

# Economic Commission for Europe

## Committee on Environmental Policy

### Twentieth-first session

Geneva, 27–30 October 2015

Item 6 of the provisional agenda

### Environmental Performance Review Programme

Information paper No. 3

20 October 2015

## Third Environmental Performance Review of Georgia: recommendations

### Note by the secretariat

#### *Summary*

The present document provides recommendations of the third Environmental Performance Review of Georgia agreed upon by the Expert Group on Environmental Performance at its meeting held in Geneva on 13-14 October 2015.

The Committee is invited to adopt these recommendations.

### Chapter 1: Legal, policy and institutional framework

#### Recommendation 1.1:

The Government should clarify mandates regarding environmental governance and strengthen relevant cooperation mechanisms and capacity both horizontally and vertically by:

- (a) Making sure that environmental and sustainable development issues are discussed by such coordination bodies as the Economic Council and the European Union Integration Commission;
- (b) Strengthening the Ministry of Economy and Sustainable Development to enable it to facilitate effective dialogue on green economy and sustainable development goals;
- (c) Assessing gaps in multi-level environmental governance and defining a clear action plan for enhancing the environmental management capacity of self-governance units;
- (d) Encouraging the Ministry of Environment and Natural Resources Protection to continue regular communication with subnational authorities and provide training.

#### Recommendation 1.2:

The Ministry of Environment and Natural Resources Protection should continue its efforts under the association process with the European Union, by further implementation of the Road Map for the implementation of the European Union-Georgia Association Agreement in the fields of environment and climate action.

#### Recommendation 1.3:

The Government should:

- (a) Finalize nationalization of sustainable development goals, and make sure that future national development strategies put adequate focus on them as well as other environmental policy objectives;
- (b) Make strategic environmental assessment mandatory at all levels;
- (c) Integrate environmental and disaster risk management elements into spatial planning;

(d) Enhance involvement of the Ministry of Environment and Natural Resources Protection in the development of sectoral policies and law-making.

Recommendation 1.4:

The Government should improve the prevention and control of environmental degradation and pollution by:

- (a) Fully aligning the scope and procedure of EIA and permitting with international practices;
- (b) Ensuring that the system of mandatory environmental insurance is effective, and reorienting the environmental liability regime towards rehabilitation of the environment;
- (c) Enhancing non-compliance detection through mandatory and more strictly enforced self-monitoring and self-reporting requirements, as well as more risk-based, technically focused inspections of facilities.

Recommendation 1.5:

The Ministry of Environment and Natural Resources Protection should promote resource efficiency and cleaner production, green business development and voluntary environmental initiatives by:

- (a) More systematically seeking the private sector's input into the development of environmental policies and the legal framework;
- (b) Promoting knowledge of environmental requirements and raising awareness among the private sector;
- (c) Encouraging companies to participate in international initiatives, e.g., Green Industry or the Global Reporting Initiative.

Recommendation 1.6:

The Ministry of Environment and Natural Resources Protection should further improve environmental data analysis and disclosure and increase transparency of environmental decision-making more generally by:

- (a) Continue making administrative information, such as environmental impact assessment reports, permits and licences, more transparent, clear and integrated;
- (b) Providing access to information on environmental regulation and compliance assurance activities, including penalties imposed by the courts;
- (c) Making inspection reports and annual reports publicly available;
- (d) Continuing efforts to optimize the monitoring network and further enhance capacity for data analysis;
- (c) Enhancing the use of environmental information in decision-making;
- (d) Fully aligning the legislation, policy and practice regarding access to environmental information with the international obligations of the country.

Recommendation 1.7:

The National Statistics Office, together with the Ministry of Environment and Natural Resources Protection, should further improve environmental statistics, in particular through the application of the international System of Environmental-Economic Accounting and the revised United Nations Framework for the Development of Environment Statistics.

Recommendation 1.8:

The Ministry of Environment and Natural Resources Protection should prepare a draft national environmental action plan (NEAP) for 2017–2020 based on an assessment of the implementation of the NEAP 2012–2016, including the major obstacles encountered and the benefits realized.

