EVALUATION OF ENERGY SECTOR TRANSPARENCY: INTERNATIONAL TRANSPARENCY INDEX

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Abstract: The Energy Transparency Index is a policy tool developed to comprehensively assess the availability and quality of information in the energy sector, diagnose gaps, analyze transparency by categories, energy markets, public authorities, and particular indicators, and track progress. Calculation of this Index is necessary to solve the following tasks: enabling an in-depth analysis with a breakdown into categories, markets, and specific indicators; tracking changes both in time and comparison with other countries; using only open sources for analysis; focusing on the energy sector performance along the value chain "producer-consumer." The Index has a hierarchical structure, where the bottom level comprises about 130 specific indicators, and the top level represents a total Index score. All scores are converted into a 100-point scale. All indicators are evaluated by six transparency criteria: availability, accessibility, relevance, frequency, usability, and completeness of information. The overall scores of indicators vary from 0 to 4.

The Index "tree" is an internal structure and demonstrates transparency scores for all elements and dimensions of the Index. These elements and dimensions encompass five energy markets, five sectoral categories, and three cross-sectoral categories.

At the bottom Index level, one can identify specific gaps in the transparency of the energy sector. These are the so-called "black boxes," i.e., the indicators for which information is entirely unavailable. The "black boxes" and gaps in transparency and accountability identified by the assessment provide the basis for specific recommendations to public authorities and companies.

The international edition of the Index is a comprehensive comparative study examining the transparency and accountability of energy sectors in Georgia, Moldova, and Ukraine. It also covers the EU member state Romania as an appropriate benchmark for the Eastern Partnership countries and the Energy Community Contracting Parties on their pathway towards European integration.

The international dimension of the Index fosters a competitive spirit and encourages national governments to enhance transparency. Moreover, international comparisons facilitate the faster and more fruitful dissemination of best national transparency practices to the energy sectors of other countries, thereby accelerating the development of open, competitive, and efficient energy markets.

According to the evaluation made in 2023, the final scores for Georgia (73), Moldova (57), and Ukraine (38) indicate good, medium, and unacceptable transparency of their energy sectors, respectively. The drastic decline in Ukraine (-31 points compared to 2021) was primarily caused by the full-scale Russian aggression in 2022 and the related rapid and indiscriminate closure of most data on the energy sector due to security risks. Meanwhile, Georgia and Moldova continued their progress, improving their scores by 12 and 2 points, respectively, compared to the 2021 results. Yet, there is still significant room for improvement for all countries. This is evidenced by Romania's scores, which were assessed as a benchmark country that achieved excellent transparency (86) on the Index's scale. Given the ambitions of Georgia, Moldova, and Ukraine to become EU Members, Romania's result should be deemed an appropriate, indicative benchmark and incentive for them to improve transparency and accountability.

The next study of the international edition of the Index is planned for 2026 and will be based on the 2025 figures.