

JOHANNESBURG SUMMIT 2002

GEORGIA



COUNTRY PROFILE



UNITED NATIONS

INTRODUCTION - 2002 COUNTRY PROFILES SERIES

Agenda 21, adopted at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, underscored the important role that States play in the implementation of the Agenda at the national level. It recommended that States consider preparing national reports and communicating the information therein to the Commission on Sustainable Development (CSD) including, activities they undertake to implement Agenda 21, the obstacles and challenges they confront, and other environment and development issues they find relevant.

As a result, in 1993 governments began preparing national reports for submission to the CSD. After two years of following this practice, the CSD decided that a summarized version of national reports submitted thus far would be useful. Subsequently, the CSD Secretariat published the first Country Profiles series in 1997 on the occasion of the five-year review of the Earth Summit (Rio + 5). The series summarized, on a country-by-country basis, all the national reports submitted between 1994 and 1996. Each Profile covered the status of all Agenda 21 chapters.

The purpose of Country Profiles is to:

- Help countries monitor their own progress;
- Share experiences and information with others; and,
- Serve as institutional memory to track and record national actions undertaken to implement Agenda 21.

A second series of Country Profiles is being published on the occasion of the World Summit on Sustainable Development being held in Johannesburg from August 26 to September 4, 2002. Each profile covers all 40 chapters of Agenda 21, as well as those issues that have been separately addressed by the CSD since 1997, including trade, energy, transport, sustainable tourism and industry.

The 2002 Country Profiles series provides the most comprehensive overview to date of the status of implementation of Agenda 21 at the national level. Each Country Profile is based on information updated from that contained in the national reports submitted annually by governments.

Preparing national reports is often a challenging exercise. It can also be a productive and rewarding one in terms of taking stock of what has been achieved and by increasing communication, coordination and cooperation among a range of national agencies, institutions and groups. Hopefully, the information contained in this series of Country Profiles will serve as a useful tool for learning from the experience and knowledge gained by each country in its pursuit of sustainable development.

NOTE TO READERS

The 2002 Country Profiles Series provides information on the implementation of Agenda 21 on a country-by-country and chapter-by-chapter basis (with the exception of chapters 1 and 23, which are preambles). Since Rio 1992, the Commission on Sustainable Development has specifically addressed other topics not included as separate chapters in Agenda 21. These issues of trade, industry, energy, transport and sustainable tourism are, therefore, treated as distinct sections in the Country Profiles. In instances where several Agenda 21 chapters are closely related, for example, chapters 20 to 22 which cover environmentally sound management of hazardous, solid and radioactive wastes, and chapters 24 to 32 which refer to strengthening of major groups, the information appears under a single heading in the Country Profile Series. Lastly, chapters 16 and 34, which deal with environmentally sound management of biotechnology, and transfer of environmentally sound technology, cooperation, capacity-building respectively, are presented together under one heading in those Country Profiles where information is relatively scarce.

TABLE OF CONTENTS

CHAPTER 2: INTERNATIONAL COOPERATION TO ACCELERATE SUSTAINABLE DEVELOPMENT IN DEVELOPING COUNTRIES AND RELATED DOMESTIC POLICIES.....	1
CHAPTER 2: INTERNATIONAL COOPERATION TO ACCELERATE SUSTAINABLE DEVELOPMENT IN DEVELOPING COUNTRIES AND RELATED DOMESTIC POLICIES - TRADE.....	3
CHAPTER 3: COMBATING POVERTY.....	5
CHAPTER 4: CHANGING COMSUMPTION PATTERNS.....	7
CHAPTER 4: CHANGING CONSUMPTION PATTERNS - ENERGY.....	8
CHAPTER 4: CHANGING CONSUMPTION PATTERNS - TRANSPORT.....	11
CHAPTER 5: DEMOGRAPHIC DYNAMICS AND SUSTAINABILITY.....	13
CHAPTER 6: PROTECTING AND PROMOTING HUMAN HEALTH.....	15
CHAPTER 7: PROMOTING SUSTAINABLE HUMAN SETTLEMENT DEVELOPMENT.....	17
CHAPTER 8: INTEGRATING ENVIRONMENT AND DEVELOPMENT IN DECISION-MAKING.....	19
CHAPTER 9: PROTECTION OF THE ATMOSPHERE.....	22
CHAPTER 10: INTEGRATED APPROACH TO THE PLANNING AND MANAGEMENT OF LAND RESOURCES.....	24
CHAPTER 11: COMBATING DEFORESTATION.....	26
CHAPTER 12: MANAGING FRAGILE ECOSYSTEMS: COMBATING DESERTIFICATION AND DROUGHT.....	28
CHAPTER 13: MANAGING FRAGILE ECOSYSTEMS: SUSTAINABLE MOUNTAIN DEVELOPMENT.....	30
CHAPTER 14: PROMOTING SUSTAINABLE AGRICULTURE AND RURAL DEVELOPMENT.....	32
CHAPTER 15: CONSERVATION OF BIOLOGICAL DIVERSITY.....	34
CHAPTER 16 AND 34: ENVIRONMENTALLY SOUND MANAGEMENT OF BIOTHECHNOLOGY AND TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGY, COOPERATION AND CAPACITY-BUILDING.....	36
CHAPTER 17: PROTECTION OF THE OCEANS, ALL KINDS OF SEAS, INCLUDING ENCLOSED AND SEMI-ENCLOSED SEAS, AND COASTAL AREAS AND THE PROTECTION, RATIONAL USE AND DEVELOPMENT OF THEIR LIVING RESOURCES.....	38
CHAPTER 18: PROTECTION OF THE QUALITY AND SUPPLY OF FRESHWATER RESOURCES: APPLICATION OF INTEGRATED APPROACHES TO THE DEVELOPMENT, MANAGEMENT AND USE OF WATER RESOURCES.....	40
CHAPTER 19: ENVIRONMENTALLY SOUND MANAGEMENT OF TOXIC CHEMICALS, INCLUDING PREVENTION OF ILLEGAL INTERNATIONAL TRAFFIC IN TOXIC AND DANGEROUS PRODUCTS.....	42
CHAPTER 20 TO 22: ENVIRONMENTALLY SOUND MANAGEMENT OF HAZARDOUS, SOLID AND RADIOACTIVE WASTES.....	43

CHAPTER 24 TO 32: STRENGTHENING THE ROLE OF MAJOR GROUPS.....	45
CHAPTER 33: FINANCIAL RESOURCES AND MECHANISMS.....	49
CHAPTER 35: SCIENCE FOR SUSTAINABLE DEVELOPMENT.....	50
CHAPTER 36: PROMOTING EDUCATION, PUBLIC AWARENESS AND TRAINING.....	51
CHAPTER 37: NATIONAL MECHANISMS AND INTERNATIONAL COOPERATION FOR CAPACITY- BUILDING IN DEVELOPING COUNTRIES.....	52
CHAPTER 38: INTERNATIONAL INSTITUTIONAL ARRANGEMENTS.....	53
CHAPTER 39: INTERNATIONAL LEGAL INSTRUMENTS AND MECHANISMS.....	54
CHAPTER 40: INFORMATION FOR DECISION-MAKING.....	55
CHAPTER: INDUSTRY.....	56
CHAPTER: SUSTAINABLE TOURISM	58
ATTACHMENTS	59

LIST OF COMMONLY USED ACRONYMS

ACS	Association of Caribbean States
AMCEN	Africa Ministerial Conference on the Environment
AMU	Arab Maghreb Union
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
CARICOM	The Caribbean Community and Common Market
CBD	Convention on Biological Diversity
CIS	Commonwealth of Independent States
CGIAR	Consultative Group on International Agricultural Research
CILSS	Permanent Inter-State Committee for Drought Control in the Sahel
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COMESA	Common Market for Eastern and Southern Africa
CSD	Commission on Sustainable Development of the United Nations
DESA	Department for Economic and Social Affairs
ECA	Economic Commission for Africa
ECCAS	Economic Community for Central African States
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EEZ	Exclusive Economic Zone
EIA	Environmental Impact Assessment
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FIDA	Foundation for International Development Assistance
GATT	General Agreement on Tariffs and Trade
GAW	Global Atmosphere Watch (WMO)
GEF	Global Environment Facility
GEMS	Global Environmental Monitoring System (UNEP)
GESAMP	Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection
GHG	Greenhouse Gas
GIS	Geographical Information Systems
GLOBE	Global Legislators Organisation for a Balanced Environment
GOS	Global Observing System (WMO/WWW)
GRID	Global Resource Information Database
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IAEA	International Atomic Energy Agency
ICSC	International Civil Service Commission
ICSU	International Council of Scientific Unions
ICT	Information and Communication Technology
ICTSD	International Centre for Trade and Sustainable Development

IEEA	Integrated Environmental and Economic Accounting
IFAD	International Fund for Agricultural Development
IFCS	Intergovernmental Forum on Chemical Safety
IGADD	Intergovernmental Authority on Drought and Development
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organization
IOC	Intergovernmental Oceanographic Commission
IPCC	Intergovernmental Panel on Climate Change
IPCS	International Programme on Chemical Safety
IPM	Integrated Pest Management
IRPTC	International Register of Potentially Toxic Chemicals
ISDR	International Strategy for Disaster Reduction
ISO	International Organization for Standardization
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature and Natural Resources
LA21	Local Agenda 21
LDCs	Least Developed Countries
MARPOL	International Convention for the Prevention of Pollution from Ships
MEAs	Multilateral Environmental Agreements
NEAP	National Environmental Action Plan
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organizations
NSDS	National Sustainable Development Strategies
OAS	Organization of American States
OAU	Organization for African Unity
ODA	Official Development Assistance/Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
PPP	Public-Private Partnership
PRSP	Poverty Reduction Strategy Papers
SACEP	South Asian Cooperative Environment Programme
SADC	Southern African Development Community
SARD	Sustainable Agriculture and Rural Development
SIDS	Small Island Developing States
SPREP	South Pacific Regional Environment Programme
UN	United Nations
UNAIDS	United Nations Programme on HIV/AIDS
UNCED	United Nations Conference on Environment and Development
UNCCD	United Nations Convention to Combat Desertification
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCLOS	United Nations Convention on the Law of the Sea
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNDRO	Office of the United Nations Disaster Relief Coordinator
UNEP	United Nations Environment Programme

UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNU	United Nations University
WFC	World Food Council
WHO	World Health Organization
WMO	World Meteorological Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization
WWF	World Wildlife Fund
WWW	World Weather Watch (WMO)

CHAPTER 2: INTERNATIONAL COOPERATION TO ACCELERATE SUSTAINABLE DEVELOPMENT IN DEVELOPING COUNTRIES AND RELATED DOMESTIC POLICIES

Decision-Making: There are several governmental agencies responsible for international cooperation. Ministry of Foreign Affairs (MFA) is the leading Government institution with the mandate of managing international relations with foreign countries and international organizations. The MFA is the depository of all the international treaties and conventions of which Georgia is a part of; and it participates in the preparation and further monitoring of the implementation of international agreements. It also coordinates activities on mobilization of international technical and humanitarian assistance and monitors their implementation. There is no special provision in the status of the MFA for Sustainable Development. According to the Presidential Decree #161 of 28 April, 2001, the Ministry of Finance of Georgia is in charge of: coordinating all grants; humanitarian and technical assistance; all foreign investments in the Government sector; as well as ensuring targeted and efficient utilization of these financial resources and material base. The Ministry of Environment and Natural Resources is linked to sustainable development through the provisions in its mandate for environmental protection and sustainable use of natural resources of Georgia (see under Chapter 8).

Another government agency, with responsibilities in international cooperation, is the Foreign Investment Advisory Council (FIAC), which was created by the presidential decree #87 of March 30, 1997. It prepares recommendations for: determining the strategy for cooperation with international economic organizations; creating legislative and regulatory framework for development of investment activities and economic reforms; and for the elaboration of public investment policy. It also analyzes the strategy for cooperation with private investors and international economic organizations, and prepares draft agreements with the above-mentioned organizations and investors to be presented to the President of Georgia. Together with the MFA, the FIAC coordinates the implementation of projects, funded by bi-lateral grants, while the Ministry of Finance is responsible for international credit programmes.

Georgia has not yet elaborated the National Strategy for Sustainable Development. Priorities and objectives for environmental policy are defined in the National Environmental Action Plan (see Chapter 8). Main policy document defining the short-term development goals for Georgia is the Indicative Plan for Social and Economic Development that is produced annually by the Ministry of Economy, Industry and Trade. The document, however, is not legally binding. Furthermore, environmental considerations of this important document are limited to a subsection on Main Directions of Agriculture and Environment Protection. The Document prioritizes the protection of environment and natural resources, land management, and development of forestry. It envisages as national priorities: improvement of environment and healthcare protection; ensuring the sustainability of property and income sources towards the environmental factors; management of natural and manmade disasters; and increasing of efficiency of environmental protection and control management.

Programmes and Projects: The Poverty Reduction and Economic Growth Programme for Georgia is in the process of formulation.

Status: The Ministry of Environment, with the assistance of UNDP, the Government of Netherlands, and other donors, is preparing the National Strategy on Sustainable Human Development. Georgia has also signed a commitment on the creation of National Environmental Health Action Plan (NEHAP), which is yet to be prepared.

Capacity-Building, Education, Training and Awareness-Raising: The Government of Georgia does not have any specific public awareness, educational or training programmes on sustainable development, nor are they included in the curricula of Georgian Educational institution. This gap is partly filled by awareness raising and informational components incorporated into various donor-funded projects. However, there are a number of local and international NGOs that are very active in the area of sustainable development.

Information: Information on programmes and projects focusing on Sustainable Development is available through: the Ministry of Environment; UNDP; Technical Assistance to the Commonwealth of Independent States (TACIS); World Bank (WB); and a number of local NGOs. Information on some of these organizations is available at: http://cenn.virtualave.net/org_ge.html.

Research and Technologies: Various assessments and reports have crosscutting themes pertinent to sustainable development, while there is no specific research conducted on sustainable development.

Financing: There are no special provisions for Sustainable Development in the central or local budgets. Although Georgia is eligible for Capacity 21 resources, no funds have been allocated so far. Main sources of funding come from donor supported projects implemented in cooperation with the Ministry of Environmental Protection and other relevant institutions.

Cooperation: Ministry of Environment participates in international meetings at the ministerial level for the preparation for the World Summit on Sustainable Development to be held in Johannesburg in 2002. Georgia is a party to various international agencies for international conventions and treaties (see chapter 39)

* * *

CHAPTER 2: INTERNATIONAL COOPERATION TO ACCELERATE SUSTAINABLE DEVELOPMENT IN DEVELOPING COUNTRIES AND RELATED DOMESTIC POLICIES - TRADE

Decision-Making: According to the Article 81 of the Georgian Constitution and the Law of Georgia on the “Structure and Functioning of Executive power”, the Ministry of Economy, Industry and Trade is the main governmental institution in the policy making and coordinating function in these three sectors. The Ministry was created by the Presidential Decree #272 of June 26, 2000, after the merger of three ministries: Economy, Industry and a part of the ministry of Trade and Foreign Economic Relations. After the former Ministry of Trade and Foreign Economic Relations was abolished, its major part joined the newly created Ministry of Economy, Industry and Trade; and a small segment, in charge of WTO, was incorporated into the body of the MFA as a Commission for the relations with the WTO. Other relevant services involved in the trade sector are: the Taxation Inspection; Antimonopoly Service; Sanitary Epidemiologic and Phytosanitary Services; ecological police; and agricultural production licensing service.

The Indicative Plan for Social and Economic Development, produced annually by the Ministry of Economy, Industry and Trade, is the main policy document for short-term development of the import-export sector. The Ministry has also elaborated the Conception of Export of Georgian Production. In order to facilitate investment activities, the Government of Georgia established the Georgian Investment Center (GIC) in 1996 as a national investment promotion authority whose functions are defined by the Law on Promotion and Guarantees of Investment activities of June 1998. The GIC was created by the former ministry of Trade and Foreign Economic Relations with the support of UNDP and after the abolishment of the latter was reassigned to the MFA. Another relevant institution is the Georgian Export Promotion Agency (GEPA), supported by TACIS since 1999. The main function of GEPA is to contribute to sustaining economic development and reducing Georgia’s large trade deficit through expansion and diversification of exports. In addition to that, TACIS is sponsoring the Georgian-European Consultative Center for Policy and Legislative issues which provided Assistance to Georgia in the following issues: the accession to WTO; reflection of WTO obligations in domestic legislation; and harmonization of Georgian and European legislation.

Programmes and Projects: No information is available.

Status: Georgia has been working on bringing the laws, normative documents, taxes, duties and other trade related documentations in conformity with the relevant WTO agreements, after joining the WTO (see under Cooperation). Particularly, this concerns the agreements on: Import Licensing Procedures; Rules of Origin; Anti-Dumping and Countervailing Duties; Subsidies and Countervailing Measures; Safeguards; Agriculture; and etc. Georgia is working on changing the old Soviet standards and technical regulation to international ones, and is accomplishing the process of transition from mandatory to voluntary certification. In accordance with WTO requirements, a special law is being elaborated on application of the laws on: Measures for Domestic Market Security; Anti-Dumping Taxation; as well as the amendments to the Law on Customs Duties And Taxes. Georgia is also negotiating to join the agreement on Government Procurement. There is no national strategy, action plan or other policy document in Georgia with actions aimed at promoting sustainable development by means of changes in trade policies.

Capacity-Building, Education, Training and Awareness-Raising: Tbilisi State University and Technical University have special faculties of International Trade, Trade and Economics, as well as separate faculties for domestic and international Law. Although almost all donor-funded projects provide capacity building and training on various institutional levels, most of senior-level officials in this sector are Soviet trained professionals. In addition, there is still a lack of qualified human resources with the skills relevant to the transition to market economy. Georgian Export Promotion Agency has a major training and capacity building component and is funded by TACIS. In addition, TACIS has also supported the Government of Georgia in improving the legislation in the field of intellectual property to assist the country to fulfill WTO accession and Partnership and Cooperation requirements. Furthermore, It has supported: the capacity building and awareness raising of various organizations

on Intellectual Property, through creation and development of national training and info Centers; and training needs analysis and export-training courses for senior civil servants, regional administrations and Chamber of Commerce.

Information: Information on Georgian trade policies and programmes is available through: the Ministry of Economy, Industry and Trade; Georgian investment Center; and Georgian Export Promotion Agency. The GIC issues periodical Investment Guides and places relevant information on its website www.georgia.net.ge/gic. Georgian Export Promotion Agency also runs a website at: www.gepa.org.ge.

Research and Technologies: Formally, the Institute of Trade and Economy, together with the ministry, remain to be the key centers formally responsible for conducting all scientific research in the field of trade. In 1999, UNCTAD conducted the assessment of investment situation in Georgia and prepared recommendations for a comprehensive SWOT analysis (analysis on Strengths, Weaknesses, Opportunities and Threats). There is no local information or local research activity on links between sustainable development and trade policies.

Financing: Both the Ministry of Economy, Industry and Trade and the Ministry of Foreign Affairs are funded from the central budget.

Cooperation: Since independence, Georgia has established trade relations with more than 100 countries and has signed 22 agreements on trade and economic cooperation or economic relations. On June 26, 1996, the General Council of WTO awarded Georgia the status of WTO observer and, on October 6, 1999, Georgia entered the World Trade Organization. In April 2000, the Parliament of Georgia ratified the protocol on ascension and, on June 14, 2000, Georgia became the full member of WTO achieving the Most Favored Nation status along with 140 WTO member countries. Other international agreements, of which Georgia is a part of, are the Agreement on Trade on Civil Aircraft, and the Ministerial Declaration on Trade in Information Technology Products.

Canadian International Development Agency is sponsoring the Center for Trade Policy and Law within the Ministry of Foreign Affairs. In addition to the Technical Assistance programmes mentioned above (see under **Decision-Making and Capacity-Building, Education, Training and Awareness-Raising**), the US Agency for International Development (USAID) supported the preparation for WTO working parties through its World Trade Organization Accession project. This included: working with specific ministries on customs reform; preparation of a draft law in foreign trade; determination of sanitary and phytosanitary standards; and resolution of issues related to antidumping, countervailing duties and safeguard measures, etc.

