



**Statement of the
Eastern Partnership Civil Society Forum
Georgian National Platform
on the Results of Negotiations between the Ministry of Energy of Georgia and
Russian State-owned Company Gazprom Export**

The Ministry of Energy of Georgia completed negotiations on conditions of a new transit agreement to be concluded with Gazprom Export and presented it to the Government of Georgia. According to the agreement, Georgia loses the benefits of receiving in kind gas (10%) and shifts to monetary payment for Russia -Armenia gas transit.

The agreement approved by the Government dramatically worsens the transit benefits for Georgia both in economic and energy security terms. Moreover, Georgia becomes increasingly dependent on Russian political will. Due to this agreement, Georgia loses substantial volume of in-kind gas received for the transit and fully shifts to monetary compensation from 2018 that is be several times less than transit gas value. The new approach also strengthens Russia's position with regards to concluding new agreements on transit.

According to statements made by representatives of the Ministry of Energy of Georgia, the new agreement envisages that Russia will supply natural gas to Georgia for 185 USD per 1000 cubic meters but only for the so-called "social" sector and in case of deficit. It is noteworthy that this relatively favorable price is guaranteed only for two years under the Agreement. In the future Russia will most likely increase the price, considering the fact, that Georgia no longer has any lever to bargain with Russia on it.

The Russian side demanded revision of conditions for the gas transit even last year, although the issue was resolved successfully. It is noteworthy that we have maintained old terms and conditions of the old agreement with the Gazprom Export over years and so far Georgian side was successful in preserving the existing conditions.

Despite the fact that energy security is subject of high public interest, especially when it is related to the Russian Federation, which has occupied part of Georgian territory, the agreement on gas pipeline and gas supply signed between the Government of Georgia and Gazprom Export has been declared to be confidential and commercial secret.

We believe that the new transit agreement signed with Gazprom Export represents not only an energy sector issue but it is a part of national security in broader sense. Therefore, during the process of the agreement preparation broad consultations with international experts and academia should have been conducted. The process must have been implemented in a transparent manner and the government should not have made a decision without taking into account public opinion. Unfortunately, it is an example of irresponsible and unacceptable

approach. We are sure that the use of all current political, social and professional resources during the negotiations could have avoided such an outcome.

Member organizations of the Eastern Partnership Civil Society Forum Georgian National Platform demand the following:

- Remove the confidentiality classification from the agreement concluded between the Government of Georgia and Gazprom Export and publicize the information on negotiations and their results;
- Conduct a parliamentary debate on the aforementioned issue and energy relations with Russia;
- Revise the current sector management practice and develop the country's long-term energy development strategy targeted at reducing dependence on imported energy resources including the ones imported from unfriendly countries;
- Accelerate the energy sector reform process in the European integration and Energy Community format, which will create preconditions for more transparency, professional growth and greater international support;
- Ensure involvement of civil society in the aforementioned processes.

Signatory Organizations:

1. Georgian Young Lawyers' Association (GYLA)
2. Institute for Development of Freedom of Information (IDFI)
3. European Initiative - Liberal Academy Tbilisi
4. Georgian Foundation for Strategic and International Studies
5. The Center for Strategic Research and Development of Georgia
6. Local Democracy Agency Georgia
7. Human Rights Centre
8. Economic Policy Research Centre
9. "Women Enterprise" Fund Georgia
10. Foundation "Multi- Ethnic Resource Centre on Civic Education Development"
11. Caucasus Environmental NGO network (CENN)
12. World Experience for Georgia
13. Georgian Trade Union Confederation
14. Peaceful and Business Caucasus
15. IDP Association "Consent"
16. "School-Family-Society" Association
17. Foundation "Caucasus Environment"
18. Georgian Association "Women in Business"
19. People's Harmonious Development Society
20. Civil Council on Defense and Security Issues
21. Institute for Euro-Atlantic integration and strategic studies
22. Association "Psychea"
23. Association for the efficient use of the Georgian energy resources
24. Association European Studies for Innovative Development in Georgia

25. Association "Atinati"
26. International Society "Caucasian Mosaic"
27. Civil Society and Democracy Development Center
28. Youth Alternative
29. Imereti Union of Science - "SPECTRI"
30. Public Advocacy
31. Healthy World
32. Energy Efficiency Foundation
33. Youth for Justice - Georgia
34. Union "Healthy Children"
35. Association of Tea Producers Georgia "Georgian Tea"
36. Caucasian House Georgia
37. Enterprise Innovation Development Center
38. Save The Future Generation
39. Bridge of Friendship – Kartlosi
40. Junior achievement of Georgia
41. Association "Imedi"
42. United Public Movement "Multinational Georgia"
43. Association "MERKURI"
44. Partnership For Road Safety
45. Teachers' Union "Education and Universe"
46. Union "Article 42 of the Constitution"
47. Georgia Press Association
48. The Greens Movement of Georgia
49. Georgian Association of Regional Broadcasters
50. Women's Information Centre
51. International Center of Geopolitical research
52. European Integration Forum
53. International Center for Advancement of Research, Technology & Innovation (ICARTI)
54. International Business and Economic Development Centre
55. Community Development Association
56. Civil Society Institute
57. Gori Information Center
58. Europe Foundation
59. Journalism Resource Centre
60. Georgia International Development Agency
61. International Organization of Human Rights protection and Prisoners social welfare
62. New Generation for Democratic Georgia
63. Rehabilitation Centre for Victims of Torture, Violence and Pronounced Stress Impact – EMPATHY
64. International Foundation "LEA"
65. Union "Anti-Violence Network of Georgia"

66. Union for sustainable development "Ecovision"
67. Disarmament and Non-violence
68. Georgia Alliance for Safe Roads
69. The Association of Business Consulting Organizations of Georgia
70. Union "Ecotech"
71. Energy Efficiency Centre Georgia
72. Coalition Homecare Georgia
73. Free Choice
74. Caucasian University Women
75. Samtskhe-Javakheti Regional Association "Toleranti"
76. The Union of Azerbaijan Women of Georgia
77. Youth Association "Droni"
78. Cultural-Humanitarian Fund "Sukhumi"
79. Repatriates' Union
80. Rural Communities Development Agency
81. Institute for the study of nationalism and conflict
82. Association "Green Alternative"
83. Student Youth Council
84. Georgia's Reforms Associates
85. Biological Farming Association "Elkana"
86. Human Rights Priority
87. International Center for Environmental Research
88. Human Rights House Tbilisi
89. Georgian Institute of Politics