completeness and usability.



The Index is most useful for investors to assess the risks of doing business in Ukraine's energy markets, for international organizations to monitor the progress in implementation of reforms and best practices in this sector, and for the government, as it offers clear and implementable recommendations. The Energy Transparency Index is available on the DiXi Group and Ukrainian Energy websites.

The project's team focused special attention to diagnosing the identified problems, offering recommendations on how to improve indicators with the lowest score. Based on high praise of its efforts, DiXi Group intends to make the Index application regular in the future and expand the assessment to other countries.

Energy Online mobile app

Ukraine is actively reforming its gas and electricity markets. As the processes are so complex, energy consumers lack information and efficient protection mechanisms, even though consumers are the ones who have to be active players and indicators of successful market development. This app meets the demand for applied information in the energy sector, offers simple yet effective protection instruments, and enables consumers to be active participants of market transformation.

The Energy Online app helps:

- receive up-to-date information regarding applicable tariffs and compare price offers
- check utility bills and apply for their recalculation
- rate the service of energy companies service and find a better deal
- apply for a compensation if service quality standards are not met
- place a request with network operator for improvement of its investment program
- find out about important events in regions, and register for participation

In terms of available functions, this mobile app is a unique product for Ukraine and the world. It was developed under the USAID Transparent Energy project with the support from the NEURC.

From February 2019, the app is available for downloading at Apple App Store, Google Play, and on the official websites of the NEURC and DiXi Group.

Available on the App Store

ANDROID APP ON Google play

Online Energy Sector Map

In 2018, DiXi Group experts continued to work on developing the interactive online map of Ukraine's energy sector. This unique instrument represents a one-stop place to find information generated by public authorities and companies.

The online map demonstrates the sources from which electricity, heat, gas and motor fuel find their way to consumers and how they are supplied. Anyone – average citizens, journalists, foreign users – can easily find out about key aspects of functioning of Ukraine's energy sector, regardless of prior experience.

DiXi Group specialists, working jointly with experts of the Transparent Energy coalition, continuously gathered data from open sources and by submitting requests for access to information. This data is published mostly in an inconvenient format, and therefore, the key focus of our activity was digitalization and structuring of the datasets. The datasets on the online map are available in the machine-readable formats .xlsx and .csv.

DiXi Group intends to continue improving the quality of our online map. E.g., we plan to develop the interactive component, add a lot of financial data, and continue updating information on a regular basis.

Transparent Energy online course

Energy is a complex subject, and people often do not understand the difference between kilowatt and kilowatt-hour, or how heat is supplied to their homes, and in general, why energy is so important for the economy and environment. The DiXi Group team came up with a solution of how to explain that in detail.

A basic online course has been developed under the USAID Transparent Energy project. The purpose of this course is to tell users, in a comprehensible form, how the energy sector functions. The partners of the Transparent Energy course are EdEra online education studio and VoxUkraine, and its key audience includes journalists, students, and everyone interested in learning what makes the light bulb in their home illuminate.

The four educational models of the online course provide information about how Ukraine's energy market is formed, explain the legislative framework that regulates this sector, and teach where to get and how to use energy data. The speakers of this course include 12 renowned experts from Ukrainian and international companies and research centers, fully knowledgeable of the Ukrainian energy market.

Access to the course
Materials are available 24/7

Beginning of learning
February 2019

The certificate
is issued free of charge

The online course is free and available 24/7 at:
www.bit.ly/energy_basics.

Analytical review of draft laws on incentives to renewables development

In summer 2018, the announcement of the draft law 8449 heralded the start of active work on updating the system of supporting electricity generation from renewable energy sources (RES) in Ukraine. The draft law proposes introduction of auctions to determine the price of supporting “green” energy. This mechanism has proved its effectiveness in many countries of the world, helping lower the cost of electricity generated from RES.

However, in response to the main draft law, Ukrainian lawmakers proposed another eight alternative drafts. DiXi Group experts analyzed all of them for worthy ideas and also gaps and risks, putting together the results in an analytical review with recommendations for lawmakers.