* * *

CHAPTER 3: COMBATING POVERTY

Decision-Making: In view of the complex nature of poverty in Georgia and the continuing nature of anti-poverty programme, the decision making process from the very initial stage incorporated major stakeholders and relevant parties involved in the struggle against poverty. This process is closely related to the joint initiative of the World Bank and the IMF called “Highly Indebted Poor Countries” initiative, as well as with the Poverty Reduction and Growth Facility (PRGF) Programme of the IMF in Georgia. Halving poverty levels by 2005, while raising general living standards, was one of the current president’s priorities during his election campaign in 2000. A special Governmental Commission was set up under the chairmanship of the President of Georgia by the Presidential decree #678 of July 1, 2000, on Promoting Organisational Activities for elaboration of the “Poverty Reduction and Economic Growth Programme in Georgia” (PREGP), which stands for the Poverty Reduction Strategy Papers (PRSP). The Commission is divided into 5 Sub-Commissions on: Social Issues; Governance and Public Administration Reforms; Fiscal and Monetary policy; Agriculture; and Environmental Protection and Infrastructure. To ensure effective and coordinated activity of the above-mentioned Sub-commissions, the role of the Secretariat to the Governmental Commission, responsible for coordination of the whole elaboration process, has been assigned by the same Presidential Decree to the Service for Economic Reforms and Cooperation with International Organizations of the State Chancellery of Georgia.

Programmes and Projects: Disbursement of the of the new IMF Programme was made conditional on the development of “an Intermediary Document of Poverty Reduction and Economic Growth Programme” prepared by the Government with the support of the civil society. The document was adopted on November 28, 2000 by the Governmental Commission for Elaborating the Poverty Reduction and Economic Growth Programme of Georgia. In December 2000, the IMF, World Bank, UNDP and other International Organizations and donor countries, which have expressed their willingness to assist Georgia in realization of the presented Programme, were consulted on the Intermediary Document. On January 11-12, 2001, the Intermediary Document was discussed and consequently adopted by the IMF and World Bank’s Board of Directors. As mentioned above, the IMF Board of Directors adopted its new three-year Programme of PRGF in the framework, of which approx. US\$ 141 million of concessional loan shall be received.

Status: The initial deadline of December 2001 for the final PREGP document was extended till March 2002. The present Strategic Programme, worked out by the Government of Georgia, is based on the Intermediary Document of Poverty Reduction and Economic Growth Programme. This Programme is drafted for short-term (3 years), medium-term (7 years), and long-term (15 years) periods, and it represents the Government’s Strategic Statement on the ways and directions to enable the country to overcome the crisis and to ensure its future sustainable development and growth. While preparing the programme, the government has recognized that institutional weaknesses of the national agencies, the large-scale shadow economy, and corruption are the main reasons for the current decline in economic growth and the reduction in mobilized budgetary resources. The government has further recognized that raising the efficiency of the budgetary process and ensuring transparency and fair distribution of state resources are necessary preconditions for reversing this trend.

Capacity-Building, Education, Training and Awareness-Raising: A number of international donors (EU; USAID; The Department for International Development/DFID; World Bank; IMF; and UNDP) have expressed their readiness to provide technical assistance to the PREGP preparation process, in close cooperation with the Government of Georgia. UNDP was charged with the role of facilitating the donor response to the needs of the PREGP process and was asked to coordinate and later on to prepare a framework of assistance to be provided by the international community in Georgia to the Government of Georgia. The framework addresses the issues of: improvement of coordination among and between government institutions; improvement of the content of PREGP; as well as enhancing public participation in the preparation of PREGP. These issues will be addressed through provision of both international and local advisory capacity and through provision of necessary tools and resources. The publication of the National Human Development Report of 2000 has been an important step in attracting public attention: to the state of, and to the access to basic social services; and to the fact that, despite on-going reforms in health and education, many of the services in these spheres are out of reach to the poorest strata of the population.

The Government of Georgia has drafted a Communication Strategy for the Poverty Reduction and Economic Growth Programme with the primary objective of establishing a public dialogue through carrying out a countrywide public awareness. The Strategy, drafted by the Information Center for Economic Reforms, with the support of the World Bank, aims at: creating public awareness and support of the new initiative through systematic meetings with the society in Tbilisi and in the regions of Georgia; preparation of a special weekly analytical television programme to be broadcasted on the first channel of Georgian Television; and involvement of private television companies to ensure full coverage of Poverty Reduction campaign, thematic radio programmes, countrywide distribution of pamphlets and booklets with core aspects of the Poverty Reduction and Economic Growth Programme.

Information: Information can be obtained through the Aid Coordination Agency of the Foreign Investment Advisory Council (FIAC), as well as the major donor agencies involved in the programme: World Bank; IMF; UNDP; and USAID. The PREGP is also posted on the IMF and World Bank websites at www.imf.org or www.worldbank.org/ge, as well as at <http://www.georgia-gateway.org>.

Research and Technologies: To date, the most influential documents on poverty in Georgia are the World Bank Poverty reports of 1999 and 2001. UNDP has collaborated with the World Bank at the earlier stage through funding a Qualitative Poverty Study component. Currently, UNDP is funding the preparation of the National Human Development Report for 2001, which will also undertake: an independent poverty assessment; analysis of determinants of poverty; and identification of potential indicators for the PREGP, which is due on November 15, 2001 and will be posted on the website of UNDP Georgia at www.undp.org/ge. Information on a broad variety of surveys and studies on vulnerability and poverty is available at www.assistancegeorgia.org.ge, which is the initiative of the Save the Children's Georgia Assistance Initiative (GAI) Programme funded by USAID and which is hosted by Open Society Georgia Foundation.

Financing: See under **Cooperation**.

Cooperation: It is expected that the PREGP will be largely supported by the international donor funding on the basis of the final document. Georgia will receive approximately US\$ 141 Million of concession loan within the new three-year Programme of "Poverty Reduction and Growth Facility" adopted by the IMF Board of Directors. The first tranche worth US\$ 12 million was made available immediately after the approval of the PRGF Programme, and the second tranche of equal amount was provided in March 2001. The Third Structural Adjustment Credit of the World Bank, which is poverty focused, would aim at reducing poverty by supporting policies designed to accelerate broad-based income growth and supporting improvement of the quality of basic social services and sharper targeted social assistance. Nordic countries and the United Kingdom will also base their bilateral aid on the recommendations of the final PREGP document.

* * *

CHAPTER 4: CHANGING CONSUMPTION PATTERNS

Decision-Making: No information is available.

Programmes and Projects: No information is available.

Status: No information is available.

Capacity-Building, Education, Training and Awareness-Raising: No information is available.

Information: No information is available.

Research and Technologies: No information is available.

Financing: No information is available.

Cooperation: No information is available.

* * *

CHAPTER 4: CHANGING CONSUMPTION PATTERNS - ENERGY

Decision-Making: Currently, there are three main institutions involved in the energy sector: The Ministry of Fuel and Energy; State Energy Regulatory Commission; and the Electricity Wholesale Market. The Ministry is the main policymaker in the energy sector while the Commission has the pricing and licensing functions. The Ministry of Fuel and Energy was created by the Law of Georgia on Establishing the Ministry of Fuel and Energy of June 26, 1996. On behalf of the Government of Georgia, it is fully in charge of formulating and implementing consistent energy policies, as well as to ensure that the impact of the sector on the environment is kept on a minimum. Regulatory and operational functions have been separated from the Ministry and transferred to the State Energy Regulatory Commission, which is responsible for licensing and tariff formation. The Agency for Sustainable Development within the Ministry of Energy was created in 1996, but the Agency does not have any decision-making authority and mainly focuses on the research for the use and development of energy sources and especially on of solar and other sources of renewable energy.

With the help of USAID, Georgia approved a modern Petroleum Law in April 1999. The Georgian Law on Oil and Gas created a new State Agency for the regulation of Oil and Gas resource. According to the presidential decrees #833 (July 29, 2000) and #1162 (October 28, 2000), on the basis of 66 municipal energy distribution companies in Eastern and Western Georgia, eight regional energy distribution companies were formed considering the regional principle. The Ministry of Fuel and Energy of Georgia considers, that taking into account the number of population of Georgia, and in order to attract a serious strategic investor, it is advised to amalgamate these eight distribution companies in to one or two companies and privatize them. This suggestion of the Ministry of Fuel and Energy of Georgia is shared by the international institutions working on energy issues, as well as donor and consultant organizations.

The Ministry has elaborated the National Concept Document for Energy Policy in Georgia, which stipulates main directions for the development of Energy Sector and acknowledges the importance of the sustainable use of energy and development of environmentally sound energy sources. However, there is no specific plan of action or a strategy for the implementation of these priorities.

Programmes and Projects: The State Programme of Recovery of Energy Sector is mainly oriented on: rehabilitation of active capacities of production of substitute sources of energy (fuel, gas, coal); search of new sources of energy and activation of new capacities; and functional improvement of energy processing and distribution-transmission services. The programme also aims at: improvement of revenue collection in the energy sector; reconstruction of natural and liquid gas industries; reconstruction and enhancement of existing hydro energy capacities; and etc.

Status: Georgia is suffering from a severe shortage of electricity supply. The power stations produce less than a half of designated capacity of 2 700 MW due to obsolescence and poor maintenance of facilities. The country's only operational thermal plant generates only 20-30% of its nominal capacity and is running on imported gas and fuel oil. The use of renewable sources of energy is far below the country's potential. Despite the ongoing reform and significant donor financing, there has not been any improvement in the energy sector. The total consumption of electrical power has decreased 3-4 times as compared with 1989, while the consumption of natural gas and oil has decreased by 6 and 3,5 times respectively. Since 1997, the energy tariff has increased by 2.4 times, and by September 1, 2000, the price for 1 KW/h constituted 9.8 Tetri in Tbilisi, and 8.3 Tetri for the rest of Georgia. According to the data of the State Department of Statistics (SDS), the average monthly expenditure for electricity consumption for one family reached 15.5 GEL in the first half of 2000, which is 21.5% of the average monthly salary in the country.

Before independence, the energy sector was managed by the Ministry of Energy with its vertically integrated entity, Sakenergo (Georgian Energy), which comprised of facilities in charge of energy generation, transmission, distribution and dispatching. As of 1997, a major reform in the energy sector has been implemented upon request and with the support of the World Bank Energy Sector Assistance Credit (ESAC). The reform envisaged the dismantling of the existing centralized structure into three separate entities responsible for energy generation, transmission, and regional energy distribution. The structural reform was also accompanied by the privatization and

leasing of small hydroelectric plants and distribution facilities. In this process, various small privatized distribution companies were consolidated into 45 major companies. The Energy transmission facility was divided into two parts with the separate functions of dispatching and transmission. The revenue collection and commercial functions were handed to a newly created wholesale electrical energy market. Another outcome of this restructuring was the independent National Energy regulatory Commission, which was established by the Law on Electricity, enacted in 1997.

Capacity-Building, Education, Training and Awareness-Raising: There is a special faculty of Energy in the Technical institute as well as other related disciplines in the Tbilisi State University and the Technical University. However, there are not specialized course on sustainable use of energy in any of those institutions. As for the capacity building and training programmes for the institutions involved in the energy sector, they have been mostly provided by donor-funded projects. In this regard, the most significant was the UNDP and the World Bank support to the institutional development and capacity building of the Georgian International Oil Corporation. USAID is planning to support the Georgian State Agency for Oil and Gas through training programmes and equipment. It will also provide training and expert consultations to build the capacity of ministerial, parliamentary and regulatory bodies management and staff to implement these laws and policies.

Information: Most of the official documents, laws and other relevant information on Energy Sector are available at www.georgia-gateway.org.

Research and Technologies: In the conditions of severe energy crisis and absence of adequate financial sources the Government has little capacity to alter the existing consumption patterns and to introduce new capital-intensive energy-efficient technologies.

Financing: One of the main problems of the energy sector in Georgia is related to shortage of funds, which is mainly due to poor revenue collection and inefficient management of international financial assistance. The pricing function is fully with the energy regulatory commission, which calculates the weighted average tariff on the basis of various historical expenditures and estimates submitted by license-holding companies. Collection of revenues is the function of local distribution companies, which often fail to collect dues from the population. On May 3, 2001, Board of Directors of the Association for International Development approved US\$ 27.4 million credit for Georgia for the World Bank project “On Assistance to Energy Market”, which will be used to rehabilitate and reequip energy transmission and dispatching systems. The project envisages transfer of management right of energy wholesale market, “Electro-transmission” and “Electrodispechirization-2000” to a serious management for 5 years. Until recently the Government was using the energy sector as means for providing social protection to the population. Two categories of vulnerable population were provided with unlimited electrical energy allowances: (i) pensioners with special status and Internally Displaced Persons (IDPs) (100% allowance), and (ii) certain types of civil servants (50% allowance). The costs for electricity, used by these categories of citizens, were covered by the State Budget. This approach proved to be inefficient and as a consequence, the Government gradually abandoned the system of energy allowances and introduced the system of targeted budgetary support to the poorest parts of the population.

Cooperation: There have been numerous international donor agencies and private companies involved in the energy sector. Among the major interventions are: the World Bank Energy Sector Adjustment Credit; Energy Sector Rehabilitation project; Electricity Market Support Project; Energy Transit Institution building project; Japanese Power Rehabilitation Project; KfW-implemented (Kreditanstalt für Wiederaufbau) energy projects with German funding; and EU funded Technical assistance projects for energy sector management and energy sector reform as well as rehabilitation of Enguri hydropower complex. As for international donor initiatives in this field, one of the most noteworthy is the support provided by international community to the Georgian International Oil Corporation (GIOC), which was created in 1995 and was entrusted with the power to represent the State of Georgia in matters related to the oil industry. The support is mainly directed to construct and reconstruct means of oil transportation, including pipelines and other related infrastructure on the territory of Georgia. Beginning from January 1996, GIOC has been receiving continuous assistance from: the USAID; the United States Trade and

Development Agency (USTDA); UNDP; EU; the World Bank; and the British Know How Fund. The purpose of this assistance is to provide advice on the establishment of a credible oil transportation system in Georgia. The project, supported by UNDP, aimed at contributing to the mitigation of Georgia's energy crisis by assisting the GIOC in: (i) increasing its managerial and technical knowledge and know-how; (ii) and developing a high-level competency to carry out the construction work and studies, needed to attract domestic and foreign investors, and to extend GIOC's activities in a profitable and sustainable manner, as well as to enable the Corporation to meet its commitments with regard to the construction of oil pipelines. The project also envisaged setting up a strong and competent environmental group at GIOC, necessary to carry out the requirements of the Early Oil Pipeline Project that concerns the transport of early crude oil from the Caspian Sea through Georgia". The agreement with the oil companies entitled GIOC to carry out an environmental monitoring of the Early Oil Pipeline construction and operation, as well as to examine and approve the comprehensive environmental impact assessment (EIA) and baseline study. For the first time in Georgia, an environmental group was set up within GIOC capable to successfully apply, and adapt to Georgia's environmental requirements and the international approaches and practices.

UNDP has provided Technical Assistance for the Development of Solar Based Systems and for Removing Barriers to Energy Efficiency in Municipal Heat and Hot Water Supply focusing on the capital of Georgia and other major cities. The USAID initiative "for More Sustainable Energy Sector" focuses on the systemic economic reform of the energy sector, emphasizing the creation of favorable investment climate and improvement of energy efficiency with subsequent increases on capital and operating resources. It also will provide technical assistance to ministries, state owned electricity and gas transmission enterprises, electricity and gas distribution enterprises as well as to the Electricity and Natural Gas Regulatory Commission in order to facilitate conservation and rehabilitation of electricity generation and distribution systems, as well as gas transmission and distribution systems.

* * *

CHAPTER 4: CHANGING CONSUMPTION PATTERNS - TRANSPORT

Decision-Making: The Ministry of Transport and Communications was created after the merger of two independent ministries of transport and communications. The Ministry is a purely political body with a broad policy making, legislative, and monitoring functions. Regulatory functions lie with independent self-financing entities, associated with the Ministry, such as Aviation, Railroads, Road Transport, and maritime departments. On July 30, 2001, Learning and Innovations Law for the Restructuring the Ministry of Transport and communications was adopted, which regulates the activities in the transport and communications sectors. There are various codes and normative acts, which regulate separate sectoral activities (Roads Code and Maritime Code are already in force. Railroads and road transportation are under preparation).

Programmes and Projects: The Presidential Decree of 1996 established Presidential Programme for Rehabilitation and Modernization of the Roads, which was declared to be a high priority for the economic development of Georgia. On September 22, 1997, the Concept Paper of Transport policy was approved by the Presidential Decree # 528 laying basis for Presidential Programme on transport sector development. This document was elaborated by experts from the Ministry of Transport and its sectoral departments together with the Parliamentary Committee of Economic Sector Development and academia. The Concept Paper provides the basis for the development of transport system and defines the principles of system organization, the role of the state in the transport system management, and organizational structures involved in the implementation of the transport policy. It covers the main aspects of economic policies in the sector (investments and credits, privatization, restructuring, tariffs, taxes and customs).

Status: The present state of transport sector is characterized by: depreciated and redundant transport infrastructure; shortage of investments and weak managerial capacity; absence of reliable statistical data and economic indicators; and etc. However, in contrast to other sectors, the development of the transport sector of Georgia has been relatively stable. Certain improvements were achieved in this sector in 1999. According to the preliminary data of the year 2000, in the period from January through July, the volume of the cargo transported by all kinds of general transportation facilities constituted 16.8 million tones, which exceeds the same indicator from the previous year by 22.8%. The relatively stronger performance of the transport sector indicates the favorable geopolitical situation of the country, which serves as a transport corridor for Eurasia. The project of constructing the Baku-Supsa oil pipeline for transportation of the Caspian Oil has been already implemented and to date 2.4 million tones of crude oil has been shipped from the Supsa Terminal. Construction of a bigger pipeline connecting Baku-Tbilisi-Ceyhan is also projected with the estimated annual capacity of 50 million tons.

In recent years, the number of passengers, which are transported by the public transportation facilities, has increased. In the first seven months of this year, this number has increased by 6.7% compared to the same period of the previous year. This was primarily due to the improvement of service level in this sector. In the same period, the city electric transportation usage, which is used mostly by the poorer parts of the population because of the cheap tariffs, has also increased by 16.5% (84.6 million people) compared to the previous year figures. Despite the fact, that the transportation costs are a significant portion of average income, totaling 13 GEL during the 1st half of the year 2000 (according to the data provided by the SDS), the number of passengers is constantly growing. During the winter period, the population is forced to use more expensive means of transportation due to frequent electricity cuts. State transportation allowances were used to provide from the central budget to certain categories of the population, but as in the case with the electricity allowances, this arrangement was gradually substituted by the targeted budgetary support to the most vulnerable parts of the society (for instance, individual tickets for using the metro were purchased for the IDPs).

Capacity-Building, Education, Training and Awareness-Raising: There is a special faculty of Transport at the Georgian Technical University.

Information: Information about the transport sector is scattered and not easily available. The donor-funded projects are the most reliable sources of information on specific issues.

Research and Technologies: Information is not available.

Financing: The Ministry of Transport and Communications is financed from the central budget, which covers only the administrative costs. As for the implementation of special programmes in various sectors, donor grants and credits remain the main source of funding. Tariffs in each branch of the sector are established by sectoral departments and are revised and approved by the Ministry. For the purpose of the road infrastructure improvement, the Municipal Development Fund envisages rehabilitation of about 900 thousand m² of the road pavement, which will significantly contribute to the improvement of internal city roads countrywide. The Projects, implemented by the Municipal Development Fund, will serve around 150 thousand vehicles daily. Municipal Development Fund is also investing in urban transport infrastructure through the project on “Electric Transport Improvement in Tbilisi”, which will promote the safe and unhampered operation of the City Metro, which serves 110 million passengers per year.

Cooperation: Special consideration is given to the promotion of integration of Georgia in the international transport system through transport corridors, given the country’s strategic geo-political location. Georgia is participating in the Transport Corridor Europe Caucasus Asia (TRACECA) regional project, developed within the EU TACIS. The Concept Paper acknowledges the importance of sustainable development of transport sector by defining the goal of the state policy as a harmonized and coordinated development of all transport sectors: to reduce harmful impact over the environment; to enhance monitoring and reporting capacities; and to formulate sound safety, environmental and social standards. Development of transport sector is also stipulated as a country priority in the Poverty Reduction and Economic Growth Programme of Georgia, which is currently being finalized.

Georgia is a signatory to the majority of international agreements and conventions such as: Geneva Convention of 1956 on the Contract for the International Carriage of Goods by Road; International Convention on Road Traffic of 1968, ratified in 1994; Vienna Convention on International Sale of Goods; Convention on International Carriage of Goods by Sea (Hamburg Rules); Customs Convention on Containers; Convention on Harmonization of Frontier Controls; Convention on International Civil Aviation and International Air Transport; Air Service Transit Agreements, and etc. Georgia is also a member of international organizations such as IMO and International Civil Aviation Organization (ICAO). There has been extensive international involvement in the development of transport sector in Georgia. The World Bank is funding Restructuring the Ministry of Transport and Roads projects, in addition to already completed Transport Rehabilitation project, which aimed at supporting the policy reform in the sector and restructuring of various institutions in accordance with the demands of market economy.