## **Chapter 2: Economic instruments, environmental expenditure and investments for greening the economy**

### Recommendation 2.1:

The Government should:

- (a) Consider reforming the system of excise duties on imported motor vehicles to eliminate the financial incentives for purchasing older vehicles;
- (b) Increase excise duty rates on motor fuels, including a surcharge to support improvement and maintenance of road network.

### Recommendation 2.2:

The Government, or, where appropriate, GNERC, should take measures designed to ensure the effective and (environmentally and financially) sustainable management of water resources, including:

- (a) Reintroduction of water pollution charges as part of a more effective policy mix for achieving stringent water quality standards;
- (b) Taking the necessary legal steps to introduce a system of payments for surface water abstraction for all user groups;
- (c) Ensuring that charge rates for groundwater and irrigation water provide incentives for the rational use of water resources;
- (d) Raising water supply and sewerage tariffs to levels that are cost reflective, taking into account issues of affordability for vulnerable persons;
- (e) Extending the water meter installation programme to all households.

### Recommendation 2.3:

The Government should implement a general metering programme for the use of irrigation water when upgrading the infrastructure of the irrigation sector.

### Recommendation 2.4:

The Government, in cooperation with local authorities, should:

- (a) Gradually optimize waste tariffs to cost-reflective levels, taking into account affordability, while at the same time eliminating existing cross-subsidies between legal entities and private households;
- (b) Improve collection rates for waste bills;
- (c) Provide municipal waste companies with greater operational and financial autonomy based on annual performance contracts;
- (d) Introduce modern waste management tools, e.g., deposit-refund systems.

### Recommendation 2.5:

The Government should:

- (a) Consider reviewing the system of auctions for the right to extract natural resources to ensure that competitive conditions maximize revenues for the State budget;
- (b) Ensure that due account is taken of economic valuation criteria in the setting of opening prices for such auctions and the determination of user fees (royalties) for natural resource extraction;
- (c) Support resource-exploiting enterprises in taking adequate measures to ensure that the external environmental costs of natural resource extraction are taken into consideration by the enterprise in its decision-making;
- (d) Create an overall adequate governance and regulatory framework for natural resource extracting activities and ensure its enforcement.

## **Chapter 3: Air Protection**

### Recommendation 3.1:

The Government should:

- (a) Reintroduce the mandatory annual test of the safety, roadworthiness and exhaust emissions of all vehicles, including an assessment of the emissions of each vehicle tested;
- (b) Introduce and enforce regulations to restrict the use of the most polluting vehicles in urban areas;
- (c) Regularly inform the population of the health effects of road transport pollution.

### Recommendation 3.2:

The Ministry of Environment and Natural Resources Protection should:

- (a) Establish a mechanism for governmental institutions, academia and NGOs to share knowledge and information about air quality management;
- (b) Produce a yearly assessment report based on data on traffic, the vehicle fleet, fuel consumption, air quality monitoring and meteorology, as well as calculations from the air quality models used for Tbilisi and other cities in Georgia.

### Recommendation 3.3:

The Ministry of Environment and Natural Resources Protection should encourage the implementation of best available techniques (BAT) for emission abatement.

### Recommendation 3.4:

The Ministry of Internal Affairs, in cooperation with the Ministry of Environment and Natural Resources Protection, the Ministry of Economy and Sustainable Development, the Ministry of Infrastructure and the municipality of Tbilisi, should develop a shared information system for providing data on traffic, infrastructure, vehicle emissions and air quality, and should make those data available to all stakeholders.

### Recommendation 3.5:

The Ministry of Environment and Natural Resources Protection should ensure that the Department of Environmental Supervision provides feedback to the Department of Environment Impact Permit on the enforcement of permits and the use of environmental standards by industry.

## **Chapter 4: Water Management**

### Recommendation 4.1

The Ministry of Environment and Natural Resources Protection should:

- (a) Finalize the drafting of a new law on water resources management, taking into account the country's commitments to introducing European Union-relevant regulations, and submit the draft for adoption;
- (b) Develop by-laws regarding the quality criteria for surface water abstraction and wastewater discharge and re-establish the permit for these activities;
- (c) Strengthen capacity of the existing units responsible for water resources management and administrative supervision;
- (d) Establish basin management structures for defined river basin districts and ensure the coordination of actions for the development of river basin management plans;

### Recommendation 4.2

The Ministry of Environment and Natural Resources Protection should:

- (a) Continue expansion of the surface water and groundwater monitoring networks;
- (b) Strengthen the capacity of the National Environment Agency, providing it with adequate funding, training and equipment and a sufficient number of professional staff.

