

WEG Recommendations for Shale Gas Development in Georgia

Shale gas development in Georgia requires upgrade of operating environment in energy sector for investors and specialists and creating of long term stability mechanisms. The following measures are highly important in achieving these goals:

- Establish a comprehensive and sound energy strategy, define main directions and measures of Georgian energy sector development, to understand the role of shale gas for energy security.
- Develop the natural gas strategy including traditional natural gas development but also covering all non-traditional types including coal bed methane, tight gas, gas hydrates, hydrogen sulfides etc.
- Build the natural gas underground storage in order to increase energy security and enhance the capacity for own gas utilization across the seasons.
- Start working on sustainable development strategy, to clearly define country's development priorities and prospects and to set grounds for compromises between energy, environmental, and social issues.
- Develop a transparent gas market, unbundle gas supply and distribution activities, revise the hidden and explicit gas tariff subsidies.
- Expedite improvement of legal and regulatory environment through membership in European Energy Community and implementing European energy legislation.
- **Institutionalize** the shale gas issue - create a corresponding department in Oil and Gas Corporation which will be working on non-conventional energy resources. The works should be conducted in following main directions:
 - The political aspects - strategy, main directions, programs etc
 - Legislation-regulatory - technical, environmental etc, Laws, regulations, standards, raise public awareness.
 - Technical – review and processing of existing material, creation of information database, acquire laboratory equipment or certified lab in Georgia, personnel training, raise public awareness etc.
 - Work with donors to obtain technical and financial assistance

These measures are fully consistent with increasing country's energy security and serve the mission of technical, organizational and professional development and financial strengthening of energy sector.