UNDP and European Bank for Reconstruction and Development (EBRD) had separate projects for Tbilisi airport Reconstruction and UNDP has funded the preparation of civil aviation master plan implemented by ICAO. EBRD has also been funding rehabilitation of the Black Sea port of Poti and upgrading of the Trans-Caucasian Railway, linking the ports of the Black Sea to Baku port in Azerbaijan. USAID is funding a Technical Assistance (TA) project on Transport Infrastructure Integration by planning viable freight rail service between Georgia and Armenia. The purpose of the EU TACIS regional TRACECA project is to promote the development of Europe-Caucasus-Asia transport corridor for the promotion of regional integration and increasing the turnover of goods between these regions, increasing economic viability of TRACECA member countries and overall improvement of regional stability and security.

* * *

CHAPTER 5: DEMOGRAPHIC DYNAMICS AND SUSTAINABILITY

Decision-Making: State Service for Family, Demography, Children and Women Issues at the State Chancellery is mainly responsible for women and children issues and, in the absence of a well-defined state demographic policy, does not have a decision-making authority. Under the initiative of UNFPA, the State Committee has been created to follow up on the main targets of ICPD Plan of Action, since there has been no immediate follow-up to ICPD Conference. The main targets are: Reproductive Health; Environment; Sexually Transmitted Diseases; and etc. There is no National Plan of Action for Georgia.

The State Department for Statistics of Georgia is the governmental institution of the executive power of Georgia in charge of statistics and coordinates its implementation in line with the Constitution of Georgia, the Law of Georgia "On Statistics" and other legislative and normative acts and provisions. State Department of Statistics is officially responsible for the collection and processing demographic data, data analysis and reporting. Simultaneously, there is a Department of Demographics created within the newly established Ministry of Labor, Health and Social Affairs. The mandate of the Department of Demographics partly duplicates the mandate of the SDS in the way that it also collects, stores and analyses the data mainly related to healthcare and social protection. There is a special Census Central Committee, created within the Government by the presidential decree of 31 December, 2000, chaired by the Minister of State, which comprises various sectoral ministries. The Law on Statistics was adopted on 11 December, 1997 to provide the legal framework for the activities in this sector.

Programmes and Projects: The only relevant document is the National Programme on Reproductive Health of the Ministry of Labor, Health and Social Affairs of Georgia.

Status: The ICPD Plan of Action have been reflected in five components of the National Programme on Reproductive Health of the Ministry of Health of Georgia prepared with the support of UNFPA Country office in Georgia. This Programme links the ICPD Plan of Action with the National Health Policy adopted in 1999 (see Chapter 6). Assessment of Georgian legislation in support to ICPD targets was conducted by local experts with the support of UNFPA. UNFPA umbrella project has also funded the assessment of the Georgian legislation in support of the ICPD Plan of Action.

Lack of coordination and most of all, funding has been the reason of postponement of the population Census that was due in 1999. Last census was conducted in 1989. Currently the State Department of Statistics is preparing for the implementation of Population Census in 2002. While the Census is officially starting on 19 January, 2002, several pilot censuses are being conducted in various remote regions of Georgia.

Capacity-Building, Education, Training and Awareness-Raising: Almost all donor-funded projects on Reproductive Health and Family Planning have capacity building and training components. UNFPA has conducted two seminars in 2000 and 2001, where preliminary and final reports of the Reproductive Health (RH) survey have been presented. In the framework of the Census support project, UNFPA has completed the capacity building component for the Census implementation group as well as the training on census preparation on the regional level with the participation of Georgia and Armenia. Interagency round table on RH, reproductive rights and demographic issues was held in December 2000 presenting to the GOG, NGOs and donor community the National Programme on Reproductive Health. UNFPA together with the National Aids Center supports awareness raising campaigns on Sexually Transmitted Diseases and HIV/AIDS.

Information: Both State Department of Statistics (SDS) and Department of Demographics publish periodical statistical reports and publications. Information on UNFPA activities in Georgia is available through UNFPA office and at www.undp.org/ge. There is very little coordination between the State Department of Statistics and the Department of Demographics in the area of demographic data collection and analysis. This is often reflected in the discrepancy of the statistical data collected and published by these two institutions (the error margin being 23-20%).

Research and Technologies: There are a number of scientific organizations involved in the demographic research. In addition to the SDS and Ministry of Labor, Health and Social Affairs, which have their own research departments, the leading research bodies in the field of demography are: the Institute of Demographics; Georgian Demographic Association; and Demographic Scientific-research laboratory of Tbilisi State University. Recently, the SDS won the tender announced by the Southampton University for the implementation of the Programme of Improvement of Social Statistics. The Programme, which is presently undergoing juridical expertise, aims at introduction of new data collection and processing methodologies in the SDS and regional Public Health Offices of the Ministry of Labor, Health and Social Affairs, which will be responsible for the collection of vital statistics and transferring them to the SDS. This methodology is supposed to improve the reliability of data and reduce the error margin between the databases of the SDS and Ministry of Labor, Health and Social Affairs. In order to obtain more reliable data, UNFPA conducted a Reproductive Health Survey in 1999-2000. Preliminary results showed that geographic and socio-economic patterns are reflected on health status of women in Georgia, the reason being unequal distribution of state funds to different regions. Equal access to quality reproductive health services and information is the most critical issue, particularly, for the population of poorer regions/undeserved areas.

Financing: Both the State Department of Statistics and The Ministry of Labor, Health and Social Affairs are funded from the central budget. UNFPA has provided funding for inventory and logistical support for the Census preparation.

Cooperation: UNFPA has assisted the Government of Georgia through a number of projects on Reproductive Health and Family Planning.

* * *

CHAPTER 6: PROTECTING AND PROMOTING HUMAN HEALTH

Decision-Making: The Ministry of Labor, Health and Social Affairs with its regional departments and regional Health Funds is the main body responsible for policymaking in the Area of Health care and social protection. The Ministry was created in 2000 after the merger of the Ministry of Health and of Labor and Social Protection. All legislative activities in the area of healthcare are initiated by the Ministry and prepared in cooperation with the Parliamentary Committee of Health and other major stakeholders and submitted to the Government for approval. Main legal acts in Healthcare include: the Law of Georgia on Health Care of 12 November 1997; the Law of Georgia on Protective Sanitary Zones of Health Resorts and Resort Localities; and the Law on the Protection of Patients' Rights of 1999.

The Public Health Department, created on the basis of the former primary public health (PH) and sanitary-epidemiological system functions physically and organizationally within the Ministry, but also enjoys relative autonomy, and through its regional PH departments, implements public health programmes, such as immunizations, infectious diseases, disease prevention etc. Municipal Health Funds administer both the mandatory part of the basic healthcare package as well as any voluntary Programme financed by the municipalities.

In 1999, the Georgian National Health Policy was elaborated by the direct order of the President of Georgia and in collaboration with the WHO/EURO. It included the health priorities of the country, priority selection criteria, goals, objectives and implementation strategies. It also defines the levels of responsibility of different sectors, monitoring and evaluation tools, principles of management and coordination of the policy implementation process. The National Health Policy is an integral plan of the presidential programme. The state commission, headed by the President, supervises its implementation. The document provides targets and strategies for multisectoral cooperation in accordance with the requirements of sustainable development and covers issues related to water and air pollution, atmosphere, hazardous wastes, ionizing exposure etc. Another major policy document of the Georgian Government is the Strategic Health Plan of Georgia, which covers the timeframe from 2000-2009 and encompasses the current health situation, major aspects of health policy in the new century as well as the recommendations and methodology for implementation of the Strategy. This document also describes the environmental determinants of health and stipulates the physical and socio-economic environmental factors affecting health.

Programmes and Projects: Based on the above-mentioned policy and strategic documents, the Ministry is starting the elaboration of targeted programmes to be approved annually by the Parliament. The Poverty Reduction and Growth Programme of Georgia repeats the priority programmes for the Healthcare sector including: institutional capacity building; reform of the pharmaceutical sector; efficient aid in hospitals; reform of sanitary and epidemiological services; improvement of the primary healthcare; and etc.

In 1995, a programme of healthcare reform started with the support and inspiration of the international organizations, particularly the World Bank Healthcare Rehabilitation Project. This reform envisaged the transformation of the National Health Service to a social insurance system, whereby the state would maintain its influence on the health system through strengthened regulatory, financing and licensing mechanisms while withdrawing from the actual healthcare.

Status: No information is available.

Capacity-Building, Education, Training and Awareness-Raising: The State Medical University is the leading educational institution, which trains healthcare practitioners/physicians. Within the University, the Faculty of Sanitary Hygiene covers environmental aspects and concerns of healthcare. There are also a number of private medical institutes, which awards Medical Doctor's degrees and several tertiary education institutions and colleges where mid-level medical personnel is trained. While these institutions are licensed from the Ministry of Education and therefore, the responsibility for their quality lies within the latter, the Ministry of Health is responsible for the certification of medical personnel graduating from these institutions. As for the preparation of public health specialists, there is no specialized institution specifically designed for that purpose or with specially designed courses on issues pertinent to public health. Instead, majority of staff employed in the public health sector are physicians by training or belong to related spheres (biology, biochemistry, etc). Center for Continuous Medical Education, created on the basis of the former Soviet Doctors' Retraining Institute, provides training courses on

major issues of Public Health for healthcare personnel. National Health Management Center also: provides minimal training of healthcare practitioners; participates in the legislative process; and performs various research activities upon the request of the Ministry of healthcare. Capacity-Building, Education, Training and Awareness-Raising on healthcare are major components of all UNFPA supported projects.

Information: Currently the Ministry is building the website where all laws, policy documents and programmes will be placed for public use. The website is planned to be up by 2002. In the meantime, the Ministry publishes semiannual reports, which are distributed to the Government, international donor community and other interested parties. UNICEF and WHO also issue regular reports that contain updates on the situation in the healthcare sector in Georgia.

Research and Technologies: In the Soviet times, there was a wide network of research and scientific institutes funded by the state and specializing on various fields of medical and biological sciences with the Academy of Medical and Biological Sciences being the hub of scientific research conducted in this field. Many of these institutes (institute of Biology, Morphology, Pharmaceutical chemistry, etc) are still functional but due to the shortage of financing depend totally on occasional funding sources coming from international and state grants. Other institutions involved in the research work are various local NGOs, which conduct assessments and surveys for the Ministry and international donors mainly funded by the latter. The Government also tries to support research activity within the framework of the State Programme for the support of Science and Education and allocates up to GEL 130,000 of grant funds for 10 research proposals annually.

Financing: State financing for the Healthcare projects is provided by the State Medical insurance Company, which mobilizes its resources through the obligatory insurance deposits charged to the labor remuneration funds of different enterprises and organizations, as well as through the subsidies from the central budget. The State Medical Insurance Company was created by the Law on Medical Insurance and it replaced the State Health Fund in April 1998. It is responsible for administering the financing of the State Compulsory Medical Insurance Programmes on Tuberculosis, Psychiatry, and Insulin Dependency. Central budget transfers are designated for those state programmes for which the Ministry of Labor, Health and Social Affairs is responsible. There are also separate allocations in the central budget for: the Ministry of Defense, Ministry of Interior, Ministry of State Security, State border Defense Department and Government Security which are not under the healthcare budget line item but under the respective Governmental agencies. Although the international financing organizations demand from the Government to earmark health allocations in the central budget, in most cases the sector has to compete with other funding priorities. In 1999, total general budget contributions to the national health bill amounted to 8.89% of the National health Expenditure (4 US\$ in per capita terms), which was only 55.3% of the approved budget under the budget law. Other additional sources of funding also include municipal funding through mobilization of municipal taxes and budget transfers.

Cooperation: Major International organizations and programmes, involved in the Healthcare sector, are: the World Bank; UNICEF; WHO; UNFPA; UNAIDS; USAID; DFID; as well as a plethora of national and international NGOs. The US\$ 14 million World Bank project aims at: reorienting the Ministry of Health from direct management from regulatory planning and quality assurance functions; improvement of health promotion programmes; rehabilitation of selected health facilities; and education of health managers. The DFID has funded the programme on the development of primary healthcare model and together with the WHO has been implementing a pharmaceutical reform. For the involvement of other UN agencies, see also Chapter 38.

* * *

CHAPTER 7: PROMOTING SUSTAINABLE HUMAN SETTLEMENT DEVELOPMENT

Decision-Making: The Ministry of Urbanization and Construction is the main governmental institution with the mandate of designing and implementing regional projects and programmes as well as participating in international initiatives and agreements related to human settlements. Formally, spatial planning is also a function of the Ministry of Urbanization and Construction but is duplicated by the Department of Land Management, which has a relevant provision in its mandate and receives international assistance for this purpose. On the city level, responsibility for city planning, building permits, etc lies on the municipal and local authorities. The municipalities of the capital and major cities are in charge of development of city master plans.

There are various laws that govern the issues related to human settlements. Several Soviet laws, which do not contradict the acting Constitution, are still in force and provide legal framework for urbanization and planning e.g. Law of 1985 on City Zoning. Other important laws are the Law of Georgia on: State Inspection of Architectural and Construction Activity; on Complex State Expertise and Approval of Construction Projects; on Construction Related Activities; and The Law on Urban Land Planning and Management.

USAID through the Urban Institute has been supporting the legislative process and the preparation of the new laws on local self-governance and administration. Amendments to Organic Law on Local Self-governance and Administration are being prepared. Law on the Property of Local self-governance authorities has been finalized and new law on local budgets is being prepared. The Regulation on Planned Zoning of the City of Tbilisi has been approved by the Tbilisi local self-Governance authority and submitted to the Ministry of Justice for registration. Draft Code of Urbanization and the Law on Condominiums are also being prepared.

Given that 6% of the Georgian population is accounted for by Internally Displaced Persons and refugees, the Ministry of Refugees and Accommodation is responsible for elaboration and implementation of state policies regarding the Internally Displaced Persons and refugees. The Civil Code and the Land Code provide the general legal framework while the Law on Internally Displaced Persons, adopted in 1996, defines the status and the benefits as well as the political rights of the IDPs and refugees. Other legislation on displaced persons and refugees includes: the Law on Georgia on procedures of registration and identification of citizens of Georgia and aliens residing in Georgia; Organic law of Georgia on citizenship of Georgia 1993 March 25; Law of Georgia on legal status of aliens; Law of Georgia on Immigration; and etc.

The Special Coordinating Council was created in 1994 with the purpose of defining the urbanization strategy, implementation of the housing policy and establishment of the Habitat Center in Georgia. In 1995, the National Coordinating Service, created at the State Committee for Architecture and Construction was transformed into the State Enterprise "Habitat Georgia". It is also responsible for collection of urban indicators and is planning to issue them annually in the National Report. As regards to the Internally Displaced Persons, who live in refugee camps and collective centers, the Government and the donor community have developed the New Approach to IDP Assistance which recognizes the rights of return and equal treatment of IDPs within their host communities and fosters self-sufficiency of IDPs through promoting equal rights to access land and to vote.

Programmes and Projects: The Programme of Sustainable Development of Inhabited Areas and the national housing policy have been approved by the Cabinet of Ministers of the Republic of Georgia.

Status: Formally, there is a National Center for Habitat in Georgia, but practically, their activities are very limited. The sector is suffering from the lack of financial resources and political will. The situation is also aggravated by the absence of coordination between the Ministry of Urbanization and other ministries such as Tourism, Agriculture, Transport and Land. During the Soviet period, two agencies in charge of construction and planning worked in close coordination, namely: Gosplan (State Planning - policy and decision-making) and Gosstroj (State Construction - implementing agency). Currently there are various major construction projects undertaken in Georgia, which are not coordinated with the Ministry of Urbanization. During the Soviet period, the time scope of master plans for urban development was 25-30 years with the revisions occurring every 10 years and decisions taken on the central level. After abolishing of the Gosplan, official function of the development of city master plans lies with the Ministry of Economy. Given the high cost of this exercise and shortage of funds, the last master plans for the capital and several big cities were prepared in the end of the 1970s and expired in 2000, but were extended for

additional three years. Frequent changes of Chief architects of the capital and other major cities as well as uncontrolled illegal construction represents one of the major problems in sustainable urban planning and is often qualified by urbanists as “Urbocide”.

Capacity-Building, Education, Training and Awareness-Raising: Apart from specialized architecture and civil engineer departments, there has not been any educational institute in charge of sustainable urban planning. Recently, the Technical University established a Department of Urbanistics and the Faculty of Urban Studies was separated from the faculties of Architecture and Interior Design. For the first time, Master’s degrees in Urban Studies are awarded. The curriculum is still being developed but at this stage it has incorporated elements of sustainable urban development and cross-sectoral components such as sustainable tourism, economics, environmental protection, etc. GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) has supported a training programme for the faculty of the Technical University as well as the staff of the Ministry of Urbanization. Georgian Institute of Public Administration held a short course on Condominiums and Urban Planning and in future it is planned to introduce various courses on sustainable settlements and planning.

The UNHCR has provided various training courses for the policy makers at the Ministry of Refugees and Accommodation and has supported the capacity building programme for the Refugee Status Determination unit within this ministry. It has also assisted the Ministry in the creation and maintenance of a special CERICS database designed for the registration of refugee and IDP settlements and status and conducts quarterly trainings for various units in the ministry

Information: Information is available through the Ministry of Urbanization and Construction and Habitat Georgia. UNHCR and Ministry of Refugees and accommodation are the source of information on issues related to the settlement of IDPs and refugees.

Research and Technologies: Due to the lack of financing the research activity is very limited. Few NGOs such as Association of Urbanists and Habitat Georgia conduct research on various aspects of urban sociology upon request of the Ministry of Urbanization. Georgia is connected to the network of Global Urban Observatory, based in Nairobi, Kenya. Through its Local Urban Observatory branch Georgia is planning to start collection of urban and environmental indicators by connecting nine regional departments of the Ministry of Urbanization to the observatory network.

Financing: Both the Ministries of Urbanization and of Refugees are funded from allocations from the central budget, which are used for administrative purposes. The Ministry of Urbanization is also entitled to 3% of revenues from Land Privatization (7% goes to the Land Department) part of which may be channeled for city master plans. As for the funding for special programmes and projects there is no allocation from the central budget. Preparation of general plans is the prerogative of local authorities and is financed from local and municipal budgets. The allowances and subsidies for refugees are also allocated from the central budget.

Cooperation: UNDP provided funding for the participation of the Georgian Delegation in the UNCHS HABITAT II. Two members of the National Human Development Report also participated in the Habitat Conference in Istanbul with the UNDP support. There have been some small funds from World Bank for housing experts and Eurasia is supporting the Urban Association.

The main international legal instruments related to displaced persons and refugees are: the Convention relating to the status of refugees of 28 July, 1951 on juridical status, gainful employment, welfare, and administrative measures; and the Protocol relating to the status of refugees of 31 January, 1967. UNHCR funding is used to support refugee/IDP registration and other activities of the ministry of Refugees and accommodation. The Georgia Self-reliance Pilot Fund has been launched as a trust fund of the World Bank’s Post Conflict Fund (PCF) in the framework of the New Approach to provide funding for innovative programmes helping the IDPs and their host communities. Other donors (UNDP, USAID, UNHCR, and Swiss Agency for Development) will commit grant through contributions to the PCF that is explicitly earmarked for the Self-Reliance Pilot Fund.

CHAPTER 8: INTEGRATING ENVIRONMENT AND DEVELOPMENT IN DECISION-MAKING

Decision-Making: Governmental responsibility for environmental protection rests on the Ministry of Environment and is partly shared, within their sphere of competence, with the Sanitary and Hygiene Service of the Ministry of Health and the Ecological Police, reporting to the Ministry of Interior. The environmental inspectors have the authority to take environmental samples from enterprises or organizations (suspected of committing an environmental offence), while the ecological police is responsible for revealing and preventing illegal logging, fishing and hunting, as well as for preventing the outbreaks of epidemic diseases. The Parliamentary Committee on Environment is in charge of legislative activities. Other key stakeholders in this sector are various ministries and departments (Ministry of Agriculture, Transport and Communications, Departments of Statistics, Forestry, etc).

There are several laws and articles of the Constitution of Georgia that govern the environmental sector. The Law on Environment Protection of 10 December 1996 establishes the legal basis for the protection of environment and sustainable use of natural resources. It sets goals for preservation and improvement of Georgian environment and defines regulatory and market-based tools for their achievement. For the list of National Legislation related to Environment Protection, see **Attachment 1**.

The National Environmental Action Plan (NEAP) was prepared with the World Bank funding and it was approved on May 20, 2000 by the presidential resolution. This is the main national document in the area of environmental protection that provides a comprehensive overview of the present state of environment, lists the environmental laws and other instruments regulating the activities in this field, describes the institutional framework and stipulates all priorities including the variety of projects and various tools for their implementation. Simultaneously, Strategic Health Plan of Georgia highlights considerations and priorities of environmental health.

