



World Experience for Georgia - WEG Summary of Activities in 2018

The main directions of WEG's activities in 2018 included research and analysis and advocacy of issues related to Energy Security, Energy Poverty, Good Governance and Transparency, Energy Planning, Climate Change and sustainable development.

World Experience for Georgia (WEG) is an independent, not-for-profit think tank dedicated to strengthening Georgia's energy security and sustainable development, supporting and challenging Georgian decision-makers at all levels to make informed decisions based on rigorous analysis and knowledge, and providing a platform for engaging partners, stakeholders and citizens in policy-making and in the debate about the future of the country in its path to Euro-Atlantic integration. We do:

- Research and analysis
- Awareness raising and advocacy
- Consultancy work
- Engage in education



HYDROPOWER PLANTS & ENERGY SECURITY

CONSTRUCTION OF HPPS

The wave of protests against the construction of hydropower plants in Georgia reached its peak in 2018. For a large portion of citizens, HPPs are associated with environmental damage, involuntary resettlement, threats to interests and health rather than with useful electricity, security and progress.

The protest was especially strong in Svaneti, where construction of several medium and large HPPs, including Nenskra and Khudoni HPPs are planned. Discussion of the issue has been moved from professionally led discourse to street protests and confrontation.

We attempted to move the crisis into a working regime by addressing the stakeholders and suggesting the agenda for dialogue. We strongly believe, that once Georgia faces important foreign and domestic challenges, it is dangerous for the country to strengthen destructive forces and deepen conflicts within the society.

Several [statements](#), articles, public appearances and discussed were devoted to this issue.



ENGURI HPP AND ABKHAZIA

The growing unpaid consumption of electricity in Abkhazia is becoming a major energy security problem for Georgia. Due to the unpaid consumption in Abkhazia and growing technical, financial and security problems, the benefit of Enguri cascade to the rest of Georgia gradually diminishes, while costs increase.

The current situation is unsustainable, potentially increases dependence on Russia on both sides of division line and unless resolved can lead to further aggravation, and escalation of tensions.

Georgian government needs to reconsider its current attitude to the problem and work more actively towards longer term solutions.

Along with other activities, We also organized energy security expert workshop concerning this issue with kind assistance of NATO Liaison Office in Georgia

Link

INTERNATIONAL COOPERATION ON ENERGY SECURITY

In cooperation with New Strategy Center of Romania and with the support of NATO Science for Peace and Security Program, we organized advanced Research Workshop “Black Swans on the Eastern Flank” in Bucharest, Romania.

The main goal of the workshop was to assess the array of challenges on the Eastern Flank and discuss the ways to tackle them.

Experts from 15 countries discussed prospective scenarios that might emerge in the regions and will have an impact on the socio-economic development and security of the countries. In addition to this, participants explained the importance of international and regional challenges that threaten the NATO's eastern flank countries and highlighted the necessity of deepening cooperation among the states in this area.



In 2018 we also participated in the Black Sea and Balkans Security Forum. The Main focus of the forum was to increase awareness about the importance of peace and stability in the regions, identify the actual security challenge, foster active contacts and networking among decision makers, security analysts, academics, the civil society and the media.

WEG's Murman Margvelashvili gave a presentation on main challenges of energy security in Georgia and Caucasus region.



CORRUPTION IN ENERGY SECTOR AND its COST FOR SOCIETY



On Open Government Partnership Summit civil Society day in Georgia WEG conducted a panel discussion on corruption in energy sector and its cost for society in post socialist countries. The discussion was held in cooperation with Open Society Institute (OSI) and partners from Moldova, Ukraine, Bulgaria, Armenia, Azerbaijan and Kyrgyzstan.

The discussion continued in Stefantsminda as OGP summit side event, where the participants had an opportunity to conduct more in-depth analysis during the 2 days workshop.

Experts discussed an internal and external factors driving the corruption in energy sector, such as vested interests, growth of new markets for corruption (renewables), cross-border energy provision (Russia's role in import-dependent countries), and etc.

WEG will continue to work on corruption issues in 2018.



ENERGY POVERTY

ენერგეტიკული სიღარიბე & მოწყვლადი მომხმარებლები საქართველოში

მსოფლიო გამოცდილება
საქართველოსთვის
2018



In 2018 WEG conducted a preliminary study and assessment of energy poverty. The study results show, that Energy Poverty (EP) is an important problem in Georgia.

99% of Georgian population has access to electricity and 68%-to gas, however, *almost half of the population uses firewood for heating and cooking, in inefficient wood stoves creating the health hazards.*

Despite existing subsidies and benefits for vulnerable consumers, share of energy expenditures in total income of vulnerable consumers is high, especially in winter time. It has also to be considered, that most of the population does not fully heat their homes in winter.

Energy poverty has many components including accessibility to clean energy, safety and reliability of supply, excessive expenses for energy etc. One of its major drivers of EP is the poor energy efficiency of buildings. Most of which are constructed in Soviet period. This leads to excessive energy bills and low level of comfort for the residents.

Energy Poverty reduction elimination should be one of the major goals of Georgian energy policy. It is recommended to state in the energy law that the Ministry of Economy and Sustainable Development should develop energy poverty definition and create strategy to eliminate it.

