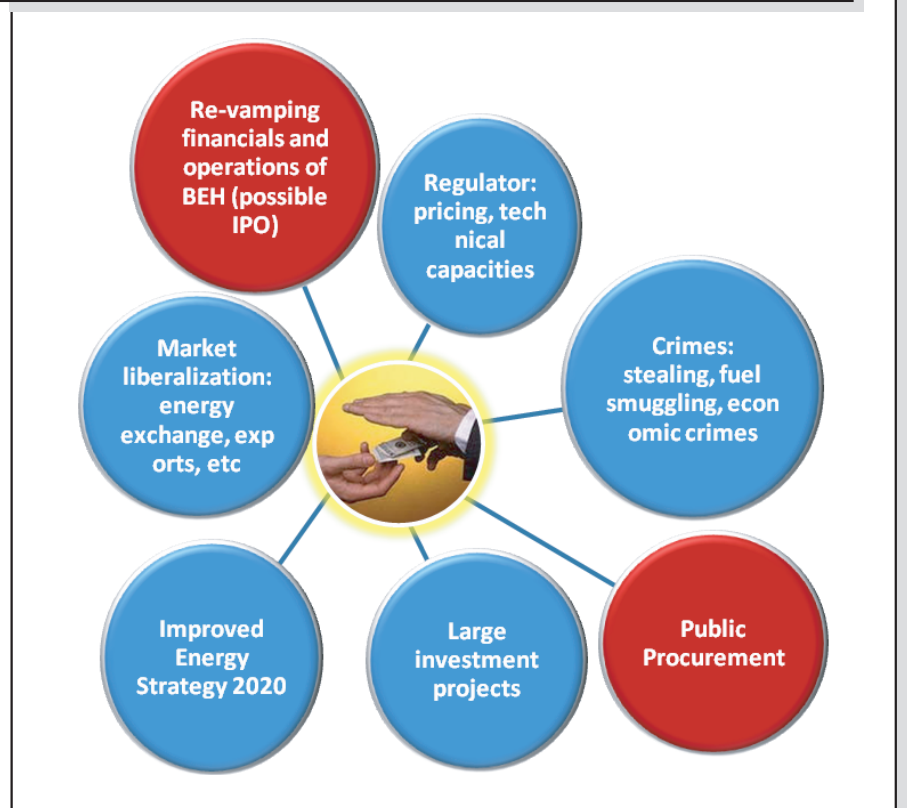


## V. RECOMMENDED GOVERNANCE APPROACH

The current government has a lot to deal with when it comes to the energy sector. Some of the issues are legacies from the previous governments who signed contracts with unfavorable conditions; others stem from the specifics of the sector itself; still others are necessitated by the changing macroeconomic conditions and the tightening 'green' EU regulations.

FIGURE 35. COMPLEX CHALLENGES OF THE ENERGY SECTOR



In order to be successful in its efforts the current government should abide by the following **principles**:

- **Prioritize** and address those issues that will have the most output per unit of effort (financial and managerial) in the near term; at the same time put prioritization process in the context of long-term sustainability;
- **Work with reliable raw data** – conduct informed decision making, based on solid financial and economic analysis, using reliable and up-to-date data;
- **Utilize cost-benefit and sensitivity analysis** methodologies to develop more than one potential scenarios; carefully judge the likelihood of these scenarios based on the most current global political and economic events;
- Put to work **top experts** – if necessary hire world class experts and

consultants for the most crucial and sensitive analysis;

- Be **decisive and efficient** – quick measures are needed to save millions and billions to the state budget and the taxpayers;
- Be **transparent** in ongoing work without jeopardizing the final goal;
- Keep in mind the **environmental and social costs** of strategic decisions.