Programmes and Projects: An important document, which provides a comprehensive picture of the national priorities in the environmental protection, is the Poverty Reduction Growth Programme under preparation with a special chapter dedicated to environment.

Status: One of the main problems the country is facing is that environment is considered by the Government and the society at large as a narrow branch of economy, with secondary importance. For example, Energy considers interest and attempts of the Ministry of Environment to get involved in the energy sector as intrusive, and does not involve the latter in energy policy related discussions. For the country with major structural and economic problems, environmental protection often remain to be of a relatively less urgency and significance. This is easily observable in many policy documents and laws adopted by the Government, where environmental component is either absent or insignificant. In addition, many laws and programmes, endorsed by the Government, are mutually conflicting and exclusive. Environmental inspectors lack sufficient facilities and training to control enforcement of environmental laws effectively. The division of responsibilities and obligations between the Ecological Police and other bodies within the Ministry is not always clear. There are also obstacles to integration of environment in decision-making related to institutional weaknesses: the strictness of some laws and regulations hampers their implementation; complicated monitoring and management system results in inefficient environmental taxation; and weak state control and poor coordination does not allow for implementation of rational environmental policies. Many of the areas, which fall under the environmental protection, are structurally independent and even though they are formally obliged to report to and cooperate with the Ministry of Environment Protection and Natural Resources, there is very little cooperation and exchange of information between these agencies. The Parliamentary Committee on environment has been historically very active and has achieved significant progress and the legislative sphere. However, recently the Committee has become less active and there has been little cooperation with the Ministry of Environment Protection and Natural Resources. All these institutional and financial weaknesses, coupled with the lack of political will, are the reason for relatively slow implementation of the NEAP.

Capacity-Building, Education, Training and Awareness-Raising: There have been attempts at creating specialized environmental faculties in the higher education institutions, but so far there is only one department of Ecology at the State University, which trains professionals in the narrow field of ecological studies. Other related departments are those of Geography/Geology and of Biology. There is no united system of environmental

education in primary and secondary schools. Furthermore, environmental disciplines are only included on the curricula of few private high and secondary schools. However there are neither proper textbooks nor trained teachers at schools. There is also a lack of qualified environmental lawyers.

There is a significant shortage of mid-level and senior managers as well as experts on Sustainable Development while there is a plethora of other cross-sectoral disciplines taught at Tbilisi State and Technical Universities, Agrarian University, Institute of Zoology and Veterinary, etc. Various donor-funded project and programmes have capacity building and training components, which partially fill the gap in this area. In that respect one of the most important capacity-building initiatives is the technical assistance, provided by UNDP, to support the Ministry of Environment in strengthening its managerial and operational capacities to efficiently and independently fulfill its responsibilities in the field of environmental management and natural resources protection.

Public participation in decision-making and awareness-raising is implemented through television and radio programmes, publications and reporting in periodicals. The Ministry holds regular open meetings for issuing environmental permits and licenses, and brings draft laws and regulations to broad public debate. The Ministry also holds weekly meetings with NGOs actively involved in the environmental field. Despite these efforts to enhance public interest and civil society participation, the results are still very modest. The Ministry does not even have a web page where it would be able to place relevant information on environment and initiate public dialogue on sustainable development at large. In this regard TACIS supported the establishment of a Regional Environmental Center in Georgia to serve as an independent, non-governmental and non-commercial international organization to support initiatives for: protection of environment; public information; training and grant administration; as well as the dialogue at governmental and public level. TACIS has also funded Environmental Awareness Raising Programme with the purpose of raising awareness and building the capacity of specific groups to participate in creating solutions to the environmental crises.

Information: In 1998, Georgia has signed the Aarhus Convention on the Access to Information, Public Participation in the Decision-Making and Access to Justice in Environmental Matters, which was ratified by the Parliament of Georgia in 2001.

Research and Technologies: Georgia had a very strong scientific base in cross-sectoral disciplines related to environment. A wide spectrum of research institutions within the Academy of Sciences of Georgia as well as other academies (of Medical Sciences, agricultural, etc) were fully subsidized by the state and conducted high-quality research work. A number of these institutes are still formally functional (institute of biology, zoology, biochemistry, etc.) but, in the absence of state financing, they are totally dependent on occasional grant financing, which comes from international donors. Various assessments and surveys are being conducted on a regular basis within the framework and for the purposes of international projects and programmes. The key research institutes operating within the Ministry of Environment are the Institute of Environmental Protection and the Institute of the Black Sea Ecology and Fisheries.

Financing: The sector almost completely relies on external financing. The central budget only finances administrative costs of the sectoral ministries and departments allocating 0.7% of budget annually. Georgia introduced the tax on pollution of environment with harmful substances in 1993 and the tax on the use of natural resources in 1994. The pollution tax is imposed on air emissions and water discharges of a number of pollutants as well as on all fuel and natural and liquid gas as product taxes, based on several environmental characteristics. The list of pollutants, charge base, rates and structures as well as the procedures for introduction and operation of the charge system are set in the State Tax Code. Tax receipts are not earmarked for environmental purposes but are reallocated from central and local state budgets.

Another important instrument is the non-compliance fee levied on those violating the environmental regulations in accordance with the Administrative Code of Georgia. However, the revenues collected from these taxes and fines goes to the central or regional budgets and only 30% is allocated to the institution from which 10% is disbursed for staff salaries and 20% for maintenance and upgrading of facilities. The same holds for the revenues from environmental permits, which are not earmarked specifically for environment but go to the central budget and are re-allocated centrally. The reason for this is the lack of institutional mechanisms to secure the accumulation and effective distribution of these funds. The situation is further aggravated by poor revenue collection and corruption

that plagues the country and sustains permanent budget deficit. Recently, the Ministry of Environment Protection and Natural Resources prepared a proposal on amendments to 1998 Presidential Decree on structure and TOR of the Ministry of Environment Protection and Natural Resources, according to which, 50% of receipts from penalties and damage compensation would go to the central budget, 15% to Ministry of Environment Protection and Natural Resources central offices and 35% to regional offices. A special Environmental Fund to accumulate revenues from permits and other duties would have been helpful but IMF does not recommend creating extra-budgetary funds in the conditions of huge budget deficit.

Cooperation: The Strategic Action Plan for the Rehabilitation and protection of the Black Sea was signed on October 31, 1996 during a Black Sea Ministerial Conference held in Istanbul, on the basis of which National Black Sea Strategy is being prepared. This document provides the framework of action for the rehabilitation and protection of the Black Sea ecosystem and sustainable use of its resources.

Various donor agencies are active in the field of environment: The World Bank funds: project on Integrated Coastal Zone Management; Water Supply and Sanitation; Forestry Development; Protected areas Development Fund; and Agriculture development projects with irrigation and drainage, research, extension and training components. European Union, through TACIS, has a broad portfolio of environment-related projects on: Environmental Awareness Raising; Black Sea Environmental Programme, Environmental Impact Assessment and Audit Training; Coastal Zone Management; Black sea Legislation; as well as many initiatives in agriculture. USAID is implementing an integrated complex programme for the basin of rivers Mtkvari (Kura) and Arax, which covers Armenia, Azerbaijan and Georgia.

* * *

CHAPTER 9: PROTECTION OF THE ATMOSPHERE

Decision-Making: The Ministry of Environment is the leading policy-making agency in charge of the protection of the atmosphere, with the Department of Atmosphere Protection and Ozone Unit within its structure. In 1996, under the Presidential Decree # 630, the State Committee on the Problems of Climate Change (SCPCC) was created for the preparation of a relevant National Programme and Action Plan. For this purpose, the National Center on Climate Change (NCCC) was set up within the Hydrometeorology Department. The Center is also responsible for the greenhouse gas inventory and developing abatement and adaptation policies. The ambient environmental monitoring is the responsibility of the State Department of Hydrometeorology (Hydromet), which collects data on hydrometeorology, water quality, hydrology, water balance, river sources, and ambient air quality. The monitoring and control of emissions is delegated to the regional and local departments of the Ministry, which are responsible for identification of the sources and investigation of possible pollution. The sector is governed by the Law on Environment Protection of 1996 and the Law on the Protection of Atmosphere (1999).

Programmes and Projects: The National Programme and the Action Plan on Withdrawal of the Ozone-depleting Substances from Use was developed in 1997, with the financial support from GEF. In 1997, UNDP supported the project Enabling Georgia to Fulfill its Commitments to the UNFCCC financed by GEF. UNDP supported elaboration of the First National Communication to UNFCCC in 1999, with a detailed inventory of greenhouse gas emissions in Georgia and detailed recommendations management and technology transfer to contribute to the reduction of greenhouse gas emissions.

Status: Currently the major sources of air pollution are emissions from obsolete Soviet and imported motor vehicles the majority of which does not have catalytic converters. Other significant sources are indoor air pollutants such as kerosene, gas and other fuel used by the households due to energy crisis. As for the pollution emanating from industrial activity, it has decreased from 30% of the Soviet times to 5% in present. Until early 1990s, the air quality of Georgia was monitored on a regular basis but due to financial and institutional obstacles the number of monitoring units and the range of monitored pollutants has decreased. Due to the same reasons, the accuracy and reliability of data has deteriorated. Control and monitoring of air pollution is the function of various institutions on the central and regional level, and is very poorly coordinated. Due to non-regulated import of low-quality fuel, there is a high share of leaded petrol in the local fuel market. A special commission on Fuel Quality improvement, headed by the Minister of Environment, was created for the purpose of preparation of a short and medium-term programme for the improvement of quality of imported petrol. To that extent, UNDP has assisted the preparation of the Country Programme for phasing out of lead in gasoline

Capacity-Building, Education, Training and Awareness-Raising: Capacity building for the Ministry of Environment has been provided by the UNDP funded project, which aimed at assessing the needs and capacities of the Ministry, including its regional and municipal Committees and pollution control laboratories in terms on information management, communication and human resources.

Information: In the framework of the Law of Environmental Protection, the system of environmental information consists of environmental registers and environmental monitoring system. Environmental registers are maintained by; the Ministry of Environment Protection and Natural Resources; the Ministry of Health; the Ministry of Agriculture and Food; State Geological Department; State Forestry Department; and State Department of Land Management and State Department of Protected Areas within their competencies. The Environmental Monitoring Center processes the data on emissions and the use of resources collected by various departments. The same departments store and analyze relevant information in their databases.

Research and Technologies: The Department of Atmosphere of the Ministry of Environment and the State Hydro-Meteorological Department collect data and conduct regular research in this field. With regard to pollutant release inventories and registers, the media-specific departments of the Ministry of Environment Protection and Natural Resources lack financial and technical resources and trained staff to arrange emission registers in accordance with

international requirements and regularly conduct comprehensive inventories, based on widely accepted methodologies, i.e. Integrated Pollution Prevention and Control (IPPC) and CORINAIR, an air emission inventory, initially developed in the frame of the Corine –programme (Coordination d'Information Environnementale). The database, used in Georgia, is a WMO approved PC Database CLICOM (Climate Computing Project) that is widely used in CIS. The System is operated by the National Observatory within the Hydromet.

However, more or less operational system of inventory exists for water and air. Legal procedures and formats for record keeping and reporting, although based on Soviet methodologies, are defined by media-specific laws and regulations and work more or less effectively. On the contrary, there is no inventory system for wastes. Due to non-existence of regulatory basis, there are no legal monitoring and reporting obligations for licensees. Because of that, gathered information is very limited and differs from time to time. Similar problems are faced by Nuclear and Radioactive Safety Service, which could not yet establish the system of state inventory (registration) of radioactive substances and wastes. Modeling capabilities are very limited within the Ministry of Environment Protection and Natural Resources as well. Only Air Protection Department uses air quality dispersion modeling (Gaussian plume model) software, developed by one of the Russian private firms, for setting ambient-based source specific emission standards. However, this model is not specifically designed to model air quality for urban areas, with complex terrain and multiple pollution sources. Other media-specific offices have neither software nor technical knowledge in this field.

Financing: The tax on air and water pollutants is imposed on air emissions and water discharges of a number of pollutants as well as on all fuel and natural and liquid gas as product taxes, based on several environmental characteristics. The list of pollutants, charge base, rates and structures as well as the procedures for introduction and operation of the charge system are set in the State Tax Code. Tax receipts are not earmarked for environmental purposes but are reallocated from central and local state budgets.

Cooperation: The UN Framework Convention on Climate Change (UNFCCC) was ratified on July 29, 1994 and entered into force on 27 October, 1994. Georgia acceded to both the Vienna Convention for the protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer on March 21, 1996. The Supervisory Council of the Montreal Protocol Trust Fund has approved an allocation of funds to support: institutional strengthening for the implementation of the Montreal Protocol in Georgia; training in monitoring and controlling ozone depleting substances' import; and training of technicians in refrigeration (all implemented by UNEP) and a National Programme for Recovery and Recycling of Refrigerants (UNDP).

* * *

CHAPTER 10: INTEGRATED APPROACH TO THE PLANNING AND MANAGEMENT OF LAND RESOURCES

Decision-Making: State Department of Land Management of Georgia established by the Parliament of Georgia, by the decree #488 of November 13, 1996, has the mandate of executing of state control on the land use and land protection, land cadastre and registration and protection of soil. The State Department of Land Management is an independent governmental agency with the chairman appointed by the president of Georgia. The Chairman also serves as a Chief Inspector of Land use in Georgia. The main functions of the Department are: development of state land management policy; elaboration and implementation of appropriate state programmes; organization and implementation of land reform; land allocation; alienation; change of land use; state control of land use and protection; cadastre and registration; and monitoring and evaluation of land tenure in accordance with the regulations defined by the legislation. The Department also participates in the preparation of normative acts on households dispute regulation and legislative acts on land management issues. The State Department has nine regional offices. There is also a State Department of Land Resources and Land Registration (Cadastre) within the Ministry of Environment. Donor Council created in 1998 within the State Department of Land Management coordinates all donor-funded projects and programmes in this field. The Ministry of Environment Protection and Natural Resources with its Land Resources Department is in charge of land-related environmental policies and legislation.

The main laws governing the use of land are: the Law on Land Registration of 1996; the Law on Agricultural Property of 1996; the Law on Soil Protection of 1994; and the Law on Environmental protection of 1996. Other major legal instruments are the laws on plant protection, on Protected Area Systems, on Animal World, on Natural resources, on Pesticides and Chemicals, on Hazardous wastes as well as civil, administrative and criminal codes, tax code, etc.

There is no National Strategy or Policy Document of Land Use. National Environmental Action Plan lists several priority actions for sustainable use of land resources: Demonstration and introduction of the programme of Best Agricultural Practices; and establishment of barriers to soil erosion (windbreaks, perennial vegetation on mountain slopes, terracing, engineered structures for combating erosion, and etc).

Programmes and Projects: National Environmental Action Plan envisages development of a National Programme for Soil Protection, which would: provide detailed description of the current state and trends in the soil degradation process; create a picture of natural and anthropogenic processes leading to soil degradation and set out measures for its prevention; and define investment plan for the prevention of soil erosion. The Indicative Plan for Social and Economic Development of Georgia, produced annually by the Ministry of Economy and representing the main short-term development policy document envisages the implementation of two projects on “Protecting the Soil from Erosion and on Improving the Soil Fertility” within the agricultural sector development programme.

Status: The main environmental problem associated with Georgian agricultural land, is soil erosion, mainly caused by environmentally unsound agricultural practices such as development of steep slopes, deforestation of mountains, grazing, and irrigation-induced washing of topsoil. Given the financial constraints, the import and use of agricultural chemicals has been reduced, improving temporarily the condition of the soil. As for the urban land, the key problem is related to inadequate planning. Dissolution of the USSR caused loosening the environmental control on city planning and construction. Buffer zones around factories were allocated for residential construction exposing the residents with polluted air, hazardous materials and noise. Another major problem in urban land use is the construction of commercial and residential buildings in parks and other designated “green areas”, leading to accumulation of waste and degradation of air quality.

Capacity-Building, Education, Training and Awareness-Raising: Technical and Tbilisi State Universities train professionals in land-related fields at their respective departments of Geodesy and Land tenure. There are also topography colleges where land management and administration is taught. All donor-funded projects aim at building the national capacity in land management. Furthermore, various on-going donor-funded programmes have training and awareness-raising components in the projects. UNDP has conducted training of the use of land taxation

software in the district offices and is supporting the awareness raising component in the project, which aims at increasing the landowners' and focus groups' awareness about their rights and various tools available to them. KfW has trained 440 independent surveyors and field technicians as well as 220 registrars of the State Department of Land Management (SDLM). Swedish International Development Agency (SIDA) has funded a project on the creation of Tbilisi Land Management Training Center, within which it is conducting training course on land legislation, registration, surveying, valuation, taxation and credit marketing and is assisting the Government in introducing special courses related to land management on different educational levels (universities, institutes, colleges, high schools). It has also conducted a number of workshops and demonstrations for various institutions involved in Land Market Development. GTZ project component envisages establishing education system for training professionals in Land Management field.

Information: Within the donor funded projects, various databases have been created. UNDP has assisted the SDLM in the development of land registration and taxation software and computerization of tax lists, as well as in the development of the Land Information System. World Bank and International Fund for Agricultural Development (IFAD) have funded the production of aerial photographs of urban and rural land. KfW has supported production of aerial photographs and vector maps including the creation of geodesic networks. GTZ, in turn, has completed a project, which created a computerized cadastral system, supported various institutions in creation of the digital base maps.

Research and Technologies: The leading research institution in the field is the State Scientific Research Institute of Soil, Agro-chemistry and Reclamation. State Institute for Land Tenure and Planning within the SDLM. The Academy of Sciences and Agricultural Academy also conduct relevant research work within their sectoral spheres of competency.

Financing: SDLM is funded from the central budget while the majority of projects in the area of land management and use are funded from international donor funds.

Cooperation: Seven donor agencies are involved in the area of land management: UNDP assists the SDLM in the development of land market and establishment of land ownership institute in Georgia; The World Bank and IFAD have funded a land registration component of a US\$ 6 million Agriculture Development Project; USAID is funding a project on land market development through implementation of registration of private agricultural land parcels and strengthening the legislative base; KfW is funding a project on Cadastre and Land registration; and SIDA is supporting the Development of Land Cadastre and Land Information System in Georgia. GTZ has already completed a project on Land Management in the capital of Georgia and is currently supporting the project, which aims at: institutional strengthening of the SDLM; introduction of effective technical and institutional methods of spatial planning and management; and improvement of legislative base for land management and planning, cadastre and evaluation. The European Community (EC) Food Security Programme secured funding for the Ministry of Finance for its programmes and projects in various sectors of agriculture and food security, including land, veterinary, irrigation, etc.

* * *

CHAPTER 11: COMBATING DEFORESTATION

Decision-Making: Formally, there are two Governmental agencies in charge of Forestry development: Ministry of Environment and the State Department of Forestry. The mandate of the State Department of Forestry includes responsibility for policy and strategy formulation as well as for the management, regulation and monitoring of the state forests. The Ministry of Environment, with the function of overall coordination of environment, is also formally responsible for coordination of activities in the field of forestry and grants all licenses for forest exploitation. There is also an independent State Department of Protected Areas and Hunting Farms, which is also concerned about the protection of forests on the protected territories. It is not legally bound to report or to provide data to the Ministry of Environment. The main legal instrument regulating the sector is the Forest Code adopted in 1999. The Law on Development of protected Area System was adopted in 1996.

The World Bank has supported the elaboration of the Strategy for Development of Forestry in Georgia, which along with the NEAP lists priority directions comprising preservation of the diversity of forest ecosystems, ensuring stable regeneration of forest resources, improvement of relevant legal bas, and reform of the forestry system by its separation from entrepreneurial activity, capacity building and investment attraction.

Programmes and Projects: There are two major programmes in this sector that are implemented with the financial support of the World Bank. The Forestry Development Project, implemented by the Forestry Department, aims to help the Government of Georgia to effectively manage its forest resources in an economically, environmentally and socially sustainable way. A Coordinating Commission Supporting Forestry Development or a Steering Committee, has been formed to oversee and coordinate the overall programme. The Project on Development of Protected Areas is implemented with the Ministry of Environment and among other goals intends to establish ecologically effective protected areas and wildlife corridors, integrate biodiversity conservation into forestry and range management inside and outside of the protected areas.

Status: Georgia is suffering from acute on-going deforestation caused by overall poverty and limited access of population to sources of energy. According to the Department of Forestry the annual logging rate is 400,000 m³, while the data of the Ministry of Environment brings this figure as high as 2,000,000 m³ annually. During the Soviet times, Georgian forests were managed for protection and recreation, while up to 3.5 million m³ of timber and timber products were obtained from Russia annually. The situation has sharply deteriorated since independence when the country started to rely completely on its forests to meet domestic demand for forest products. The present serious challenges are: the unclear and conflicting institutional responsibility for various activities in the forestry sector, the failure of the forest products industry, the collapse of state budgetary funding for any forest management; and the steady and alarming rise of uncontrolled (and often illegal) timber harvesting and fuel wood collection.