[Report \(Georgian\)](#)

საქართველოში ოჯახების

45%

გატეხილობის შემას იყენებს

უპრობლემო გზით
განსაკუთრებული შემთხვევით
ქალაქებსა და რაიონებში
აღსანივად, რადგან ისინი
ღირსეულად ვერ დროს
ატარებენ

არასწორად
მონტაჟებული ღარი
სახლში ჰაერს აბინძურებს,
რაც აზიანებს:



როდის აშენდა

საქართველოში სახლები?



CLIMATE CHANGE & SUSTAINABLE DEVELOPMENT

Climate change and sustainable development were one of our priority directions in 2018. We prepared the mitigation chapter of the Second Biennial Updated Report (SBUR) of Georgia to the UNFCCC. Under this chapter we reviewed all existing and planned activities to mitigate Greenhouse Gas Emissions from different sectors.



WEG joined the SINCERE consortium under Horizon 2020 funded project, which aims to strengthen open international climate change research and innovation cooperation involving European partners in support of the implementation of the Paris Climate Agreement.

WEG also participated in EU Green Week - Green Cities for a Greener Future - Workshop on Green Cities in the Eastern Partnership in Brussels, Belgium. Green Week is an annual event focusing on the sustainable development and organized by the EU with a range of activities and debates

WEG's lead researcher, Giorgi Mukhigulishvili was invited to deliver lectures on ERA4CS-Summer School on climate change impact, mitigation actions and sustainability issues in Georgia. The aim of ERA4CS-Summer School was to find common language on Climate Services for the projects as well as teaching the basis of Climate Services.

BATUMI — GREEN CITY ACTION PLAN

WEG in cooperation with local and international partners is involved in development of Batumi Green City Action Plan which is jointly developed by the Batumi Municipality and the European Bank for Reconstruction and Development (EBRD)

Green City Action Plan is the main instrument of the framework program, which helps cities to develop their sustainable development vision and strategic goals; as well as action activities and investment projects that will help in solving environmental issues.

Batumi Green City Action Plan discusses the sectors affecting environmental conditions. Including transport, energy, industry, land use, waste, water management, etc.

The project is implemented by AECOM and local partner organizations.



ENERGY PLANNING

WEG continued working on Energy Planning in 2018. We believe that Energy planning is crucial for policy makers to make informed, fact-based policy decisions



WEG conducted two weeks training in power sector planning using WASP IV model under support of USAID G4G program. The training was attended by representatives of GSE, Analytical Department of Ministry of Economy and Sustainable Development and GEDF. Training included both theoretical and practical sessions as well as policy discussion with the key stakeholders to help planning team in formulation of alternative scenarios for power system capacity expansion.



We also participated in Policy Forum on Energy Modelling perspectives in EU4Energy countries organized by International Energy Agency which gave an opportunity to discuss existing challenges and trends in this direction.

We continued Support of EU4energy project in Georgia in 2018.

OTHER ACTIVITIES

WEG has actively participated in the ongoing discussions and analyses related to energy reforms. We were involved in discussion of draft energy law, gas market reforms etc.



WEG organized a public lecture of the Ambassador Extraordinary and Plenipotentiary of Romania to Georgia H. E. Radu Liviu Horumba.

H.E. Horumba has served as an ambassador to Turkmenistan, as well as Deputy Chief of Mission, Embassy of Romania to Italy and has a deep knowledge of geopolitical and energy issues in the region.

He spoke on Energy Security and Geopolitics. He discussed Southern Gas Corridor, Caspian and Black Sea Developments – Past, Present and Outlook.

We are planning to continue the cycle of interesting energy policy lectures and seminars.





During the year, we also frequently expressed concerns about energy policy issues, which were of particular interest to the public.

For instance, the long debates were caused by the “Assessment of Fiscal Costs and Tariff Impacts of Power Purchase Agreements” document prepared by the World Bank for the Ministry of Finance of Georgia.

The document assesses power purchase agreements (PPA) the Georgian government had already signed for a range of energy projects. WEG gave a simple explanation and comments on this document for wide public. ღონისძიება

The ongoing process and debates revealed, that there are problems in energy sector management and evidence-based decisions which require immediate improvements.

[Full report](#) (Georgian)



At the end of the year, GNERCs decision on residential Gas tariffs raised important questions regarding the practical implementation of EU energy acquis in Georgia.

According to the Ministry of Economy and Sustainable Development preserving the tariff at previous level became possible due to the political decision on increased subsidization the purchase price of “social gas” at the cost of the State Oil and Gas Corporation (GOGC).

This populist decision exemplifies continued State interference in energy price setting leading to market distortion and inefficient use of energy resource. It contradicts the principles of liberal market and independent regulation and raises doubts regarding the government's ability to carry out the real reforms in accordance with the Association Agreement and European Energy Acquis.

This issue deserves a more detailed debate in 2019.



WEG IN MEDIA

The work we did in 2018 often involved media coverage which increased our visibility and gave an opportunity to spread the word to wider audiences, to translate complicated energy related issues in easily understandable language and offer our fact based analysis

The topics, which engaged TV, Radio, online or social media included Hydro Power Plants development processes, energy poverty, energy subsidies, Enguri HPP issues and etc.



DONORS

- *United Nations Development Program (UNDP)*
- *Heinrich Boll Stiftung South Caucasus*
- *Open Society Institute*
- *European Union*
- *USAID*
- *NATO SPS*
- *EBRD*

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