DiXi Group was actively involved in finalization of the mentioned draft law. Before the voting in first reading, we released an alert. Many recommendations have been included in the draft law 8449-d, but it still contains risks which should be reduced before this document becomes a law. DiXi Group continues to provide analytical support to legislative changes concerning renewable energy.

School for Energy Reforms

A successful reform of the energy sector requires not only a clear vision of actions to be done, but - first of all - a competent and motivated team capable of creating legal and policy framework for competitive, transparent energy markets in Ukraine. In order to establish such a professional community of specialists, the DiXi Group team began developing educational area of its activity.

In October 2018, our team has successfully organized, in cooperation with the Energy Community Secretariat, the Columbia Center on Sustainable Investment (CCSI) and the United Nations Office for Project Services (UNOPS), a series of practical seminars concerning the best practices of information disclosure in the energy sector. During the five-day Energy Transparency Week, hundreds of attendees representing various audiences – from experts of the National Energy and Utilities Regulatory Commission (NEURC) and the Ministry of Energy and Coal Industry to specialists of system operators and energy companies – gained the latest knowledge in the gas and electricity sectors and concerning regulation of natural monopolies. Seventeen professors and practical specialists held workshops on 32 issue, most of which have never been covered for a Ukrainian audience before.

The results of the Energy Transparency Week confirmed substantial demand for modern knowledge in design, functioning and regulation of energy markets. Therefore, in 2019 DiXi Group plans to launch a knowledge hub of European energy legislation and practical skills in high-quality governance. Our team is already working on organizational procedures required for this education center to become operational, and on developing the relevant courses and programs.

European Reforms

The complete and high-quality implementation of the EU legislation in energy and environment sectors and ensuring that these achievements become irreversible is one of the key areas of DiXi Group activity. We believe that adoption of the EU rules on open energy markets is the easiest way to achieve high-quality, transparent energy for Ukrainian consumers.

At the core of this activity is the project “Enhancing impact of civil society in monitoring and policy dialogue on energy and related sectors’ reforms in line with the Association Agreement implementation”, supported by the European Commission.

In 2018, the project’s team comprised of DiXi Group specialists and experts from partner NGOs continued to release monthly reports, each offering an analysis of the progress in transposition and harmonization of the EU legislation. This monitoring targeted a variety of sectors, including electricity, natural gas, oil and oil products, energy efficiency and social issues, renewable energy and environmental protection, and business climate in energy markets.

Interim results of the reform process, or rather an independent expert assessment of these results, were presented to our European partners in Vienna and Brussels.

We also continued our work in regions, explaining the meaning of reforms and the methods of monitoring them at the local level. The project’s experts participated in advisory and working groups, round tables and other public events. They helped the authorities deal with complex matters and find compromise solutions in such aspects as reforms of the electricity market and extractive industries, monetization of subsidies, and other challenges.

Energy security

Analysis of risks of the Nord Stream 2 construction

DiXi Group has launched a project of analyzing and reporting risks related to the Nord Stream 2 for Ukraine and the EU. The construction of this gas pipeline would further divide energy markets of Western and Eastern Europe, increase the EU dependence on Russian gas, and create not just financial problems but also the risk of escalating aggression against Ukraine. As part of this project, the DiXi Group team interviewed a number of participants of the 2009 gas crisis, prepared an analytical report revealing Russian manipulations in gas relations with Ukraine, and provided recommendations on how to strengthen information policy. In addition, DiXI Group experts organized and took part in public discussions of the Nord Stream 2 project in Germany, France, Belgium, Denmark and Sweden. The purpose of these discussions was to convey to experts, journalists and politicians in EU member states the problems and risks that construction and launch of the Nord Stream 2 pipeline may create. Even though the pipeline construction work continues, the warning voices in Europe become even louder: it is not just a business project, it could create additional problems in Europe with energy security and integration of gas markets.

Organizational Development

Developing the capacity of DiXi Group is an indispensable condition for our ability to continue providing high-quality analytical reports and recommendations, developing platforms for dialogue, and supporting energy reforms.

