

Greening economies in the EU's Eastern Partnership countries

GEORGIA

Greening economies is important because the current models of growth continue to erode the stocks of natural assets and undermine the integrity of ecosystem services on which economic activity depends. Failure to adequately manage natural capital will result in increasing costs of substituting the services it provides. Impacts on economic development are unpredictable as changes in ecosystems, and their capacity to support growth, do not follow a linear, foreseeable trajectory.

How can Georgia benefit from greener growth?

Situated in the Caucasus region, Georgia is a country with rich biodiversity and important natural resources. Forests cover almost 40% of the land area, and are among the richest reservoirs of plant and animal life on Earth. Over 80% of the country's electricity is produced by hydropower. Fertile soils are important assets in agriculture.

However, the country is still facing many environmental problems which affect the economic growth and the well-being of the society. Traffic and industrial production contribute to serious air pollution in the major cities. The Kura River and the Black Sea suffer from pollution by industrial and municipal discharges and agriculture run-off. Municipal waste is disposed in poorly managed landfills. Degradation of land and forests lead to soil erosion, and affects negatively agricultural productivity and livelihood opportunities in rural areas.

Which EaP GREEN activities are planned in Georgia?

Over the past ten years, Georgia has pursued strong deregulation policies in many areas. Reforms stimulated more sustainable economic growth based on private sector development, and shifted the structure of the economy from mainly agricultural production to services. Georgia also succeeded in fighting corruption that was the one of the main obstacles for development.

Georgia's green transformation can foster further economic growth and social development while ensuring that natural assets continue to provide material inputs and services on which the economy and well-being rely. Expected positive outcomes relate to enhanced productivity and innovation, the creation of new jobs and markets, and fiscal revenue generation. Georgia is committed to incorporate green economy elements in its national development strategies.

In the framework of the Association Agreement with the EU, the Ministry of Environment and Natural Resources Protection of Georgia has designed an ambitious Action Plan and sectoral Roadmaps for the implementation of the Environmental Chapters, which cover 9 sectors: environmental governance, air quality protection, water quality and water resources management, waste management, nature protection, industrial pollution and industrial hazards, chemical management, climate action, and forestry.

In this context, the EaP GREEN programme assists the Government in establishing the essential policy frameworks for a green economy, reform policy instruments, adopt new analytical tools, improve access to finance, support capacity development and implement pilot projects in the public and private sectors.



Key achievements of the EaP GREEN components in Georgia:

- **Support for policy development:** UNEP held a regional workshop on the introduction of the Green Economy (GE) and Sustainable Consumption and Production (SCP) framework in Tbilisi in May 2014, including a side event with an exhibition of SCP initiatives in Georgia.
- **Development of green growth indicators:** The regional expert meeting "Shared environmental information system and green growth" took place on 10-11 March 2015 in Paris with the attendance of three delegates from Georgia. The meeting raised awareness about the value of GGI and identified 6-7 headline indicators for regional use.
- **Greening SMEs:** The OECD led a country-level stakeholder consultation on promoting better environmental performance of SMEs on 25 March 2015. An implementing organisation for a national SME survey in Georgia was selected, and the survey will be carried out shortly.
- **Reform of product taxation:** The OECD organised a roll-out workshop on economic instruments for managing environmentally harmful products on 26 March 2015 in Tbilisi. The discussion focused on excise taxes on motor fuel and vehicles, and on extended producer responsibility schemes.
- **Promotion of better use of SEA and EIA:** The UNECE helps Georgia amend the law on environmental assessment. The first draft of the law on "Environmental Impact" was discussed at the public hearing held on 20 May 2015 in Tbilisi. The final consultation meeting on the draft law on SEA and EIA is scheduled for September 2015. A pilot project on the application of the SEA procedure to the National Waste Management Strategy will be implemented in the period of June-December 2015.
- **Demonstration projects and capacity building in resource efficient and cleaner production (RECP):** The national conference "Resource Efficient and Cleaner Production (RECP) for Better Enterprises, Cleaner Environment and Green Economy" was held by UNIDO on 26 March 2015 in Tbilisi. Ten Georgian enterprises shared experiences in applying RECP principles, and 10 national experts received an UNIDO RECP award. A bilingual English/ Georgian RECP website is available online: www.recp.ge
- **Organic agriculture:** EaP Green was one of the main sponsors of the 5th International Conference on Organic Sector Development in Central/Eastern European and Central Asian countries held on 16-17 April 2015. A break-out session on organic agriculture and green economy featured speakers from Armenia, Moldova, Georgia, Azerbaijan, Belarus and Ukraine. This programme component is led by UNEP.

How is the EaP GREEN programme organised?

The "Greening Economies in the European Union's Eastern Neighbourhood" (EaP GREEN) programme supports the six the Eastern Partnership (EaP) countries to move towards green economy by decoupling economic growth from environmental degradation and resource depletion. These countries are: **Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.**

The programme is structured around three components:

- Governance and financing tools for sustainable production and consumption (SCP) and green economy;
- Strategic Environmental Assessment and Environmental Impact Assessment accompanying SCP policy implementation; and
- Demonstration projects. Governments and the private sector are the key target groups of EaP GREEN.

The programme is financially supported by the European Union and other donors, and is jointly implemented by four international organisations – OECD, UNECE, UNEP, and UNIDO. The OECD acts as the leading partner with responsibility for overall coordination and visibility.

The EaP GREEN programme has two Focal Points in each participating country: one from a national ministry of environmental affairs, and another one nominated by the national ministry of economy related matters.

The Programme's Steering Committee (SC) oversees the programme implementation. Its members include the NFPs, the European Union and representatives of the four implementing partners. The SC meets annually. Such meetings are open to the NGO community and donors, as well as other international organisations.



For more information, please contact:

Krzysztof Michalak, Senior Programme Manager,
OECD Environment Directorate

Tel: +33 1 45 24 96 00, Email: eap.contact@oecd.org

Website: www.green-economies-eap.org