

GEORGIA

Socio-economic indicators

	2002	2005
Income and poverty		
• GDP (million, constant 2000 USD)	3 380	4 345
• Annual GDP growth rate 2002-2005 (%)		8.7
• GDP per capita (PPP, constant 2000 international dollars)	2 183	2 842
• Poverty rate (% of pop. below USD 2/day)	25.8 ^a	
Demography		
• Population (million inhabitants)	4.61	4.47
• Urban population (%)	52.5	52.2
Economic structure (as % of GDP)		
• Agriculture	20.6	16.7
• Industry	24.3	27.4
• Services	55.1	55.9
Exports (% of total exports)		
• Agricultural products		37.0
• Fuels and mining products		20.3
• Manufactures		38.7
Financial flows		
• FDI (inward flows as % of GDP)	4.9	7.0
• ODA (% of GNI)	9.0	6.1

a) or closest available year.

Data based on PPP, constant 1993 international dollars.

Note: An international dollar has the same purchasing power over GDP as the USD has in the United States.

The poverty rate is the percentage of the population living on less than USD 2.15 a day at 1993 international prices.

Source: UNCTAD, World Bank, WTO.

Environmental priorities

The current NEAP does not reflect Georgia's environmental priorities. A new NEAP is currently being developed. For 2006-2007, the Georgian **Ministry of Environment** has the following priorities:

- Finalisation of licensing and permission system reform.
- Strengthening of environmental inspectorate.
- Forest management system reform.
- Replacement of existing water management system by integrated river basin management system.
- Development of protected areas system and ecotourism.
- Implementation of the waste management policy.
- Institutional strengthening of the Centre for Monitoring and Prognostication.
- Institutional strengthening of the Spatial Informational Centre.
- Development of tools for "debt-for-environment swaps".

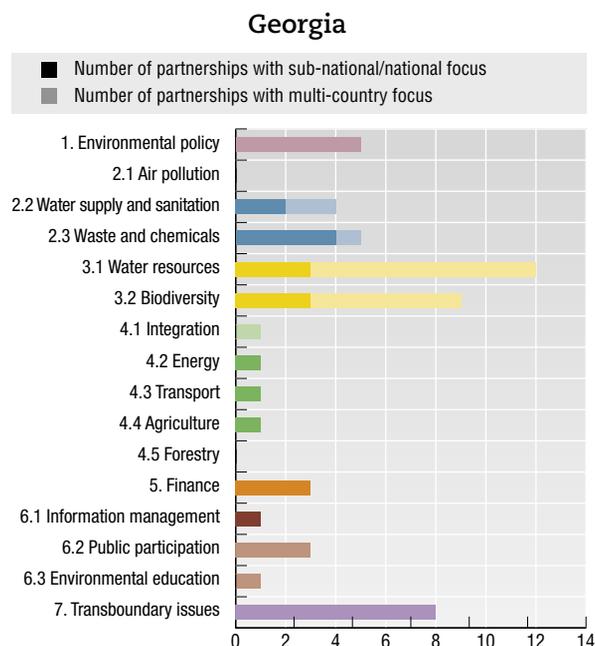
The **2000 Economic Development and Poverty Reduction Strategy (EDPRS)** identifies environment as one of the priorities to achieve the Strategy's wider objectives. It identifies 10 areas of environmental action:

1. Reform of environmental monitoring and enforcement systems.
2. Elaboration of a National Strategy for Sustainable Development aligned with the EDPRS.
3. Reform of economic instruments and environmental finance mechanisms.
4. Introduction of strategic environmental assessment.
5. Improvement of environmental planning systems (including public participation and monitoring plan implementation).
6. Development of legislation for territorial-spatial development planning, including protection and conservation of biodiversity and sustainable management of land resources (forest, water, minerals).
7. Setting up of a modern waste management system.
8. Reduction of land degradation, erosion, desalinisation and desertification of soil.
9. Improvement of water quality and its accessibility.
10. Clarification of rights and responsibilities of central, regional and local government bodies on environmental planning and implementation of environmental actions.

International co-operation

Georgia's main environmental co-operation partners include the European Commission, GEF, KfW, OSCE, USAID, the World Bank and the governments of Germany, Japan and the Netherlands and Norway.

Number of registered partnerships

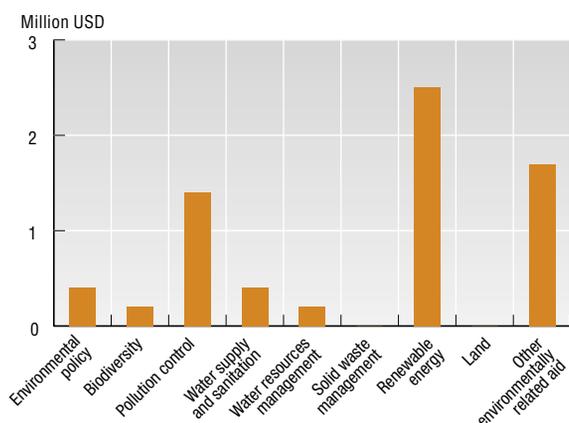


Note: The chart includes only the partnerships registered in the EECCA Partnerships Database as of 31 March 2007.