Capacity-Building, Education, Training and Awareness-Raising: A specialized faculty of forestry in the Agrarian University is the only educational institution in this sector. Due to severe energy crisis and widespread poverty, the message of few awareness raising efforts conducted by the Government and NGOs has had no significant effect on population.

Information: Information is available through the World Bank, the Ministry of Environment Protection and the Natural Resources and the Forestry Department.

Research and Technologies: In addition to the Georgian Academy of Sciences, which conducts research in various fields related to forestry, there is a special Institute of Mountain Forestry Research, which cooperates with the Governmental institutions and international donors in various projects.

Financing: The State Forestry Department and other Governmental institutions are funded from the central budget, while most of the programmes and projects implemented in this field are supported by donor funding. In accordance with Georgian regulations regarding externally-financed projects, a Forestry Development Fund (FDF)

was established in August 1998 by the State Forestry Department, which is an independent, financially autonomous legal entity, which can receive funds and which has the authority to execute the Forestry Development Programme.

Cooperation: Various stages of the Forestry Development Programme were funded by: FAO; Japan Policy and Human Resource Development Fund (PHRD) grant; and International Development Association (IDA). The Protected Areas Development project got funding from GEF and Government of Georgia.

* * *

CHAPTER 12: MANAGING FRAGILE ECOSYSTEMS: COMBATING DESERTIFICATION AND DROUGHT

Decision-Making: The Ministry of Environment Protection and Natural Resources has the function of the UNCCD National Coordination Body, not through formal nomination but due to the general allocation of responsibilities on Governmental statutory bodies. It is also envisaged to establish an intersectoral coordination body: the State Coordinating Commission to Combat Desertification in Georgia. Acting National Focal Point (NFP) for UNCCD was designated in 1997, long before the ratification of UNCCD by the Georgian Parliament on June 23, 1999 by the Decision #2141. The NFP is a body of the Ministry of Environment and Natural Resources Protection that simultaneously acts as the Head of the Division of Environmental Policy. The Ministry of Agriculture is another key stakeholder with the responsibility for agricultural activities related to desertification and drought. Georgian legislation that is directly related to desertification issues, comprises on: soil protection; mineral deposits; pesticides; and private property of agricultural lands and water resources.

Programmes and Projects: The First National Communication for combating desertification was submitted to UNCCD last year. With the support of UNCCD, the country is initiating the first National Action Plan, which would address the desertification problem. In addition to NEAP provisions for the elaboration of the National Programme for Soil Protection, there is a UNDP/GEF funded project on Conservation of arid and Semi-Arid Ecosystems in the Caucasus implemented by a local NGO. The project envisages identification of agricultural practices favorable for: the protection of the ecosystems and key species; management of transboundary ecosystems with active participation of land users; and increasing public awareness and information exchange. The project also conducts monitoring and evaluation as well as capacity-building activities at the local level.

Status: In recent years, special measures has not been taken to combat desertification. National infrastructure designed to moderate effects of droughts and dry seasons (e.g. Irrigation infrastructure, special artificial cloudburst missile installations) is either abandoned or non-operational.

Desertification in the eastern part of Georgia has intensified due to overgrazing and reduction of rainfall. About 3000 ha is eroded. In summer 2000, a lack of snowfall and rain since winter resulted in severe drought conditions in the eastern region of Georgia that damaged a significant portion of the wheat and sunflower crops, as well as winter pasturelands. In August 2000, FAO and World Food Programme (WFP) conducted a crop and food supply mission to assess the damage of the drought. As a result, an appeal was launched by FAO, which received more than US\$ 1.77 million in response from major donors. More than 4000 tons of wheat seed was purchased and distributed to farmers in Eastern Georgia to alleviate the impact of the drought. In addition, WFP approved an emergency operation for eight months (November 2000-June 2001) providing 66,000 Mt. of food in the amount of US\$ 29 million to cover 696 thousand beneficiaries in six regions of the country.

Capacity-Building, Education, Training and Awareness-Raising: There is no specific document on communication strategy and public awareness on desertification. The National Action Plan will have a detailed public awareness and capacity building component stipulating provisions for involvement of media, local authorities and academia in public debates on issue of desertification. However, there have been several attempts to inform the public about the desertification problem.

Information: Although information systems on desertification and drought at the national level do not exist, several agencies, e.g. the Ministry of Agriculture and Food as well as the State Department of Statistics, collect data that could be used for relevant indicators. However, there are no mechanisms for processing and analyzing of raw data collected by these agencies, which makes them useless for decision-making process.

In 1999, the National Focal Point on Desertification with the assistance provided by UNDP/UNSO (UN Sahelin Office) initiated the network of institutions to combat desertification in Georgia, consisting of 27 different governmental and non-governmental institutions and academia. The network is designed to support information and experience exchange between the institutions and to facilitate the decision-making process on various policy issues

related to desertification. More information can be obtained through the UNCCD Information Network Home Page at <http://ag.arizona.edu/OALS/CSTCCD>.

Research and Technologies: Various scientific research institutes will be involved in the preparation of the National Action Plan like the Institutes of Botany, Soil Science, Geography, Biochemistry, Environmental Protection, Forestry, Hydrometeorology, and etc. The World Bank has deployed a drought reconnaissance mission, which prepared a report on medium and long-term reaction to the drought and a concept of a new agricultural development project that implies diversification of rural income to eliminate dependency of rural households on annual harvest and ensure their sustainability.

Financing: No information is available.

Cooperation: Georgia signed the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification (UNCCD) in 1994. On 21 October, 1999 Georgia became the Party to the UNCCD after the Parliament of Georgia ratified the Convention. UNCCD Secretariat will allocate funds for the preparation of National Action Plan addressing the issues of desertification and drought. Other relevant Conventions are the Biodiversity Convention and UN Framework Convention on Climate Change (UNFCCC).

* * *

CHAPTER 13: MANAGING FRAGILE ECOSYSTEMS: SUSTAINABLE MOUNTAIN DEVELOPMENT

Decision-Making: While there is no specific entity in charge of mountain development, the responsibilities are shared between: the Ministry of Environment Protection and Natural Resources; the Ministry of Agriculture; as well as the Departments of Forestry and Protected Areas.

Article 31 of the Constitution of Georgia reflects the priority given to the sustainable mountain development in Georgia. In accordance with this article as well as with the Alpine Convention, the Law on Socio-Economic and Cultural Development of Highland Regions has been adopted. It defines the territories governed by this law and provisions for the development of favorable social and economic conditions in mountainous regions. The Law was prepared by the Parliamentary Committee on Mountains and Settlements.

Due to severe fiscal problems and institutional deficiencies, little has been done at the governmental level to address the issues of sustainable mountain development. Out of the seven articles of the Law, only one related to the definition of territories is implemented. According to experts, the law is incompatible with the Tax Code, budgetary requirements and other legal and normative instruments. There is no national strategy or action plan in this field. The Sustainable Tourism Center (STC) is an NGO that is actively involved in both sustainable mountain development and sustainable tourism development. The Center is one of the founders of the Global Mountain Forum, which is the global network for mountain development. The STC also acts as the Caucasus Nod of the Global Mountain Forum and is participating in the events planned for the International Year of Mountain in 2002. In this respect, STC in its capacity of the GMF Caucasus Nod is participating in Geneva Mountain Forum Nod Management meeting and in the World Mountain Symposium, which will plan procedures for the next year events and prepare report for the Johannesburg Summit.

Programmes and Projects: Two main projects related to the mountains are the World Bank projects on Forestry and on Protected Areas Development, which have a component of forestry planning and protected area in the Central Caucasus Mountains. This initiative will provide technical assistance and field studies for the preparation of detailed opportunities and constraints of the Central Caucasus Mountains. Another important initiative is the IFAD project on Agriculture Development for Azerbaijan and Georgia, which has a component on Sustainable Mountain Development.

Status: No information is available.

Capacity-Building, Education, Training and Awareness-Raising: Only a few NGOs address the awareness raising aspects of mountain development. This year the STC hosted the European Mountain Forum Summit in Georgia with the participation of Government and NGOs from Transcaucasian countries and Europe. This Summit mainly served the purpose of information sharing on mountain issues. The World Bank has funded several small non-thematic grants, some of which were used by NGOs for awareness raising efforts. Swiss Group for Mountain Development is funding the community participation and awareness raising campaign together with the STC.

Information: The server of the European Mountain Forum serves as the hub for all information related to mountains and sustainable tourism development: www.mountainforum.org/europe. The STC serves as the main source of information on sustainable mountain and tourism development to various governmental bodies as well as the donor community. They issue regular electronic bulletins and as of October 2001 plan to hold electronic conferences on mountain issues and build-up a thematic library. The Sustainable Tourism Center is working on the project for the creation of an Information Agency for Sustainable Mountain Development on the basis of the European Mountain Forum. Information is available at www.osgf.ge/stc.

Research and Technologies: Mountain Commission of the Georgian Academy of Sciences participated in the creation of the above mentioned Law on Highlands Development. Other institutions conducting research in this field like the institutes of Geography of the Academy of Sciences, lack financing and survive on grants. However, this research is more of a scholarly, scientific nature and is not easily applicable to policy-making.

Financing: The Sustainable Mountain Center is funded by international grants and from local fundraising initiatives.

Cooperation: The Sustainable Mountain Development Component of the IFAD Agricultural Development Project is financed by the Swiss Development Center and implemented by the Swiss Group for Mountain Development. UNEP has financed the creation of the Caucasus Mountain Convention, which provides legal framework for regional cooperation in Southern Caucasus.

* * *

CHAPTER 14: PROMOTING SUSTAINABLE AGRICULTURE AND RURAL DEVELOPMENT

Decision-Making: The primary responsibility for agricultural policies lies with the Ministry of Agriculture and Food while the Department of Melioration and Water Resources, State Department of Land Management, State Veterinary Department etc. also play an important role in policy-making for Agriculture.

Main laws governing the sector are: the Law on Veterinary Medicine of June 14, 1995; the Law on Agricultural Quarantine of May 15, 1997; the Law on Reimbursement for the Agricultural Use of Non-Agricultural Lands and Compensation of Damage of October 2, 1997; the Law on Viticulture and Vine of June 12, 1998; the Law on Pesticides and Agricultural Chemicals of November 25, 1998; the Forest Code; and the Law on the Permit for Cultivation of Agricultural Plants and Breeding of June 25, 1999. Recently FAO has assisted the Department of Melioration and Water Resources with the legislation on Association of Water Users.

There is no Strategy or Action Plan paper for the sector. The short-term development priorities are stipulated in the Indicative Plan for Social and Economic Development.

Programmes and Projects: The Poverty Reduction and Growth Programme defines the agricultural sector as one of the most significant sources of income of population of Georgia and one of the key contributing factors for eliminating poverty in the rural areas.

Status: Agriculture is the main source of income and employment for most Georgians. Over 55 % of the active labour force are employed in agriculture. Agriculture accounts for roughly a quarter of the Gross Domestic Product, GDP, while the output of the sector today is no more than 70 % of the 1990 level. Rural incomes have remained practically stagnant, mainly due to: the lack of access to complementary inputs to labour; barriers to land consolidation; poor market access for domestic production; and scarcity of rural credit and limited off-farm earning opportunities. The current high level of poverty among rural population is determined by: poorly developed infrastructure such as shortage of processing enterprises in rural areas, poor condition of roads and high transportation costs; inefficient irrigation and drainage systems; high cost and deficit of agricultural technologies; vulnerability to environmental conditions; reduction of a number of cattle; devastation of breeding industry; decrease of crop yield; shortage of forage and fodder and lack of modern agricultural technologies. Seasonal factors make considerable impact on rural poverty while the lack of support infrastructure makes the subsistence farmers vulnerable to unfavourable climatic conditions and natural disasters, such as the severe drought that affected eastern Georgia in 2000.

Capacity-Building, Education, Training and Awareness-Raising: Very important for the development of agriculture are the introduction of modern technologies and methods as well as provision of consultative and advisory services and targeted farmers' training Programmes. In this respect, donor agencies have been particularly active providing consulting and training services through their technical assistance projects. TACIS ABC supported: the establishment of regional training centres in cooperation with local agrarian colleges; training of local farmers, teachers, administrators and bankers on agribusiness and finance; the establishment of four regional agribusiness centres; and the information dissemination and awareness raising and funding for Information centres in the capital and regions. CARE International provided training and demonstrations on almost 20,000 small farms in seven regions of Georgia and contributed to development of marketing services.

Information: Information is available from the Ministry of Agriculture and relevant cross-sectoral institutions, as well as from the donor projects' implementation units. The Ministry publishes yearly statements and statistical reports.

Research and Technologies: Extensive research is conducted in various institutes of the Academy of Sciences and Agrarian Academy of Georgia. Institutes of Zoology, Botany, Agrarian research, Veterinary, etc. have a solid scientific base but other research institutions of Georgia receive very little financial support from State and are dependant on grants. GEF funded World Bank project on Agricultural Research, Extension and Training aims at development of efficient and cost effective agricultural knowledge and information systems to demonstrate,

disseminate and promote the adoption of appropriate technologies to increase sustainable agricultural production and reduce pollution of natural resources.

Financing: The credit component, built around independent, user-owned and controlled credit cooperatives will lead to the establishment of a sustainable financial source for farmers and agrobusinesses in various regions of Georgia.

Cooperation: Georgia is a member of FAO and IFAD. The bulk of financing in the agricultural sector comes from credits and grants of international agencies. FAO is funding a Small Scale Irrigation and Draining Rehabilitation Pilot project that is under the Special Programme for Food Security (SPFS) water control component financed by FAO/TCP grant. The objective is to effect low cost repairs and rehabilitation of vital irrigation and drainage systems for emerging small private farmers and to establish irrigation associations operated and managed by farmers. Another FAO project on Rehabilitation of Viticulture Sector aims at definition of a strategy for institutional restructuring and preparation of a medium term plan for the rehabilitation of the viticulture and wine sector. Emphasis is on: participation of all stakeholders in the planning process including the small-scale grape farmers; and capacity building in support of new institutional roles complemented by the initiation of the Technical Know-How Transfer programme. IDA and IFAD provide loans, within the World Bank project on Agricultural Development, to private enterprises in rural areas through private commercial banks. The aim also is to develop a network of rural credit unions and to provide loans and financial services to small farms. USAID assists private farmers and agribusiness in creating, testing and institutionalizing functioning seed production system. This includes training farmers, media activities, and assisting Georgia's entry into the International Seed Testing Association (ISTA) to enable the export of seed from Georgia. In addition, a plethora of other international organizations is providing assistance to agricultural sector including: TACIS, CARE International and CARE Georgia, GTZ, Sfw, ACDI, UMCOR, and Center for Enterprise Restructuring and Management Assistance (CERMA).

* * *

CHAPTER 15: CONSERVATION OF BIOLOGICAL DIVERSITY

Decision-Making: The Ministry of Environment is responsible for biodiversity protection. It is in charge of policy-making, coordination and control of protected areas. It also establishes the licensing rules and issues licenses and permits, organizes state cadastre of natural resources, and maintains the Red book of Georgia and Red Register. The State Department of Protected Areas is an executive body of the state government and does the following tasks: manages protected areas; controls and monitors the implementation of appropriate regime on the protected areas; conducts planning, rehabilitation and maintenance works on protected territories; and manages the state hunting laws. The Department of Biodiversity Conservation within the Ministry of Environment is directly responsible for the implementation of biodiversity policies and organization of management system for sustainable use of biological resources. In addition to the Law on Environment, adopted on December 10, 1996, the Law on Protected Areas was enacted on March 7, 1996, which set out categories of protected areas, standards for designation and operational rules in accordance with international standards. Other relevant laws include: the Law on Kolheti Protected Areas (1999); the Law on Animal World (1997); the Laws on Environmental Permits and on State Ecological Expertise; Forestry Code, etc.

The Biodiversity strategy and Action Plan, which is financed by the GEF and being developed under the tutelage of the World Bank, has the overall goal of ensuring maintenance of Georgia's biological diversity through adequate planning and implementation of conservation activities and sustainable use of natural resources. However, even though the project started in 1997, it is still not completed

Programmes and Projects: A programme on Biodiversity Conservation, prepared by the Department of Biodiversity, was approved and financed by the state budget. Since 1998, Project on Black Sea Biodiversity has been implemented in the framework of TACIS Black Sea Programme. Borjomi-Kharagauli National Park Programme was initiated by the Ministry of Environment in 1997 and supported by the German KfW grant. UNDP funded the project on Arid and Semi-Arid Eco-system Conservation in the Caucasus, which aims at the protection of Biodiversity in the arid and semi-arid zones of Eastern Georgia and ensuring participation of local land users in the design of alternative land use policies, as well as their integration in implementation process. The Protected Areas Development Project envisages: establishment of ecologically effective protected areas and wildlife corridors; strengthening the institutions responsible for biodiversity conservation programmes; support of monitoring and applied research on threatened flora and fauna as indicators of ecosystem health; and etc. UNDP is supporting a project on Improvement of Food Security through Recovery, Conservation and Sustainable Use of Georgia's Agrobiodiversity, which intends to identify and remove barriers to recovery, conservation and sustainable use of agrobiodiversity of Georgia to improve food security and to contribute to poverty reduction through enhancement of access to food in remote and marginal areas.

Status: Two Protected territories have been established in full accordance with international standards, one of which is already operational.

Capacity-Building, Education, Training and Awareness-Raising: All donor supported projects have capacity-building and awareness-raising components. A Social Assessment And Public Participation Plan of the World Bank project on Protected Areas Development focuses on local communities in the vicinity of proposed national parks and other protected areas in Eastern Caucasus. This detailed social assessment for the Central Caucasus is a part of preparation for the inter-linked Forestry Development Project to address the social impacts of the project and provide inputs for the improvement of the project design, simultaneously raising the awareness of the population on the protection of biodiversity in Georgia.

Information: Information is available from the Ministry of Environment, the Department of Protected Areas, the World Bank, and UNDP. In 1996, a comprehensive research of Biodiversity of Georgia was conducted by Georgian NGO NACRES within the UNDP/UNEP Biodiversity Programme. The Red Book of Georgia, which was last issued in 1982, contains 161 endangered plant species, however the data is obsolete and requires thorough updating.

At present Red register of Georgian Flora and Fauna is being prepared in the Ministry of Environment, which will lay basis for the new red Book of Georgia.

Research and Technologies: The Institute of Environmental Protection and the Institute of Ecology of Sea and Fisheries conduct research on rare and endangered species of fish, water biodiversity and conservation biology.

Financing: Funding comes from donor agencies, mainly from GEF.

Cooperation: The GEF provided grant money for the Protected Areas Development Fund to support institutions and organization responsible for: preservation of bio-diversity; public information on bio-variety in Georgia; improvement of monitoring and research; and deepening regional and international cooperation in this field. Georgia ratified The Convention on Biological diversity on June 2, 1994. Georgia also joined: the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Convention on Wetlands of International Importance Especially as a Waterfowl Habitat in 1996; the Convention on the Conservation of Migratory Species of Wild Animals in 2000; and UN Convention to Combat Desertification in 1999.

Georgia has also signed several bi-lateral agreements with Armenia, Azerbaijan, Turkey, Ukraine, Greece, Uzbekistan and Kazakhstan, which among other issues provide for cooperation in biodiversity protection. The agreement signed in 1997 with Armenia also envisages establishment of a transboundary protected territory.

* * *

CHAPTERS 16 AND 34: ENVIRONMENTALLY SOUND MANAGEMENT OF BIOTECHNOLOGY AND TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGY, COOPERATION AND CAPACITY-BUILDING

Decision-Making: The only decision-making agency is the Department of Science and Technologies of the Ministry of Economy, Industry and Trade. There is no national plan or strategy in Georgia.

Technologies: No information is available.

Biotechnologies: There is no legislation on biotechnology, nor are any laws regulating research and activity in this field. The Civil Code is the only legal instrument governing this sphere. Association of Biological Farmers Elkana is preparing the Law on Biosafety. In any case, a draft Law on State Regulation of the Biotechnology Sector was prepared by the Ministry of Environment Protection and Natural Resources and a Georgian NGO, which would regulate the activities in the field of biotechnology, provide for safety measures in the use of biotechnological equipment and materials, release of transgenic organisms into environment and the use of transgenic and genetically modified products. The law is still in the draft version.

Programmes and Projects:

Technologies: No information is available.