In particular, we are able to achieve strategic goals and improve our knowledge and skills under the support from the Open Society Initiative for Europe (OSIFE) and the Think Tank Development Initiative implemented by the International Renaissance Foundation with financial support of the Embassy of Sweden to Ukraine.

In 2018, DiXi Group has significantly enhanced its expertise in the electricity market reform. Our team was joined by analysts who helped create new products and establish cooperation. In particular, all eight proposals to launch auctions under a new renewables support scheme have been analyzed to assist lawmakers. DiXi Group experts also worked on finalizing the draft law on “green” auctions, and prepared an overview of the sector for the Ukraine-EU Renewable Energy Investment Forum.

Special attention was also devoted to the reform of the energy regulator and greater transparency of the Ministry of Energy and Coal Industry. In order to execute independent public control and facilitate public discussion, DiXi Group experts checked integrity of candidates for the NEURC members’ positions, competing in both contests. Among our new, unique products are methodological recommendations based on a data audit at the Ministry of Energy and Coal Industry, which could be used in similar projects with other government agencies.

In addition, DiXi Group regularly prepares brief materials (newsletters, policy notes), as well as ad hoc studies requested by particular stakeholders. We have also launched a new product: policy alert, a fast analysis explaining certain issue or situation and offering recommendations. In 2018, our alerts concerned the March gas supply crisis, decision in the European Commission antitrust case against Gazprom, the incident in the Kerch Strait, and the draft law 8449-d on renewable energy auctions.

DiXi Group continues to actively use social networks, creating unique content. More animations, more infographics, more information on the online energy sector map, more web instruments, and the quite new experience in creating a mobile app. All that helps us communicate with the audience having little knowledge of the energy sector yet.

Advocacy visits helped DiXi Group learn about experience of leading Western think tanks. We have developed successful working relations with the Energy Community Secretariat, the Florence School of Regulation, the Columbia Center on Sustainable Investment, CEPS, IFRI, Berlin Economics, Natural Resource Governance Institute, and many other institutions. On the European level, we receive continuous assistance from the Ukrainian Think Tanks Liaison Office in Brussels. For instance, our partners helped us with analyzing information threats posed by the Nord Stream 2 project; we had specialized speakers at the Energy Transparency Week event, and prepared a “matrix” of provisions for the future Subsoil Code.

It was for the third time we held the DiXi Group Friends Reception - this time, to celebrate, together with our colleagues and partners, the 10th anniversary of our organization and present our plans for 2019. Besides informal meetings, we held a charity event and helped students of Maryinka Sports School in the Donetsk region to participate in the Ukrainian Futsal Championship.

Our communications

COOPERATION WITH MEDIA

Working with media remains one of the important aspects of DiXi Group activity. Our experts frequently speak at Hromadske Radio, Espresso and Hromadske TV channels; they provide comments to Radio Liberty and other media. In total, our think tank was mentioned over 1100 times in mass media in 2018.

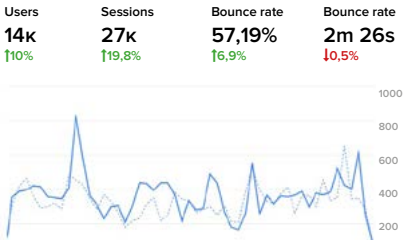
We are particularly appreciated for timely commentaries on contemporary events in the energy sector. E.g., the alert on Russia's aggression at sea and the possible repetition of these actions in the Nord Stream 2 offshore area was mentioned more than 70 times in the press. Among the media that referred to DiXi Group forecasts were Radio Poland, Mirror Weekly, Obozrevatel and others.

WEBSITES AND SOCIAL NETWORKS

DiXi Group official website and accounts in social networks serve as important instruments of communication and dissemination of our analytical materials. In 2018, the number of active users of our website has increased by 10% (to 14,000).

Ukrainian Energy UA-Energy.org has enhanced its position as a platform for informing on and discussing key events in the energy sector of Ukraine and the world. Over the year, the number of website's unique visitors has increased by 12%, currently exceeding 45,000. At the same time, the number of views has reached 78,000.