#### Recommendation 4.3

The Ministry of Infrastructure and Regional Development should:

- (a) Assess the status of urban wastewater collection and treatment;
- (b) Prepare technical and investment programmes for the implementation of the urban wastewater treatment regulations, compatible with the relevant European Union directive, and allocate corresponding funds for that work in the budget.

#### Recommendation 4.4

The Ministry of Agriculture should develop action plans and codes of good agricultural practice for nitrate-vulnerable zones in accordance with the requirements of European Union Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources.

### **Chapter 5: Waste Management**

#### Recommendation 5.1:

The Ministry of Environment and Natural Resources Protection should continue implementation of the Waste Code through the adoption of by-laws on waste management, a national waste strategy and an action plan.

#### Recommendation 5.2:

The Ministry of Environment and Natural Resources Protection should establish a waste data information system based on the internationally recognized waste classification system.

#### Recommendation 5.3:

The Ministry of Economy and Sustainable Development in cooperation with the Ministry of Environment and Natural Resources Protection should develop a system of extended producer responsibility and enforce it on enterprises, associations of entrepreneurs and other key players.

#### Recommendation 5.4:

The Ministry of Environment and Natural Resources Protection should:

- (a) Conduct an inventory of hazardous waste hotspots and provide systematic monitoring and control of those hotspots;
- (b) Carry out a feasibility study for a hazardous waste depository.

### **Chapter 6: Biodiversity and Protected Areas**

#### Recommendation 6.1:

The Ministry of Environment and Natural Resources Protection should develop and maintain a unified, well-equipped biodiversity monitoring system that is in line with international practise with regard to evaluation approaches and indicators.

#### Recommendation 6.2:

The Ministry of Environment and Natural Resources Protection should develop and maintain a protected areas network.

#### Recommendation 6.3:

As soon as appropriate capacities for implementation are available, the Government should ratify:

- (a) The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity,
- (b) The International Treaty on Plant Genetic Resources for Food and Agriculture.

## **Chapter 7: Energy and Environment**

### Recommendation 7.1:

The Government should finalize a national energy strategy in accordance with national priorities and carry out a strategic environmental assessment of the strategy.

### Recommendation 7.2:

The Ministry of Energy should apply hydropower plant site selection criteria based on international best practices.

### Recommendation 7.3:

The Ministry of Environment and Natural Resources Protection should consider application of the principles of the Hydropower Sustainability Assessment Protocol developed by the International Hydropower Association.

### Recommendation 7.4:

The Government should:

- (a) Develop national rules on the methodology for determining environmental flows;
- (b) Develop a resettlement policy framework.

### Recommendation 7.5:

The Government should consider the promotion of renewable sources of energy.

## **Chapter 8: Industry and Environment**

### Recommendation 8.1:

The Ministry of Economy and Sustainable Development, together with the Ministry of Environment and Natural Resources Protection, should:

- (a) Develop a comprehensive industrial and mining policy;
- (b) Promote the change of production patterns with a view to greening industry by supporting activities related to eco-innovation, eco-design and clean production;
- (c) Create the conditions for the transfer of know-how related to industry and mining, in particular best available techniques, product standards, and technology and innovation platforms.

### Recommendation 8.2:

The Ministry of Environment and Natural Resources Protection, together with the Ministry of Economy and Sustainable Development, should revise the Law on Environmental Impact Permit and the Law on State Support to Investments in order to strengthen environmental requirements for licences and permits for industry and mining facilities.

### Recommendation 8.3:

The Ministry of Environment and Natural Resources Protection, together with the Ministry of Economy and Sustainable Development, should:

- (a) Develop legislation on integrated pollution prevention and control;
- (b) Establish a system for recording information about high-risk industrial installations and for reporting on major industrial accidents;
- (c) Make the system of environmental self-monitoring and self-reporting by industry and mining mandatory;
- (d) Establish a national pollutant release and transfer register.