Biotechnologies: The Government of Netherlands is distributing potato seeds in the framework of its Food and Humanitarian Aid Programme through the Ministry of Agriculture.

Status:

Technologies: No information is available.

Biotechnologies: Georgia had a very strong tradition of research in agrarian biotechnology, particularly in tea and vine technologies. Currently, the field is almost non-existent due to severe lack of financing, lack of political will and of information at the highest decision-making levels. Two business-plans were prepared by the Institute of Agrarian Biotechnology with the support of USAID funded experts on minituber and microtuber potato transplant production and on breeding of highly-productive cattle by means of artificial fertilization and embryo transplantation.

Capacity-Building, Education, Training and Awareness-Raising: There is practically no knowledge among the people of the real essence of biotechnology and other technologies applicable for sustainable development. Information, which is spread through media, is dubious of scientific nature, controversial and often contradictory.

Technologies: No information is available.

Biotechnologies: Leading educational institutions in the field are the State University (departments of biology, chemistry, bio-chemistry) and to certain extent the Agrarian university.

Information: Information in this field is very difficult to obtain due to the absence of scientific networks and lack of funding and interest.

Technologies: No information is available.

Biotechnologies: No information is available.

Research and Technologies:

Technologies: Within the framework of UNDP/GEF financed project on enabling Georgia to fulfill its commitments to UNFCCC, National Agency for Climate Change will assess the situation on energy and industry with primary focus on adaptation of energy efficient technologies.

Biotechnologies: There are: the Institute of Medical biotechnology of the Academy of Medical Sciences; the Institute of Biochemistry of the National Academy of Sciences; and the Institute Agrarian Biotechnology of the Ministry of Economy, Industry and Trade. USAID was supporting the idea of creation of Regional Center for biotechnology research on the Basis of the Institute of Agrarian Biotechnology but this never materialized.

Financing:

Technologies: Information is not available.

Biotechnologies: The Institute of Medical Biotechnology of the Academy of Medical Sciences; the Institute of Biochemistry of the National Academy of Sciences; and the Institute Agrarian Biotechnology of the Ministry of Economy, Industry and Trade are formally state-funded but due to constant fiscal deficit and budgetary constraints allocations are very small and rarely transferred. As other research institutes in Georgia, these institutions depend completely on occasional grants.

Cooperation:

Technologies: Information is not available.

Biotechnologies: Information is not available.

* * *

CHAPTER 17: PROTECTION OF THE OCEANS, ALL KINDS OF SEAS, INCLUDING ENCLOSED AND SEMI-ENCLOSED SEAS, AND COASTAL AREAS AND THE PROTECTION, RATIONAL USE AND DEVELOPMENT OF THEIR LIVING RESOURCES

Decision-Making: Governmental bodies responsible for this issue are: the Ministry of Environment; Ministry of Agriculture and Food; Department of Fisheries; State Department of Tourism; and local authorities. The State Consultative Committee for Integrated Coastal Zone Management was established on 25 October, 1998 to facilitate coordination among all of these entities. The legislation governing the sector includes: the Marine Code (1997); Law on Environmental Protection; Law on Ecological Examination; Law on the Management and Protection of the Sea Coast and River Banks; and Law on Environmental Permits. The law on Protection of Animals and the Law on Protection of Plants are intended to address the sustainable use and conservation of marine living resources. Participation on workers and indigenous population as well as unions is guaranteed by the legislation but is not happening in reality. Through the Caspian Environmental Partnership Programme, USAID will provide environmental regulatory assistance to local regulators in a partnership programme with regional organizations and counterparts in the US regulatory system.

The main policy documents in this sector are: the National Environmental Action Plan; the Coastal Zone Management Action Plan the Black Sea Rehabilitation and Protection National Strategic Action Plan; as well as the National Biodiversity action Plan.

Programmes and Projects: The World Bank is supporting the Ministry of Environment and local authorities in creating a legal and institutional framework for protection and sustainable development of Georgia's coastal zones. It aims at: laying the foundation for national Integrated Coastal Zone Management Programme; improvement of environmental quality and living resources of Georgian coastal and offshore waters; implementing the Black Sea Strategic Action Plan; and supporting coastal ecosystems and biodiversity preservation in Kolheti and Kobuleti Wetlands. Another GEF funded World Bank project on Agricultural Research, Extension and Training will initiate measures aimed at improving on-farm environmental practices, which over the long-term will reduce nutrients entering the Black Sea. The Project activities are linked directly to the "Black Sea Strategic Action Plan" that is the first attempt to develop a systematic approach to policy development through the application of Trans-Boundary Diagnostic Analysis. This project also complements the Danube Delta Environmental Programme and assists the Government in meeting its international commitments under the Bucharest Convention.

Status: The major issues of the coastal areas in Georgia are primarily related to the construction of the oil pipeline, fishing and tourism. Port waste and oil contaminated water is not treated properly. The primary source of pollution of marine environment is oil spills, which occur due to lax control and deficient technologies. Other sources of pollution are mainly land-based stemming from municipal sewage, agriculture, erosion and industrial activity.

Capacity-Building, Education, Training and Awareness-Raising: Both Study Tours and technical workshops have been used to educate policy-makers on International Coastal Zone Management (ICZM). The TACIS/PHARE Black Sea project provides: training and environmental impact assessment; environmental audit; and public participation and awareness raising initiatives. First National ICZM Workshop, held in April 1995, also provided training for ICZM practitioners. To ensure that oil pipelines and offshore Black Sea exploration and development are conducted in an environmentally sound manner, USAID will support the Georgian State Agency For Oil and Gas through training programmes and supply of equipment.

Information: Information is available through: the Department of Biological Diversity within the Ministry of Environment; the Ministry of Agriculture; the Ministry of Healthcare; the Ministry of Economy; and the Conventional Inspection for Black Sea Protection. A small-scale GIS-based ICZM data is under development but is practically inaccessible for monitoring legal compliance. A Global Resource International Database Center has been established for the purpose of developing of Sustainable Development indicators. The World Bank ICMZ project aims at establishment of coastal environmental quality monitoring and information networks as well as the national oil spill contingency and marine pollution control plans.

Research and Technologies: There is very little involvement of the scientific and technological community in this field due to scarcity of financial resources available for research.

Financing: The sector is financed through private sector and through external assistance.

Cooperation: The World Bank integrated Coastal Zone Management project is being implemented with the financial support from GEF and the Government of Netherlands. The latter aims at marine oil spill contingency action planning and studying municipal water management in port cities of Batumi and Poti.

Georgia is a party to several Conventions and Agreements in this field, namely: UN Convention on the Law of Sea; International Convention for the Safety of Life at Sea (SOLAS); International Regulations for Preventing Collisions at Sea (COLREG); International Convention for Safe Containers (CSC); International Convention on Standards of Training, Certification and Watchkeeping for seafarers (STCW); International Convention on Maritime Search and Rescue (SAR); the International Convention for the Prevention of Pollution from Ships; London Convention on Civil Responsibility for the Damage Caused by Oil Spills; and the Protocol on the Pollution of Sea with Waste. Other related regional and sea-specific agreements include: the draft agreement on basic principles of cooperation in the field of rational use and protection of transboundary water objects; agreement on furthering international protection in open sea; and distribution of fisheries management plans measures.

* * *

CHAPTER 18: PROTECTION OF THE QUALITY AND SUPPLY OF FRESHWATER RESOURCES: APPLICATION OF INTEGRATED APPROACHES TO THE DEVELOPMENT, MANAGEMENT AND USE OF WATER RESOURCES

Decision-Making: There are various Governmental Institutions that are involved in the management and protection of water because it is a resource of multisectoral use. The Ministry of Environment is the policy making body with the Department of Water Resources Management and Protection integrated in its structure. Municipal Department of water supply is in charge of supply, management and tariffs on the municipal level. The State Sanitary and Epidemiology Supervision Service of the Ministry of Health and the State Geology Department are involved in water quality analysis and monitoring. The main legal instrument, governing the use of water resources, is the Law on Water adopted in 1997, which spells out the requirements with respect to licensing for the use of water, waste water discharge and effluents monitoring. Other relevant laws are the laws on Environment protection, Natural Resources, Pesticides and Chemicals, and etc.

There is no national strategy on integrated water management in Georgia. The National Environmental Action Plans provides the broad framework of action for the protection and management of water resources.

Programmes and Projects: There are several donor-funded projects in this field. The World Bank is preparing the project for the water supply and sanitation for the Tbilisi Water Utility Company to become a better managed as a financially autonomous and sustainable institution capable of providing good quality water and basic environmental sanitation services to the capital. The project aims at: arresting the existing rate of deterioration of the water supply and distribution system; controlling the leakage and wastage as well as contamination of water through sewer repairs; better cost recovery and affordable prices; and increased revenues through metering and progressive tariff structure. The USAID funded Water Management Programme is a regional initiative covering the countries of Mtkvair (Kura)-Araks basin (Armenia, Georgia, Azerbaijan). The World Bank Municipal Development Fund is implementing 16 projects aimed at improving of water supply systems and sanitation in the various cities of Georgia. These projects will improve the water supply of 200 thousand households. The investments, carried out by the Fund, will result in material decrease of water losses, increase of water supply efficiency, and substantial solution of the water supply problem in the country.

Status: Pollution of surface waters by phenols, hydrocarbons, copper, manganese, zinc and nitrates exceeds permitted levels. Until recently the surface waters of the lowland regions were heavily polluted by chemical fertilizers, industrial wastewater and sewage. While due to decreased economic and industrial activity, the first two kinds of pollution have also diminished the residual concentrations of hazardous elements (heavy metals) in bottom sediments are still very high. Currently, the main point sources of surface water pollution are municipal sewage systems, medical facilities and the remaining industrial sites. About 10% of industrial wastewater and less than 13% of sewage is treated and the existing water treatment plants need serious repair. Mechanical treatment is unsatisfactory and neither type of these treatment facilities is able to provide proper biological treatment. Agriculture and scattered, poorly managed landfills are the non-point resources of water pollution.

Proper implementation of the Law on Water is seriously impeded by institutional and financial deficiencies. Permanent monitoring of water quality requires financial inputs allowing for the creation of a quality monitoring system.

Capacity-Building, Education, Training and Awareness-Raising: There are Faculties of hydro-melioration, hydro-engineering at the Technical and Agrarian Universities and Departments of Biology, Sanitation and Epidemiology of the State and Medical Universities. The World Bank funded Tbilisi water Supply and Sanitation project will address the institutional deficiencies and promote economical use of limited water resources through public training programmes, awareness raising and participation.

Information: The Department of Water Resources Management and Protection maintains the state register, (cadastre) of surface water uses (abstractions and effluent charges) based on annual reports of licensed water users. Annual reports are presented in approved statistical formats (2TP-Water). The information is summarized by

special computer software according to administrative areas, river, basins, industrial activities etc. The license holders conduct self-monitoring and report annually to the Ministry of Environment Protection and Natural Resources regional and/or central offices to ensure compliance with the conditions set in the water use licenses. Information about the World Bank and USAID projects is available from country offices and at the World Bank country office website at www.worldbank.org/ge.

Research and Technologies: State Sanitary and Epidemiology Supervision Service of the Ministry of Health maintains portable water quality analysis laboratories, which should measure toxic chemical and bacteriological parameters. The State Geology Department is responsible for ground water monitoring through regular geological surveys. However, their databases have not been updated for almost 20 years due to financial constraints. In addition, the research is focused only on quantitative parameters (groundwater regime) and mineral composition of existing aquifers. Historically, regular observations on ground water contamination by chemical pollutants and bacterial pathogens have never been conducted, except for irregular observations on the pollution of ground waters used for drinking.

Financing: A tax on air and water pollutants is imposed on air emissions and water discharges of a number of pollutants as well as on all fuel and natural and liquid gas as product taxes, based on several environmental characteristics. The list of pollutants, charge base, rates and structures as well as the procedures for introduction and operation of the charge system are set in the State Tax Code. Tax receipts are not earmarked for environmental purposes but are reallocated from central and local state budgets.

Cooperation: UNDP Georgia is in the process of formulating the transboundary river initiative, which will tackle watershed management and application of integrated water resource management principles. The initiative will implement transboundary diagnostic analysis identifying hot spots, point and non-point sources of pollution. The project will formulate Integrated Water Resource Management strategy and Action Plan and launch regional and sub-regional investment projects together with USAID and TACIS.

* * *

CHAPTER 19: ENVIRONMENTALLY SOUND MANAGEMENT OF TOXIC CHEMICALS, INCLUDING PREVENTION OF ILLEGAL INTERNATIONAL TRAFFIC IN TOXIC AND DANGEROUS PRODUCTS

Decision-Making: The Law Concerning Dangerous Chemicals was adopted on June 12, 1998 and the Law on Pesticides and Agricultural Chemicals was adopted on 25 November, 1998. The ministries of Environment and Agriculture are involved in decision-making within their spheres of competence. The Law on Compensation of Damage Caused by Dangerous Products was adopted July 23, 1999.

Programmes and Projects: The system of management of hazardous chemicals is currently being created. National Programme for Development of an Infrastructure for the Management of Hazardous Chemicals is under preparation based on recommendations of the EU Institute for Training and Research and the International Organization for Management of Chemicals.

Status: There is no proper control in the import of hazardous chemicals, while the situation with the import of pesticides is slightly better. Numerous juridical and physical persons are involved in the trade of agrochemical chemical substances, which is often illegal. Vast amount of pesticides and fertilizers are stored in obsolete warehouses providing serious risk to the environment and human health. Given the lack of funds and relevant technical facilities utilization and treatment of these stocks is not feasible.

Capacity-Building, Education, Training and Awareness-Raising: The awareness of the public on the safe use and threats of toxic chemicals is very low, especially among farmers. The personnel, involved in management of these substances, is in urgent need for retraining.

Information: Information on this issue is very scarce. The ministries of Environment and Agriculture are the main sources of information.

Research and Technologies: The most relevant scientific institutions in this field are: the Institute of Plants Protection, of Soil Protection and Agricultural Academy; and Institutes of Chemistry and Bio-chemistry. However, existing laboratories lack proper capacities for monitoring of levels of pollution with toxic chemicals. No environmental studies have been carried out on the impact of stable organic pollutants (POPs) in order to assess the problem.

Financing: No information is available.

Cooperation: Georgia has joined the Stockholm Convention on Persistent Organic Pollutants.

* * *

CHAPTER 20 TO 22: ENVIRONMENTALLY SOUND MANAGEMENT OF HAZARDOUS, SOLID AND RADIOACTIVE WASTES

Decision-Making: The National Environmental Action Plan is the Government policy instrument addressing the issues of Waste Management in very broad terms. There are no strategies and policies defining concrete mechanisms of the improvement of situation in this field.

Hazardous wastes: Decision making responsibility lies with the Ministry of Environment through the Department of Land Resources Conservation and main department of chemical substances and waste management. The sector is governed by the Law on the Transit And Import of Wastes on the Territory of Georgia, October 16, 1997, which was in Georgia the first legal document of this kind based on Basel Convention and EU requirements. The major drawback of the law is that it only covers import and transits, and requires fine-tuning in compliance with global tendencies and in light of past historical experience. The Law on Hazardous Substances was adopted on January 1, 1999.

Solid wastes: This field will be governed by the new law on waste management (see under **Status**).

Radioactive wastes: According to the Law on Nuclear and Radioactive Safety, which was adopted on 30 October, 1998 and enacted on January 1, 1999, the Nuclear and Radiological Safety Service of the Ministry of Environment Protection and Natural Resources is responsible for: arranging and operating the state register with the information on all existing nuclear and radioactive facilities, quantities of radioactive substances used as feedstock, radioactive substances and wastes, whether imported, exported, generated or used; and locations and technical conditions for their storage and disposal facilities.

Programmes and Projects:

Hazardous wastes: No information is available.

Solid wastes: No information is available.

Radioactive wastes: No information is available.

Status: Georgia requires a law and a complete new set of regulations on waste management covering classification, collection, segregation, processing, storage and disposal of waste and the allocation of responsibilities between the state, municipal and local bodies.

Hazardous wastes: Implementation of the Basel Convention is very slow and inefficient due to institutional weakness of relevant institutions. Another substantial problem in this area is partial duplication of functions between the Ministry of Environment Protection and Natural Resources, which assigns landfills, and issue permits for industrial activity and the SDLM. Currently, the Law on Waste Management is being prepared within the UNDP supported programme on Capacity Building of the Ministry of Environment Protection and Natural Resources. No sites designated for the hazardous waste are available. Instead, hazardous waste is being stored at “temporary” landfill sites and on the premises of enterprises.

Solid wastes: The Industrial and municipal waste management system in Georgia is in very poor state. Very often the household waste was mixed with industrial and hospital waste. There is neither a comprehensive waste management system nor a coordinating authority in this sector. Collection of household waste is managed by municipalities. Deterioration of the waste management system resulted in the creation of illegal dumpsites, disposing of municipal waste often to the streets, and neglect of sanitary requirements increasing the risk of infectious diseases.

Radioactive wastes: No information is available.

Capacity-Building, Education, Training and Awareness-Raising: UNDP supported the project for Capacity Building of Ministry of Environment Protection and Natural Resources that envisages building the institutional capacity for waste management.

Hazardous wastes: No information is available.

Solid wastes: The World Bank Municipal Development and Decentralization Project, which aims at improvement of the level and quality of municipal service provision through better maintenance and infrastructure that should benefit this particular sector inasmuch as it is related to decision making and implementation capacities on municipal and local levels.

Radioactive wastes: No information is available..

Information:

Hazardous wastes: No information is available.

Solid wastes: No information is available.

Radioactive wastes: Research papers on radiation influence and ecology are available at http://www.acnet.ge/radiobio/radiation_studies_vol6.htm.

Research and Technologies: The Institute of Environmental Protection conducts research on waste management in general.

Hazardous wastes: There are the Institute of Environmental Protection and the Institute of Organic Chemistry.

Solid wastes: No information is available.

Radioactive wastes: There are the Institute of Geophysics, the Scientific Center of Radiobiology and Radiation Ecology of Georgian Academy of Sciences, and the Academy of Ecological Sciences of Georgia.

Financing:

Hazardous wastes: No information is available.

Solid wastes: No information is available.

Radioactive wastes: No information is available.

Cooperation:

Hazardous wastes: Georgia ratified the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal in 1998.

Solid wastes: No information is available.

Radioactive wastes: No information is available.

* * *

CHAPTER 24 TO 32: STRENGTHENING THE ROLE OF MAJOR GROUPS

Women: *It is not possible to assess the level and impact of women's participation in sustainable development. The below overview provides brief description of the role and status of women in Georgia in general.*

Decision-making: State Service for Family, Demography, Children and Women Issues at the State Chancellery, and the Committee for the Protection of Women's and Children's Rights of the Georgian Parliament are the only state structures involved in this area. In 1997, the President signed the Decree on Improvement of Women's Conditions and Elaboration of the State policy on Women and the Degree on Women's Rights and on Combating Violence against Women. National Action Plan for Improving Women's Conditions in Georgia was prepared within the framework of Beijing Conference recommendations. Programmes and Projects: In 1997-1998, UN implemented the project establishing the Women In Development (WID) Unit, which in 1999 was transformed into the Gender in Development (GID) Association within the project funded by UNDP and the Georgian Government. Status: Although Georgia formally joined the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1994, very few people, except experts and women rights' activists, know about its existence, and even less consciously apply its articles to everyday life. Recent studies on power structure and employment show that the actual status of Georgian women has not changed much since CEDAW. Gender equality, proclaimed by the authorities, is less meaningful when considering the practical implementation of the CEDAW principles. The legal framework in Georgia is gender neutral, but unfortunately the law does not protect women neither from *de facto* discrimination stemming from adverse traditional socio-cultural attitudes nor from the burden imposed by multiple responsibilities of housewife, worker and community caretaker. Also, domestic violence and sexual and other abuse of women exists in Georgia, but very little is known so far about its extent or specific forms, as these topics are not widely discussed. Capacity-Building, Education, Training and Awareness-Raising: Within the framework of UNDP supported GID project, GID Association received extensive training on women's issues. Today the GID Association is conducting a wide awareness-raising campaign through its regional center, is publishing brochures and pamphlets and issuing television and radio programmes on gender issues. In addition, GID is working with the Government to direct gender issues to the mainstream of all government policies and programmes. Swiss Agency for Development funds training for women as voters and candidates in local elections. One of the GID leaders also introduced a special course on Gender Studies at Tbilisi State University. Information: GID conducts surveys and maintains the database of women leaders of Georgia. The Thematic Group on Gender holds regular information exchange meetings led by UNDP and comprising representatives of international donors and local/international NGOs. Information is also available from the GID association. Research and Technologies: The Report on Women's Status, prepared by the GID Association and Situational Analysis on Women and Children in Georgia, provide the most comprehensive analysis of the conditions and rights of women in Georgia. Cooperation: GID association, previously funded by UNDP, is currently receiving financial support from the Swiss Development Agency. The Convention on the elimination of All Kinds of Discrimination against Women was ratified in October 1994.