The Energy Reforms website is also actively developing as a specialized platform advocating the implementation of the Ukraine-EU Association Agreement in Ukraine's energy sector. This resource has been upgraded with new features for search and evaluation of publications, subscription to newsletters, monitoring of events and providing comments to publications.



MEDIA PRODUCTS

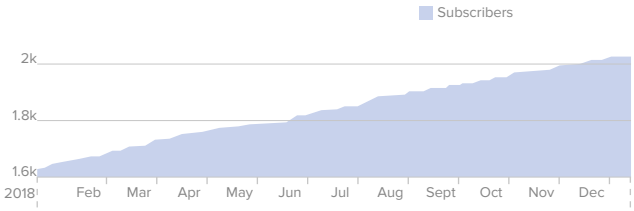
In our weekly infographics Figure of the Week, DiXi Group experts shared interesting information gathered during their studies, telling more in the video blog format.

Of particular attention are the animated clips, which we prepared in support of the UAEITI report and the Law on Ensuring Transparency in Extractive Industries and to illustrate journalist investigations in the energy sector supported by DiXi Group.

In 2018, DiXi Group experts continued to work with VoxConnector, a project focusing on expert comments for regional media.

As for our Facebook page, the number of its followers has increased by 24%. In addition, information regarding our activities is actively disseminated by thematic communities, such as Reforms in Ukraine (1209 members), Energy Security of Ukraine (2316 members), Overview of Energy Efficiency (4189 members), Ukraine's Energy Independence (6786 members) and others. Therefore, our aggregate potential Facebook audience exceeds 23,000 followers.

DiXi Group Facebook page subscribers



One of the most telling examples of a successful media campaign was the video address of activists in support of the Law on Ensuring Transparency in Extractive Industries. The video with representatives of NGOs in the Poltava, Kharkiv and Lviv regions urged MPs to support this document, was shared during a video flash mob. In two days, over 1400 users viewed the video.

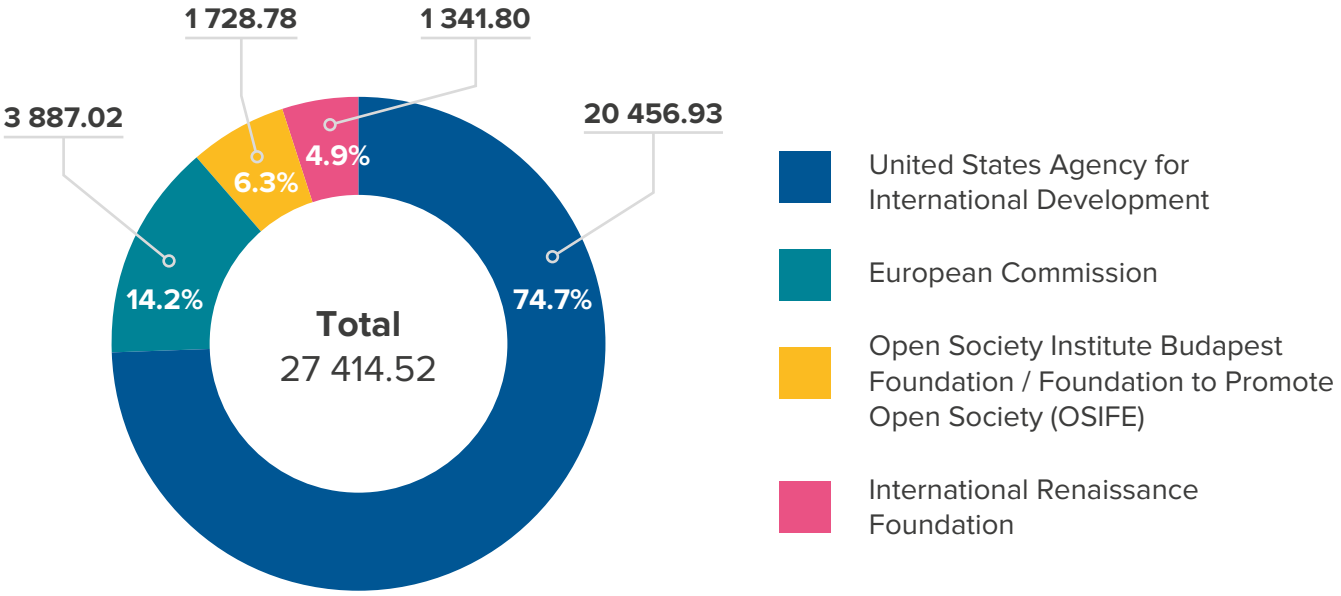
Among the infographics content, the factsheets on components of energy prices and transparency of their formation, and brochures supporting the Law on Ensuring Transparency in Extractive Industries are worth mentioning.