### Recommendation 8.4:

The Government should ratify the Protocol on Pollutant Release and Transfer Registers to the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters.

Recommendation 8.5:

The Ministry of Environment and Natural Resources Protection, together with the Ministry of Economy and Sustainable Development, should enhance capacity for environmental and technical inspections of industry and mining facilities.

Recommendation 8.6:

The Government should:

- (a) Introduce extended producer responsibility measures by implementing legal obligations (e.g., compliance schemes, product standards, economic instruments (e.g. product charges), communication tools (e.g., eco-labelling or eco-marking)) and voluntary agreements;
- (b) Develop and adopt national legislation on the management of waste from extractive industries;
- (c) Carry out an inventory of closed mining waste facilities and abandoned mining waste sites.

## **Chapter 9: Agriculture and Environment**

Recommendation 9.1:

The Ministry of Environment and Natural Resources Protection in cooperation with the Ministry of Agriculture should improve land resource management legislation and strengthen the capacity of the Land Resources Protection and Mineral Resources Service.

Recommendation 9.2:

The Ministry of Agriculture should:

- (a) Implement measures to save water, such as repairing canals or encouraging a shift to more efficient drip irrigation, the use of crop varieties needing less water, or shifting to rain-fed dry farming systems for cereal production;
- (b) Support rehabilitation of existing and construction of new irrigation and drainage systems, taking into account water protection criteria in accordance with national and regional priorities.

## **Chapter 10: Transport and Environment**

Recommendation 10.1:

The Government should adopt a national strategy on transport, integrating all modes of transport, with the achievement of sustainable transport as its main focus.

Recommendation 10.2:

The Government should accede to or ratify the following United Nations transport agreements, in order to improve the environmental performance of the transport sector and the country's competitiveness as a transit country:

- (a) The 1997 Agreement concerning the Adoption of Uniform Conditions for Periodical Technical Inspections of Wheeled Vehicles and the Reciprocal Recognition of Such Inspections;
- (b) The 1957 European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), and the related Protocols;
- (c) The 1970 Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage (ATP).

Recommendation 10.3:

The Ministry of Economy and Sustainable Development, with a view to improving the situation concerning road vehicles, should:

- (a) Reinstate mandatory inspections of roadworthiness and vehicle emissions and use these inspections to assess the presence of catalytic converters and unregulated retrofitting of vehicles to burn natural gas;

- (b) Consider regularizing retrofitting for conversion of cars to natural gas by setting up safety regulations and certification schemes for qualified technicians;
- (c) Adopt emission standards for vehicles and technical specifications;
- (d) Together with the environmental authorities, tighten fuel quality standards, especially vis-à-vis the sulphur content of liquid fuel;
- (e) Adopt regulations defining the technical characteristics of vehicles, inter alia, to limit the use of right-hand-drive vehicles that has risen considerably in recent years;
- (f) Make car insurance obligatory.

Recommendation 10.4:

The Ministry of Internal Affairs should improve statistics on road accidents and their causes, while taking active measures, including training of drivers and information campaigns, to raise awareness of the need to improve the country's road safety record.

Recommendation 10.5:

The Ministry of Economy and Sustainable Development, in cooperation with the municipalities of Tbilisi and other big cities, should:

- (a) Consider the deployment of Intelligent Transport Systems solutions in order to improve traffic demand management and mitigate the negative externalities caused by urban transport;
- (b) Promote active (non-motorized) mobility in the cities and assess the possible benefits of such a transformation.

Recommendation 10.6:

The Government should introduce supportive policies to promote the development of electrified transportation.

## **Chapter 11: Forestry and Environment**

Recommendation 11.1:

The Ministry of Environment and Natural Resources Protection should:

- (a) Carry out an inventory for the State Forest Fund;
- (b) Ensure the development of forest management plans for production and conservation based on the new forest inventory, including mechanisms for involving local communities;
- (c) Develop a categorization of sensitive forest stands and of forests with exploitable timber resources and implement an effective forests monitoring system;
- (d) Promote incentive mechanisms for the sustainable use of forest areas by forest licence holders.