Children and youth: *It is not possible to assess the level and impact of children's and youth participation in sustainable development. The below overview provides brief description of the status of children and youth in Georgia in general.*

Decision-making: The State Department of Youth Affairs is in charge of execution of state policies elaborated by the Presidential Committee and Sub-committee on Youth and Sport of the Parliamentary Committee on Education. There is a separate Children's Federation, which is subordinated to the Youth Department but has separate financing from the State Budget. Laws governing the sector are the Constitution of Georgia, and the Law on State Support to Children and Youth Organizations of June 22, 1999. UNICEF has been providing legal assistance to the Government and supported the development and promotion of legislation on Convention of the Rights of Children. Programmes and Projects: The major programmes implemented by the State Department of Youth Affairs include: "Annual Presidential Grants And Scholarships Programme" for 100 talented children and "Days of Youth" - annual meetings between the youth of various regions of Georgia; organization of lectures, seminars and round-tables on issues related to youth affairs; UNICEF-funded Children's Parliament, simulating parliamentary sessions and introducing children to legislative activity; and the State programme "Monument" - annual field visits to various

historical sites and restoration/cleaning of historical and architectural monuments by children and youth. USAID provided technical assistance for the programme for Youth Development carried out in US summer camps for Children. Within its Early Childhood Development and Primary Education Programme UNICEF has assisted the Ministry of Education in organizing training courses for educators in Active Learning and CRC teaching methodology, psychological rehabilitation programme as well as building the capacity of national specialists on the concept of integrated education of children with disabilities at mainstream schools. Educational supplies for IDP schools were provided in order to meet some urgent needs. Jointly, with UNFPA and WHO, world experience on “Life Skills” and “Healthy Life Style” teaching was introduced in order to support the promotion of foster care and adoption practice as well as assistance to street children and young delinquents. Since 1998, UNICEF has been financing educational programme at the Shelter for Street Children that aims at providing children with basic education, vocational training and psycho-social rehabilitation. Capacity-Building, Education, Training and Awareness-Raising: There is a provision in the State budget for regular trainings for department staff but due to absence of funds these are seldom conducted. Despite these obstacles, the Department attempts to arrange seminars and exchanges on regional level to maintain public involvement and advocate for youth. UNICEF supports the awareness campaigns to promote the Convention on the Rights of Children through special publications and television programmes. Information: UNESCO funded a free Internet Center and supports the Department web page at www.youth.ge. Research and Technologies: Annual State report on the state of affairs of children and youth based on the research conducted by the Research Center of the Department of youth affairs. UNICEF funds research work in the areas of maternal and Child Health and legislative environment. Child Abuse and Neglect Survey, commissioned by UNICEF, provided valuable information on these issues, which will assist both the government and international community in policy-formulation. UNICEF also supported the preparation of report on the compliance of Georgian legislation with the UN Convention of Children’s Rights. Financing: In accordance with acting legislation, there is a special fund created at the Department of Youth Affairs, which is financed from central budget and external resources. The fund finances programmes and projects submitted by youth organizations. Cooperation: UNICEF is the major contributor to Programmes on Children Education And Health. Georgia ratified the UN Convention on the Rights of Children on April 24, 1994.

Indigenous people: This issue does not apply to the Country

Non-governmental organizations: Decision-Making: There is an NGO Consultative Council comprised of representatives of State Chancellery and 16 local NGOs selected on the rotational basis. The Council is a voluntary organization that based its programme of action on the Presidential Programme of 1995. It aims at: support of NGO activity; creation of appropriate legislation; and raising public participation and awareness. Law on NGOs existed until 1997 and is currently suspended pending amendments. In the meantime, article 40 of the civil Code of Georgia provides legal framework for NGO activities in the country. Status: NGOs are very active in almost every sphere of Georgian political, economic and social life. There is a wide spectrum of thematic NGOs whose activities range from implementation of donor assisted special programmes to training, Consultancy and Research. There are numerous environmental NGOs that are becoming increasingly active in drawing the attention of the Government and civil society to the acute problems of environmental protection and conservation partly filling the vast gap in this field. Capacity-Building, Education, Training and Awareness-Raising: Open Society Georgia Foundation, TACIS, Center for Training and Consultancy provide regular NGO training courses on a variety of issues; UNHCR has been supporting NGO Capacity Building Programme since 1997. Friedrich Ebert Foundation, in cooperation with the Georgia UN Association (www.una.org.ge), implemented a programme on the Promotion of Cooperation Between the Executive Bodies And Civil Society, which had a strong PR-training component for NGOs. TACIS Environmental Awareness Programme targeted civil society groups and NGOs working in the field of environment. USAID will provide assistance to network of the regional and local environmental NGO community to promote discussion on environmental issues and will encourage NGOs to develop information programmes to promote end-user conservation in water and space heating.

Local authorities: Decision-making: The Office of Regional Politics and Administration of the President of Georgia and the Parliamentary Committee on Regional Politics and self-administration and the Parliamentary Committee on Local-Self-Governance are the leading agencies in this area. The main law governing the sector is

the Law on Local Governance and Self-Governance of October 16, 1997, which was amended on August 2, 2001. Programmes and Projects: State Programme on the Development of Local Governance is the continuation of the State Programme on Municipal Development of Georgia. It defines institutional and socio-economic aspects and priorities for state decentralization and local governance policies in short (2000 – 2001) and medium term (2000-2005). Status: Currently, the USAID-funded Urban Institute is assisting the Government of Georgia in the preparation a new Law on Local Property and amendments to the existing legislation on local governance and administration. Capacity-Building, Education, Training and Awareness-Raising: Scientific Research Center of Regional Politics and Administration provides training courses for local government officials on various financial, economic and legislative issues. Department of Administrative Law is functioning at Tbilisi State University. The World Bank financed project on Municipal Development and Decentralization targets at: managing the capacity building of the local government sector; promoting greater transparency and accountability in local governance; creating a conducive environment for local revenue mobilization; and improving the level and quality of municipal service provision through better maintenance and infrastructure. Information: The Office of Regional Politics and Administration issues periodic bulletin “Local Self-Governance”, which is based on scientific research conducted by the Center of Regional Politics and Administration. (see **Research and Technologies**). SIDA-funded society “Swedish Association of Local Authorities” financed the publication of a book “What is Local Self-Governance”. Save the Children foundation is planning to fund creation of a web site for the Office of the Regional Politics and Administration. Research and Technologies: The Center of Regional Politics And Administration is conducting the needs assessment on territorial arrangements in Georgia with the funding from Open Society Georgia Foundation. Financing: The main source of funding for local authorities are the local budgets and revenues from local taxes. The Office of Regional Politics and Administration is funded from the central budget.

Workers and trade unions: *There is No information is available. about the involvement of workers and trade unions in environmental protection and sustainable development. The following paragraph describes the structure and status of trade-unions in the country.*

Decision-making: The Amalgamation of the Georgian Trade Unions is the most prominent organization created on the basis of soviet trade unions after independence. The relevant legislation includes: the Law on Trade Unions of 1997; the Law on collective bargaining; the Resolution of Collective disputes; the Labor code (a new version is being elaborated); the Amended Law on Employment; the Law on calculation of minimal subsistence level; the Law on Entrepreneurship; and the New Civil Code. Status: The Amalgamation possesses a solid material and technical base inherited from the all Soviet trade unions after their abolishment in 1990. There are various services within the organization which ensure integration and protection of workers interests in the areas related to: healthcare reform and Public Health; women’s health; recreation of children and youth; humanitarian assistance; and workplace traumatism and labor rights. The organization considers the decline in industrial activity and poor economic performance of the country as the main obstacle to the protection of workers’ right and interests. Capacity-Building, Education, Training and Awareness-Raising: TACIS Technical Assistance programme provided training and capacity Building for Georgian Trade Unions. Information: Information is available from a monthly newspaper issued by the organization “the Amalgamation of the Georgian Trade Unions” as well as various professional unions within the amalgamation. Financing: In accordance with the acting legislation, the organization is self-financed from membership fees and profit from engagement in commercial activities as provided by law. Cooperation: The Amalgamation of the Georgian Professional Unions became a member of the International Confederation of Free Professional Unions after a two-year trial period.

Business and industry: *There is practically no information about involvement of business-groups in the area of environmental protection and sustainable development at large.*

Decision-making: The relevant legislation governing the activities of various business groups includes: the Law on Entrepreneurship; the Tax Code; the Civil Code; the Customs Code; and the Antimonopoly Law. Programmes and Projects: See **Chapter: Industry**. Status: One of the rare cases of business groups’ involvement in this field is the Association of Oil Product Importers And Protection of Consumers’ Rights “Navco”, which among other issues addresses the quality of imported oil products and its impact on the environment and human health. The association was very active in revealing the cases of illegal and low-quality product import and has even cancelled the membership of several companies violating the safety standards. Capacity-Building, Education, Training and

Awareness-Raising: No training or awareness-raising initiatives for business groups address the issue of sustainable development and environmental protection. Instead, there are various training and capacity building programmes on specific issues directly related to entrepreneurship development. For this purpose, Center for Enterprise Restructuring and Management Assistance (CERMA) was established with the help of the World Bank and TACIS-EU Project with the objective of providing assistance to private individuals in restructuring their enterprises and strengthening management capacities. **Information:** Information is available through: the Georgian, American and international Chambers of commerce; World Bank; TACIS; the Center for Enterprise Restructuring and Management assistance; the Georgian Investment Center; and the Georgian Export Promotion Agency. The International Chamber of Commerce maintains a website at <http://www.kheta.ge/iccg>, with the data on most of the major business groups and associations of Georgia. **Financing:** Various credit programmes are available from international agencies. The EBRD provided SME credit line loan for commercial banks for lending to small and medium size enterprises (SMEs) and supports the United Georgian Bank with the credit for SMEs.

Scientific and technological community: see under **Chapter 35**.

Farmers: **Decision-making:** The ministries of Agriculture and Environment officially regulate the activities and policies related to farming within their competencies. Main environment and agriculture related laws also govern the farmers and farming. Recently Law on Biosafety and Certification was prepared by the Association of Biological Farming “Elkana” and was submitted to the Government for approval. **Programmes and Projects:** In addition to major donor-funded projects, which have provisions for the development of farming in Georgia, independent association of Biofarming unites 205 farmers country-wide, promoting and developing biological (eco) farming. The Association’s extension service serves as a consultative group working with farmers on a broad spectrum of agricultural and managerial issues ranging from soil fertility and biological pesticides to marketing and sales. **Status:** Currently there are almost one million small farmers in Georgia, which are facing numerous obstacles in their farming activities. According to the farmers, the following problems occur: heavily taxed agricultural production makes the sector non-profitable; wide-spread corruption implies bribes for land allocation; agricultural production processing facilities are obsolete and dysfunctional; and difficult access to credits and absence of modern technologies are serious impediments to the development of small farming sector in Georgia. **Capacity-Building, Education, Training and Awareness-Raising:** There are several NGOs providing advisory services for farmers. Elkana, the local NGO, has a PR group, which works with the Government, NGOs, civil society and farmers. It aims at promoting biofarming, informing the public of the benefits and possibilities of this branch, lobbying and fundraising. There is also a Rural Community Development group within the association, which discusses with the farmers general issues and problems of a rural resident - roads, water supply and irrigation, self-reliance and self-sustainability. Elkana also provides training on specific issues related to farming related legislation and the farmers’ legal rights. Association of Assistance to Small Farmers conducts regular training courses for farmers in the regions. **Information:** Elkana issues regular semi-annual publications related to bio-farming. These publications are distributed to farmers free of charge and provide useful information. **Research and Technologies:** Elkana in cooperation with farmers conducts pilot testing of new biological pesticides. **Financing:** Farmers’ associations depend completely on grants and credit lines provided by donors. German and Dutch agrarian consortiums have provided joint funding for biofarming. DFID has also been supporting the private farms with small grants.

* * *

CHAPTER 33: FINANCIAL RESOURCES AND MECHANISMS

This issue has been covered under the heading **Financing** in the various chapters of this Profile.

* * *

CHAPTER 35: SCIENCE FOR SUSTAINABLE DEVELOPMENT

Decision-Making: There is no scientific institution specializing on sustainable development. The Law on Academy of Sciences of Georgia adopted on 22 June 1999, is the main legal tool regulating the scientific research in the country. A new Law on the Improvement of the Social Conditions of Scientists in Georgia is also being elaborated. In compliance with the requirements of WTO membership, Georgia is updating its legal base on intellectual property, on copyright and patents, on Geographic Signs and Topology of Microschemes. Parliamentary Committee for Science and Technology is the main legislative body in this field.

Programmes and Projects: See under **Research and Technologies**.

Status: The Georgian Academy of Sciences unites the scientific-research institutions of the Republic where the fundamental research in almost all main fields of science is carried out. The Academy coordinates scientific research in Georgia and develops relationship with the academies of foreign countries and other scientific centers. At present, there are 60 academicians and 70 corresponding members working at the Academy. There are also various specialized academies (agrarian, Medical, Ecological etc.).

Capacity-Building, Education, Training and Awareness-Raising: Since 1997, independent commission INTAS associated with the European Commission, supports the cooperation of scientists from the former Soviet Union with European partners. Within the framework of TACIS project on Scientific Research and Processing Management in Georgia various seminars, training courses and study trips have been conducted, eight Georgian experts were trained in the field of Science management and Financing. In 1996 the World Bank funded the project on Restructuring and privatization of Georgian Scientific Organizations.

Information: Information about the Academy of Sciences of Georgia is available at <http://www.acnet.ge>, which provides links to various research institutes within the structure of the Academy. Georgian Research and Educational Networking Association (GRENA) established on July 16, 1999, has a web page at <http://www.grena.org.ge>.

Research and Technologies: Partial list of State scientific research programmes elaborated and implemented in Georgia by various specialized institutions includes: “Production of biologically Clean agricultural produce”; “Research of Geological potential of national resources in Georgian Regions”; “Discovery and appraisal of Underground water resources in Georgia”; “Information Technologies”; “Black Sea”; “Protection of the Rivers of the Black Sea and the Caspian Sea Basins on the Georgian Territories”; “Biomedicine”; and etc.

Financing: Various scientific-technological research programmes implemented in Georgia are financed by 2-3 year grants allocated through tenders. Various sectoral ministries finance relevant studies in their respective fields from funds allocated from the central budget. In 1997-1999, the State budget allocated 400,000 GEL annually for targeted research programmes. However, in 2000-2001, the financing was cut due to severe fiscal deficit. International donors also finance selected scientific research institutes on specific issues.

Cooperation: Georgia has signed agreements on scientific cooperation with CIS countries as well as with Turkey, Iran, Greece, Germany, Romania, etc. NATO National Bureau for science, technologies and environmental protection has been functioning at the Department of Science and Technologies since 1998. NATO and Open Society - Georgia Foundation are funding the projects on Development of Networking Infrastructure of the Georgian Research and Educational Networking Association (GRENA) and on Expansion of GRENA Network in Tbilisi and the Eastern Region of Georgia. Center for Intellectual Property at the State Department of Patents collaborates with the WIPO on the harmonization of Georgian legislation on Intellectual property with international standards.

CHAPTER 36: PROMOTING EDUCATION, PUBLIC AWARENESS AND TRAINING

This issue has been covered under the heading **Capacity-Building, Education, Training and Awareness-Raising** in the various chapters of this Profile.

* * *

**CHAPTER 37: NATIONAL MECHANISMS AND INTERNATIONAL COOPERATION FOR
CAPACITY-BUILDING IN DEVELOPING COUNTRIES.**

This issue has been covered either under **Chapter 2** or under the heading **Cooperation** in the various chapters of this Profile. For a list of relevant national legislation, see **Attachment 1**.

* * *

CHAPTER 38: INTERNATIONAL INSTITUTIONAL ARRANGEMENTS

UN Agencies as a whole comprise a comprehensive portfolio of activities in the areas of: conflict resolution; relief assistance; environment; monitoring of peace accords; support to health and education sectors; capacity building in management and administration; and respect for the rule of the law. Though much remains to be done in terms of the coordination of programmes, the current portfolio shows a significant degree of complementarity and synergy.

UNDP activities focus on three priority areas: (a) improved economic, political and social Governance; (b) poverty reduction through advocacy and support to economic growth; and (c) improved management and conservation of natural resources. Furthermore, it continues to promote gender equality as a crosscutting theme in all its programmes.

UNICEF continued its assistance to the Georgian government in the sectors of health, education and policy development. In the health sector, assistance was provided in the spheres of maternal/child health, promotion of breastfeeding, immunization and disease control. In the education sector, UNICEF support education reform, introduction of Active Learning methodology and teaching of CRC in schools. In addition, activities are focused on promotion of foster care and adoption practice and assistance to street children and young criminals. In the policy sphere, government is assisted in legislation development and promotion of CRC and CEDAW.

WHO supports the Government in the following thematic areas: maternal, child and young people's health; communicable diseases (malaria, tuberculosis and HIV/AIDS); mental health (drug abuse and suicide); and non-communicable diseases with an accent on cancer and primary prevention. WHO support is provided through policy advocacy, infrastructure and systems development and technical interventions.

UNFPA provides assistance to strengthen Reproductive Health (RH) services through supply of contraceptives and medical equipment, capacity-building and IEC/advocacy activities. In conjunction with USAID, UNICEF and UNHCR the first nationwide RH Survey was conducted and Preliminary Report Dissemination Seminar was held in July. UNFPA also supports National Census in Georgia.

WFP contributes to post-conflict asset building through *food-for-work* strategy. Furthermore, its relief assistance is delivered to certain particularly vulnerable groups. It pursues vulnerability analysis and mapping exercise (VAM) to identify the poorest areas of Georgia and target the most vulnerable population in need of food assistance.

UNV (UN Volunteers) supports the civic dialogue for peace-building efforts in South Ossetia and Abkhazia and facilitated community initiatives in Javakheti and Zugdidi regions. UNV supports the publication of a highly successful children magazine "White Crane" and its distribution to conflict-affected children throughout the region.

FAO is present in Georgia through a national correspondent. The projects in fruit and viticulture sector rehabilitation are implemented by the Ministry of Agriculture. FAO complements the UN System capacity to respond to disasters calling for food aid, of which the drought in 2000 provided an example.

OCHA (UN Office for the Coordination of Humanitarian Affairs) coordinates humanitarian assistance to Georgia mobilizing the collective efforts of the Government, civil society and the international community to undertake targeted humanitarian action. In particular, OCHA promotes transitional assistance and community development activities in the conflict zones of Abkhazia and South Ossetia.

UNHCR assists the Georgian government to cope with the influx of over 7,000 Chechen refugees through expanding capacities of local hospitals, schools and kindergartens and support to local administration. In addition, efforts were continued to monitor the situation in conflict zones of Abkhazia and South Ossetia and to support IDP population through projects implemented by local NGOs.

CHAPTER 39: INTERNATIONAL LEGAL INSTRUMENTS AND MECHANISMS

This issue has been covered under **Cooperation** in the various chapters of this Profile. However, you will find below a list of International Legal Instruments ratified in Georgia since independence. For a more comprehensive list of International Conventions and agreements on various issues, see **Attachment 2**.

- International Convention on the Law of the Sea (1982), April 21, 1996;
- Convention on the Protection of the Black Sea Against Pollution, Bucharest (1992), January 15, 1994;
- The Convention of the Biological Diversity signed in Rio de Janeiro (1992), April 21;
- Convention on International Trade of Endangers Species of Wild Flora and Fauna, Washington (1973), August 12, 1996;
- International Convention for the Prevention of Pollution from Ships (1973) (MARPOL - 1973);
- Convention of Climate Change signed on May 9, 1992 in New York, May 16, 1994;
- International Convention on Prevention of Desertification, signed in Paris , October 1994;
- International Convention for Safe Containers (1972) as amended, August 26, 1996;
- International convention on Oil Preparedness and Response (1990), May 20, 1996;
- Athens Convention relating to the Carriage of Passengers and their Luggage by Sea (1976), November 23, 1995;
- International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties (1996), 1973 Protocol (INTERVENTION);
- International Convention on Civil Liability for Oil Pollution Damage (1969);
- International Convention for the Safety of Life at Sea (1974);
- International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (1978);
- Convention on wetlands international importance especially as waterfowl habitat (1972), April 14, 1996;
- Vienna Convention for the Protection of the Ozone Layer (1985), and Montreal Protocol on Substances That Deplete the Ozone Layer (1987), June 19, 1996;
- UN Convention on the Control of Transboundary Movements of Hazardous Wastes And Their Disposal (1989), ratified in 1999;
- Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (1998); and
- Convention on Persistent Organic Pollutants, Stockholm (2001).