Mobile video reports were among the new forms of communication that have been tested in 2018. The first report of this kind was devoted to the participation of DiXi Group's representatives in the Mistechko USAID in Mykolaiv, and all five days of the Energy Transparency Week were covered in the same format.

Income and expenditure statement for 2018

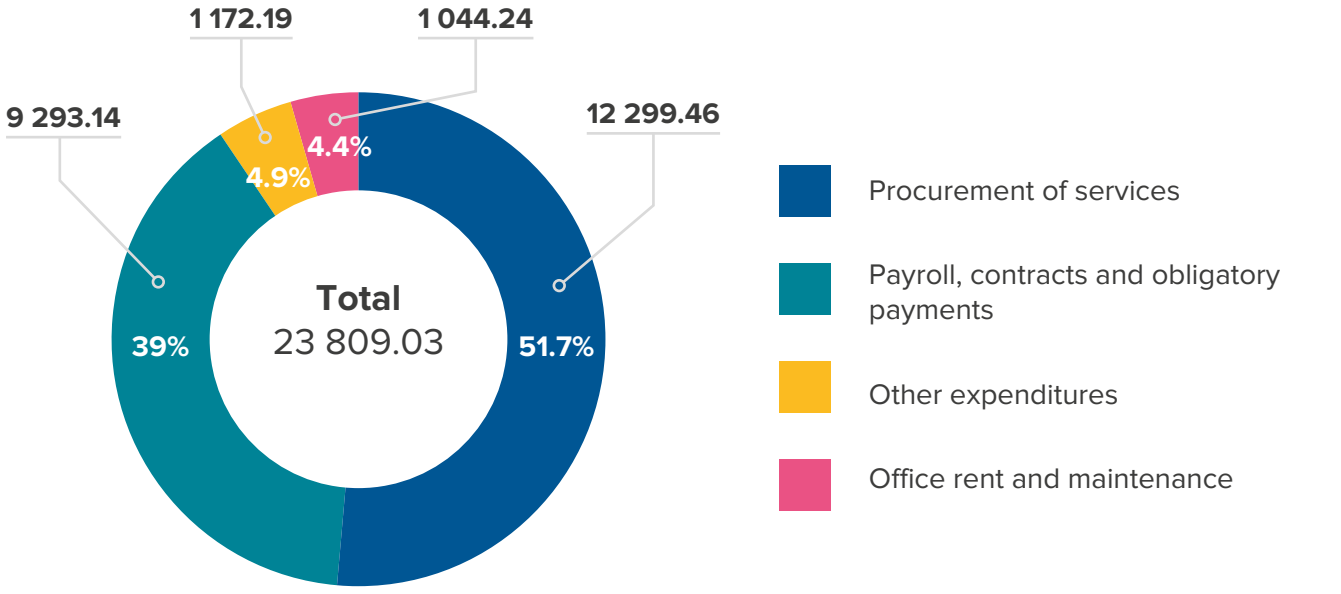
INCOME

(thousand UAH)



EXPENDITURES

(thousand UAH)



Donors

In 2018, we were supported by:

USAID FROM AMERICAN PEOPLE | UKRAINE

INTERNATIONAL RENAISSANCE FOUNDATION

EU4Energy

Швеція Sverige

OPEN SOCIETY FOUNDATIONS

DiXi Group website

www.dixigroup.org/eng

Information-analytical platform on Ukrainian and international energy

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e-mail: uaenergy@gmail.com
facebook.com/uaenergy

Energy Reforms coalition website

www.enref.org/en

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