Recommendation 11.2:

The Ministry of Environment and Natural Resources Protection should develop a national forest law and harmonize relevant related primary and secondary forest legislation accordingly.

Recommendation 11.3:

The Ministry of Environment and Natural Resources Protection should develop a national forest management action plan.

Recommendation 11.4:

The Ministry of Environment and Natural Resources Protection, in collaboration with the Ministry of Economy and Sustainable Development, should conduct an evaluation of the environmental, economic and social potential of the country's forestry sector.

Recommendation 11.5:

The Ministry of Environment and Natural Resources Protection, in cooperation with the Ministry of Education and Science, should strengthen education, training and awareness-

raising on sustainable forest management at both the central and local levels, including for local communities, by:

- (a) Identifying education and professional requirements for forest personnel;
- (b) Developing education programmes at the university level and targeted training curricula;
- (c) Strengthening relevant awareness-raising and communication activities targeting the general public and all key stakeholders, in particular local communities;
- (d) Coordinating awareness-raising and capacity-building projects for the forestry sector funded by non-governmental sources (i.e., donors).

## **Chapter 12: Tourism and Environment**

### Recommendation 12.1:

The National Statistics Office, together with the Georgian National Tourism Administration and in cooperation with the Ministry of Environment and Natural Resources Protection, should ensure regular environment-related data collection on the tourism sector.

### Recommendation 12.2:

The Ministry of Environment and Natural Resources Protection, together with the Georgian National Tourism Administration and in cooperation with the National Statistics Office, should undertake an assessment of the impact of the tourism sector on the environment.

### Recommendation 12.3:

The Government should promote sustainable tourism development and consider the elaboration of a sustainable tourism development strategy.

## **Chapter 13: Health and Environment**

### Recommendation 13.1:

The Ministry of Labour, Health and Social Affairs, in cooperation with other relevant governmental bodies, should:

- (a) Carry out an assessment of environmental health;
- (b) Draft a strategy on environmental health;
- (c) Draft a national health action plan and ensure its consistency with the National Environmental Action Programme;
- (d) Draft a children's environment and health action plan.

### Recommendation 13.2:

The Ministry of Labour, Health and Social Affairs should:

- (a) Study the impact on health of air pollution exposure;
- (b) Develop actions to reduce the population's exposure to air pollution;
- (c) Carry out a study on asbestos exposure and develop legislation and construction guidelines;
- (d) Inform the population about the health impact from air pollution and preventive actions.

### Recommendation 13.3:

The Ministry of Agriculture should:

- (a) Improve monitoring of drinking water quality, especially in rural areas;
- (b) Draft legislation for the control of drinking water quality.

Recommendation 13.4:

The Ministry of Environment and Natural Resources Protection should develop a system for monitoring recreational water quality.

Recommendation 13.5:

The Ministry of Labour, Health and Social Affairs should:

- (a) Establish a database on work-related injuries, traumatism and disease;
- (b) Develop actions on improving working conditions and minimizing risk factors.

Recommendation 13.6:

The Ministry of Labour, Health and Social Affairs should initiate accession to the ILO conventions dedicated to the prevention and control of occupational hazards caused by hazardous substances.

## **Chapter 14: Risk Management of Natural and Technological/Anthropogenic Hazards**

Recommendation 14.1:

The State Security and Crisis Management Council should coordinate a national multi-hazard risk identification and assessment exercise to serve as a basis for the collective prioritization of disaster risk reduction and disaster risk management activities and updating the new national threat assessment document.

Recommendation 14.2:

The Ministry of Environment and Natural Resources Protection should undertake the identification and mapping of hazardous activities.

Recommendation 14.3:

The Ministry of Environment and Natural Resources Protection should ensure that site-specific risk reduction measures are included in the EIA and environmental permits.

Recommendation 14.4:

The Government should initiate the process of joining key international response networks, such as the United Nations Disaster Assessment and Coordination teams, the Environmental Emergency Response Network and the International Search and Rescue Advisory Group.

Recommendation 14.5:

As soon as appropriate capacities for implementation are available, and pursuant to the Partnership and Cooperation Agreement with the European Union, the Government should ratify the Convention on the Transboundary Effects of Industrial Accidents.

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