Source: EECCA Partnerships Database.

International assistance for environment

Environment-related ODA/OA to Georgia, 2003-05



Source: OECD DAC Aid Activity database, donors and IFIs reporting.

Implementation highlight

PERMITTING AND LICENSING REFORM

Georgia has embarked on a drive for public administration reform. One major element of the reform is the simplification of administrative procedures. In June 2005, a licensing and permitting law introduced the principles of "one stop shop" and "silence gives consent". Within this context, the Ministry of Environment has streamlined the environmental licensing/permitting system, going from 318 types of licenses/permits to 50 (see table). Equally important is the change in procedures. Under the new legislation, licenses are issued through auctions, and can be divided, sold or inherited. This reduces the scope for corruption in the allocation of licenses and increases their economic value. The net effect is an increase in economic efficiency as well as an increase in income for the State.

	Before	After
Use licences	25	6
Activity licences	34	7
Permits	6	10
Activities under EIA permits	318	28
Total	382	50

Source: Ministry of Environmental Protection and Natural Resources of Georgia.

Policy matrix

The following two pages summarise actions taken by the Government of Georgia that contribute to achieving the objectives of the EECCA Environment Strategy. Unless otherwise stated, information is taken from the EAP Task Force Questionnaire. Accordingly, the period covered is June 2003-June 2006 for qualitative information and 2002-2005 for quantitative information.

The other sources referred to in the matrix are:

- (1) Report to the Ramsar Convention.
- (2) Main text of this report (see thematic chapters for sources consulted).
- (3) Additional information provided by the Ministry of Environmental Protection and Natural Resources.

Considerable efforts were made to bring out relevant information, but the policy matrix is not exhaustive.

GEORGIA ENVIRONMENTAL

	Institutional strengthening (re-organisation, system creation, staffing, training, equipment)	Planning (SoE monitoring, analyses, targets, action plans, performance monitoring)	Command-and-control instruments (bans, direct regulation, permitting)
Air pollution	<ul style="list-style-type: none"> • Air Protection Division incorporated into the Integrated Environmental Management Department of the Ministry of Environment (3) • Rural EMEP monitoring station rehabilitated (3) 	<ul style="list-style-type: none"> • Action plan and programme for sustainable urban transport developed (3) 	
Water supply and sanitation			
Waste and chemicals		<ul style="list-style-type: none"> • Inventory of chemicals carried out (3) • Strategy and national action plan regarding chemicals developed (3) • Waste management law developed (3) 	<ul style="list-style-type: none"> • Permits on export and import of chemicals introduced (3)
Water resources		<ul style="list-style-type: none"> • Concept of water resources basin management developed (3) 	<ul style="list-style-type: none"> • Permitting system for water abstraction and wastewater discharge in place
Biodiversity		<ul style="list-style-type: none"> • Biodiversity strategy formulated (1) • PEEN pilot project carried out (2) • Management plan for Kolkheti protected area developed (1) 	
Integration into key economic sectors	<ul style="list-style-type: none"> • Energy and environment working group established • Forestry and environment working group established • Environmental training for energy staff introduced • National JI/CDM agency designated 	<ul style="list-style-type: none"> • Montreal Protocol Action Plan under implementation (3) • Wind energy potential mapped (2) 	
Cross-cutting	<ul style="list-style-type: none"> • MoE budget multiplied by 40 • Salary for department heads and senior specialists multiplied by 13 • Inspectorate created (2) • Enforcement law passed (2) 	<ul style="list-style-type: none"> • The effectiveness of environmental programmes is now assessed • Legal basis for self-monitoring established (2) 	<ul style="list-style-type: none"> • Administrative fines for non-compliance increased (2)

POLICY MATRIX

Market-related instruments (property rights, tariffs, charges, taxes, deposit-refund schemes, trading)	Information-related instruments (labelling, information disclosure, public participation, education, technical advice)	Direct provision of services (investment programmes, funding)	
			Air pollution
	<ul style="list-style-type: none"> • New labelling rules for chemicals introduced (3) 		Water supply and sanitation Waste and chemicals
	<ul style="list-style-type: none"> • Public awareness action plan developed for Kolkheti wetlands (1) 	<ul style="list-style-type: none"> • Funding for biodiversity agreed with BMZ, GEF, KfW, UNDP, UNEP and World Bank (3) 	Water resources Biodiversity
	<ul style="list-style-type: none"> • Specialist dealing with environmental education appointed in MoE • Agricultural advice programmes piloted (2) 		Integration into key economic sectors
	<ul style="list-style-type: none"> • Environmental compliance promoted through mass-media (2) • Aarhus Centre established (3) 		Cross-cutting