* * *

CHAPTER 40: INFORMATION FOR DECISION-MAKING

This issue has been covered either under Chapter 8 or under the heading **Decision-Making** in the various chapters of this Profile.

* * *

CHAPTER: INDUSTRY

Decision-Making: The Ministry of Economy, Industry and Trade is the main governmental institution responsible for design and implementation of industrial policies in the country (See under **Chapter 2**). The Ministry is in charge of: elaboration and implementation of the state policy; development of recommendations and development strategies for its sectoral branches; and coordination and supervision of all industrial programmes and projects implemented in the country. The sector is governed by: acting Laws on Entrepreneurship, Privatization, Anti-monopoly Regulation, Price And Price-formation, and Natural Resources; Tax Code, and Customs Code; as well as the relevant environmental legislation.

The Main Policy document for the industry sector is the Indicative Plan for Social and Economic Development produced annually by the Ministry of Economy, Industry and Trade as well as the Conception of industrial Policy of Georgia elaborated in 1999. The industrial policy of Georgia determines the principal aims and tools of the state policy to be pursued in the field of industry based on the principles of market economy. Besides, the state regulation excludes comprehensive interference in the economic activities; it implicates creation of the favorable conditions for the achievement of the stable economic and social development of industry by means of effective market levers. The Conception emphasizes the importance of environmental consideration in industrial development but as in the case of Energy, no specific actions or recommendations are provided.

The new Indicative Plan for 2002 will include rehabilitation and development of such traditionally strong sectors such as Chemical Industry, Aviation construction, Microelectronics, engineering, etc. The PREGP is another Government document assigning priority attention to the development of industrial sector.

Programmes and Projects: See under **Capacity-Building, Education, Training and Awareness-Raising and Information**.

Status: The Decline of industrial production reached its critical level in 1993-1994, when the capacity of industrial production was dramatically reduced as compared to 1989-1990 figures. The sector suffered from the legacy of Soviet inefficient production regime. Georgia's successful transition towards market-oriented industrial relations is impeded by the lack of investments, severe energy crisis, corruption, inefficient legislation and lack of qualified personnel. The Conception of Industrial Policy of Georgia highlights priority directions required for the modernization of industrial sector and revival of industrial production. Among key activities related to institutional, structural and policy reforms, the document envisages elaboration of environmentally sound and safe production technologies, implementation of policies on environmental protection and conservation and sustainable use of Georgian natural resources.

Another institutional difficulty is related to the absence of proper coordination between the Ministry and various sectoral ministries, as well as the enterprises. The Ministry defines the parameters for industrial development and growth only on the basis of statistical information provided by the State Department of Statistics. However, this data is often incomplete since only 52 enterprises report to the SDS.

Capacity-Building, Education, Training and Awareness-Raising: Georgian Technical University is the base for various sectoral disciplines relevant to the industry sector. The Center for Enterprise Restructuring and Management Assistance (CERMA) was established with the help of the World Bank and TACIS-EU Project with the objective of providing assistance to private individuals in restructuring their enterprises and strengthening management capacities.

Information: Information on Georgian industrial policies and programmes is available through the Ministry of Economy, Industry and Trade, the Georgian investment Center and the Georgian Export promotion Agency, and at <http://www.georgia-gateway.org>. The GIC issues periodical Investment Guides and places relevant information on its website www.georgia.net/ge/gic. Georgian Export Promotion Agency also runs a website at www.gepa.org.ge.

Research and Technologies: No information is available.

Financing: The Ministry is financed from the central budget.

Cooperation: World Bank financed the Enterprise Rehabilitation Project aiming at continuous privatization and post-privatization adjustment of enterprises to new market economies, strengthening the legal and institutional frameworks conducive to continuous restructuring (including liquidation) and protecting the rights of owners and creditors, development of the corporate governance capacity of new owners, especially for the development of secondary equity markets. International Finance Corporation (IFC) has included Georgia in the list of countries covered by the Private Enterprise partnership and is contemplating new technical assistance initiatives including leasing and corporate Governance.

Georgia is a member of the United Nations Industrial Development Organization (UNIDO).

* * *

CHAPTER: SUSTAINABLE TOURISM

Decision-Making: The Main Governmental Agency in charge of Sustainable Tourism is the State Department for Tourism and Resorts and Ministry of Environment Protection. World Wildlife Foundation (WWF) serves as a facilitator in processes related to the development of sustainable tourism.

The National Strategy for Tourism Development prepared by the State Department of Tourism and Resorts is the main policy document, which comprises aspects and priorities of eco-tourism development

Programmes and Projects: Development of Eco-Tourism is closely linked to the Protected Areas Development and Biodiversity Programmes.

Status: Although tourism is regarded as a priority sector of economy, there is very little done for the promotion of sustainable tourism in the country. Currently, on the basis of the State Strategy for Tourism as well as upon the initiative of the Ministry of Environment Protection and Natural Resources and the State Department of Tourism, strategy for sustainable tourism is being elaborated. The accent of the strategy will be on adventure/discovery tourism with special provisions for eco-tourism. Sustainable Tourism Center is the coordinating body for the preparation of this document. Within the framework of this strategy, it is envisaged to create the Intersectoral Coordination Council for Eco-tourism. However, there is no legal base for the development of this sector neither there are provisions in existing legislation that would support the sector.

The Sustainable Tourism Center is participating in the following issues: the study and design of regional tourism master plan for Borjomi –Kharagauli National park and park-support zone; design of eco-tourism management guidelines for environmental and conservation programmes; establishment of inter-disciplinary consultative and coordination board; and elaboration of policy and economic regulations for facilitation of eco-tourism development in national parks and protected areas.

The Association of Agrotourism is another organization attempting to develop the sustainable tourism sector. With the support of the State Department of Tourism they create regional organizations, liaise with foreign tourist firms and promote those sites, which are already capable of receiving tourist groups. The association comprises more than 2000 owners of venues and facilities united in the agrotourist network.

Capacity-Building, Education, Training and Awareness-Raising: See under **Chapter 13**.

Information: The Association of Agrotourism is compiling a database of all facilities, sites and persons involved in the sector. Due to financial constraint, planned publications and information-dissemination campaigns are on hold. Information is also available through the Sustainable Tourism Center, at the State Department of Tourism and Resorts and the Ministry of Environment.

Research and Technologies: No information is available.

Financing: The State Department of Tourism and Resorts is funded from the State budget. Last year, investments amounting to US\$ 135 million were attracted for construction of the hotel infrastructure in the Country. Sustainable Tourism Center and Association of Agrotourism are funded from international grants and local fund-raising initiatives.

Cooperation: TACIS provided Technical Assistance in the preparation of the Strategy for Eco-tourism.

* * *

ATTACHMENT 1

All the legal acts approved by the Parliament of Georgia are available on its Web site www.parliament.ge.

ENVIRONMENT:

[Concerning the Protection of Soil 1994-12-05](#)

[Concerning the Protection of Plants from Harmful Organisms 1994-12-10](#)

[Concerning State Ecological Examination 1996-15-10](#)

[Concerning Environmental Protection Permits 1996-15-10:](#)

[Concerning Environmental Protection 1996-10-12](#)

[Concerning the Fauna 1996-25-12](#)

[Concerning Water 1997-16-10](#)

[Concerning the Melioration of Lands, 1997-16-10](#)

[Concerning the Zones of Sanitary Protection of Resorts 1998-20-03](#)

[Concerning Dangerous Chemicals 1998-12-06](#)

[Concerning the Nuclear and Radioactive Security 1998-30-10](#)

[Concerning the Protection of Atmospheric Air 1999-22-06](#)

[Concerning the Management and Protection of the Sea Coast and River Banks 2000-27-10](#)

[Concerning Special Preservation of State Forest Fund and the Planting within the City of Tbilisi and Adjacent Territories 2000-10-11](#)

[Concerning the Enlargement of the Territory of the National Park of Borjomi-Kharagauli 2001-28-03](#)

HEALTH:

[Concerning the Donation of Blood and its Components 1995-21-03](#)

[Concerning Medicines and Pharmaceutical Activity 1996-25-12](#)

[Concerning Medical Insurance 1997-18-04](#)

[Concerning Healthcare 1997-10-12](#)

[Concerning the Protection and Promotion of Natural Nutrition of Infants and the Use of Products of Artificial Nutrition 1999-09-09](#)

[Concerning the Implantation of Human Organs 2000-23-02](#)

[Concerning Medical Activity 2001-8-06](#)

SOCIAL ISSUES

[Concerning the Social Protection of Disabled People 1995-14-06](#)

[Concerning Pension Provision to Persons Retired from Military Service and Law Enforcement Bodies and their Family Members 1996-16-10](#)

[Concerning the Social Protection of Families of People Missing or Deceased as a Result of Being Injured in the Battles for Independence and Territorial Integrity of Georgia 1996-27-12](#)

[Concerning the Rule of Calculating the Living Minimum 1997-17-04](#)

[Concerning Insurance 1997-02-05](#)

[Concerning the Social Protection of Repressed Persons and Acknowledgement of Those as the Victims of Political Repressions 1997-11-12](#)

[Concerning the Non-State Pension Provision and Insurance 1998-30-10](#)

[Concerning the Compulsory Fire Prevention Insurance 1999-03-02](#)

[Concerning the Social, Economic and Cultural Development of Mountainous Regions 1999-08-06](#)

[Concerning the Adoption of Orphans and Children Lacking Parents' Care 1999-22-06](#)

[Concerning the State Support of Children and Youth Unions 1999-22-06](#)

[Concerning the Obligatory Life and Health Insurance and Pension Provision for Members Parliament 1999-24-06](#)

[Concerning the Social Protection of Participants of Liquidation of Emergencies at the Chernobyl Atomic Power Station and other Civil and Military Nuclear Objects and their Families 2000-08-11](#)

LABOR

[Concerning the Rule of Protecting Collective Labour 1998-30-10](#)

[Concerning Creative Workers and Creative Unions 1999-08-06](#)

Economy (industry, energy...)

[Concerning Tourism and Resorts 1997-06-03](#)

[Concerning Oil and Gas 1999-16-04](#)

AGRICULTURE

[Concerning Veterinary Medicine 1995-14-06](#)

[Concerning Agricultural Quarantine 1997-15-05](#)

[Concerning the Reimbursement for the Agricultural Use of Non-Agricultural Lands and Compensation of Damage 1997-02-10](#)

[Concerning Viticulture and Wine 1998-12-06](#)

[Concerning the Pesticides and Agricultural Chemicals 1998-25-11](#)

[The Forest Code of Georgia 1999-22-06](#)

[Concerning the Permit on Cultivation of Agricultural Plants and Breeding 1999-25-06](#)

POLICY TOOLS

[Concerning International Treaties 1997-16-10](#)

[Concerning the Statistics 1997-12-11](#)

[Concerning Geodesy and Cartography 1998-28-04](#)

* * *

ATTACHMENT 2

International Conventions and Treaties Ratified by Georgia

No	Convention/Treaty	Georgian Legal Act
1	Pact on Non-Distribution of Nuclear weapons	Resolution by the Supreme Council of the Georgian Republic, 07.25.1991
2	Universal Declaration of Human Rights	Resolution by the Supreme Council of the Georgian Republic, 09.15.1991
3	Helsinki Final Act of OSCE	Resolution by the Supreme Council of the Georgian Republic, 09.15.1991
4	Vienna Final Document of OSCE	Resolution by the Supreme Council of the Georgian Republic, 09.15.1991
5	Bucharest Convention on Black Sea Protection from Pollution	Resolution by the Georgian Parliament, 03.11.1993
6	Vienna Convention On Diplomatic Relations	Resolution by the Georgian Parliament, 05.13.1993
7	UN Convention on Preliminary Measures Against Genocide Crimes and Punishment for Genocide	Resolution by the Georgian Parliament, 05.18.1993
8	Vienna Convention on Consulate Relations	Resolution by the Georgian Parliament, 06.08.1993
9	Vienna Convention on Legal Heritage of State Property, State Archives and State Arrears	Resolution by the Georgian Parliament, 06.09.1993
10	August 12, 1949 Geneva Convention on Fate Improvement of Injured and Deceased in Acting Armies	Resolution by the Georgian Parliament, 07.20.1993
11	August 12, 1949 Geneva Convention on Fate Improvement of Injured and Deceased in Military Flats and Marine Accidents	Resolution by the Georgian Parliament, 07.20.1993
12	August 12, 1949 Geneva Convention on Treatment of War Prisoners	Resolution by the Georgian Parliament, 07.20.1993
13	August 12, 1949 Geneva Convention on Protection of Population in Wars	Resolution by the Georgian Parliament, 07.20.1993
14	Additional Protocol # 1 to August 12, 1949 Geneva Convention on Protection of Victims of Non-International Armed Conflicts	Resolution by the Georgian Parliament, 07.20.1993
15	Additional Protocol # 2 to August 12, 1949 Geneva Convention on Protection of Victims of Non-International Armed Conflicts	Resolution by the Georgian Parliament, 07.20.1993
16	International Convention on Maritime Organisations	Resolution of Chamber of Ministers, 11.15. 93
17	International Convention on Brand Mark	Resolution of Chamber of Ministers, 11.15. 93
18	International Convention on Measurement of Vessels	Resolution of Chamber of Ministers, 11.15. 93
19	International Convention on Civil Responsibility on Damages Caused by Oil Pollution	Resolution of Chamber of Ministers, 11.15. 93
20	International Convention on Regulations on Prevention	Resolution of Chamber of

	of Vessels Collision in Sea	Ministers, 11.15. 93
21	International Convention on Prevention of Pollution from Vessels	Resolution of Chamber of Ministers, 11.15. 93
22	International Convention on Protection of Human Life in Sea	Resolution of Chamber of Ministers, 11.15. 93
23	International Convention on Sailors Training, Certification and Watch Keeping	Resolution of Chamber of Ministers, 11.15. 93
24	Convention on Strangle Against Aircraft Thieves	Resolution by the Georgian Parliament, 12.07.1993
25	Convention on Crimes and Other Actions on Aircraft Board	Resolution by the Georgian Parliament, 12.07.1993
26	Convention on Strangle Against Illegal Actions Damaging Security of Civil Aviation	Resolution by the Georgian Parliament, 12.07.1993
27	Convention on International Civil Aviation	Resolution by the Georgian Parliament, 12.07.1993
28	Convention on Prohibition and Suppression of Illegal Export, Import and Transfer of Property Rights on Cultural Values	Resolution by the Georgian Parliament, 12.16.1993
29	International Pact on Civil and Political Rights, 12.16.1966	Resolution by the Georgian Parliament, 01.25.1994
30	Facultative Protocol to International Pact on Civil and Political Rights, 12.16.1966	Resolution by the Georgian Parliament, 01.25.1994
31	International Pact on Economic, Social and Cultural Rights, 12.16.1966	Resolution by the Georgian Parliament, 01.25.1994
32	Convention on Acknowledgement and Execution of Decisions by Foreign Arbitration	Resolution by the Georgian Parliament, 02.03.1994
33	Convention on Agreements on International Trade of Goods	Resolution by the Georgian Parliament, 02.03.1994
34	Convention on Children Rights	Resolution by the Georgian Parliament, 04.21.1994
35	Convention on Biological Diversity	Resolution by the Georgian Parliament, 04.21.1994
36	1992 New York Convention on Climatic Changes	Resolution by the Georgian Government, 05.16.1994
37	Convention on Cancelling of All Forms of Women Discrimination	Resolution by the Georgian Parliament, 09.22.1994
38	International Convention Against Torture, Other Violent, Inhuman or Humiliating Actions and Punishment	Resolution by the Georgian Parliament, 09.22.1994
39	Bern International Convention on Protection of Literary and Art Masterpieces	Resolution by the Georgian Parliament, 11.24.1994
40	Convention on Forced and Obligatory Labour	Resolution by the Georgian Parliament, 02.22.1995
41	Convention on Annual Paid Holidays	Resolution by the Georgian Parliament, 02.22.1995
42	Convention on Inapplicability of Prescription to Military Crimes and Crime Against Humanity	Resolution by the Georgian Parliament, 02.24.1995

No	Convention/Treaty	Georgian Legal Act
43	Hague International Convention on Civil Aspects of Children Kidnapping in the World	Resolution by the Georgian Parliament, 02.22.1995
44	1993 Paris Convention on Chemical Weapons	Resolution by the Georgian Parliament, 03.25.1995
45	1969 Vienna International Convention on International Agreements	Resolution by the Georgian Parliament, 05.03.1995
46	New York International Convention on Strangle Against Win, Usage, Financing and Training of Mercenaries	Resolution by the Georgian Parliament, 05.03.1995
47	International Convention on Discrimination in Field of Labour and Employment	Resolution by the Georgian Parliament, 05.04.1995
48	International Convention on Professional Orientation and Professional Training in Field of Development of Human Resources	Resolution by the Georgian Parliament, 05.04.1995
49	Convention on Legal Advise and Legal Relation in Civil, Domestic and Criminal Cases	Resolution by the Georgian Parliament, 01.04.1996
50	Convention on Prohibition or Limitation of Usage of Those Varieties of Ordinary Weapons, Which Bring Extensive Injuries or Have Indefinite Action	Resolution by the Georgian Parliament, 04.02.1996
51	Convention on Extremely Humid Areas of International Importance Especially Suitable for Living of Waterfowls	Resolution by the Georgian Parliament, 04.30.1996
52	1957 Geneva Convention of the International Labour Organisation on Cancelling of Forced Labour	Resolution by the Georgian Parliament, 05.16.1996
53	1964 Geneva Convention of the International Labour Organisation on Employment Policy	Resolution by the Georgian Parliament, 05.16.1996
54	1973 Geneva Convention of the International Labour Organisation on Minimum Age for Employment	Resolution by the Georgian Parliament, 05.16.1996
55	Convention on Principles of Rights Using on Organisation and Performing of Collective Negotiations	Resolution by the Georgian Parliament, 05.29.1996
56	Convention on Equal Remuneration for Labour of Equal Cost for Males and Females	Resolution by the Georgian Parliament, 05.29.1996
57	1973 Convention on International Trade with Wild Kinds of Degenerating Fauna and Flora	Resolution by the Georgian Parliament, 08.12.1996
58	1962 Geneva Convention on Objectives and Normatives of Social Policy	Resolution by the Georgian Parliament, 10.16.1996
59	European Cultural Convention	Resolution by the Georgian Parliament, 04.16.1997
60	UN Convention on Strangle Against Illegal Turnover of Narcotic Drugs and Psychotropic Materials	Resolution by the Georgian Parliament, 05.28.1997
61	UN Convention on Psychotropic Materials	Resolution by the Georgian Parliament, 05.28.1997
62	Consulate Convention Between Republics of Georgia and Greece	Resolution by the Georgian Parliament, 06.07.1997
63	Consulate Convention Between Republics of Georgia and Azerbaijan	Resolution by the Georgian Parliament, 06.07.1997
64	Consulate Convention Between Georgia and Ukraine	Resolution by the Georgian Parliament, 06.07.1997
65	Consulate Convention Between Georgia and Republic of Armenia	Resolution by the Georgian Parliament, 06.07.1997

No	Convention/Treaty	Georgian Legal Act
66	Convention Between Governments of Georgia and Uzbekistan on Avoiding Double Taxation and Cancelling of Non-Payment of the Income (Profit) Tax	Resolution by the Georgian Parliament, 10.01.1997
67	Convention Between Governments of Georgia and Ukraine on Avoiding Double Taxation and Cancelling of Non-Payment of Taxes	Resolution by the Georgian Parliament, 10.15.1997
68	1983 Convention of European Council on Transfer of Condemned Persons	Resolution by the Georgian Parliament, 10.17.1997
69	Convention Between Governments of Georgia and Azerbaijan on Avoiding Double Taxation and Cancelling of Non-Payment of the Income and Profit Taxes	Resolution by the Georgian Parliament, 11.11.1997
70	Consulate Convention Between Georgia and Turkmenistan	Resolution by the Georgian Parliament, 04.28.1998
71	Consulate Convention Between Georgia and Bulgaria	Resolution by the Georgian Parliament, 04.29.1998
72	Consulate Convention Between Georgia and Kazakhstan	Resolution by the Georgian Parliament, 04.29.1998
73	Convention Between Governments of Georgia and Rumania on Avoiding Double Taxation on Income and Capital and Cancelling of Non-Payment of Taxes	Resolution by the Georgian Parliament, 06.12.1998
74	Consulate Convention Between Georgia and Rumania	Resolution by the Georgian Parliament, 09.30.1998
75	Second Facultative Protocol on Cancelling of Execution to the International Pact on Civil and Political Rights	Resolution by the Georgian Parliament, 03.02.1999
76	European Convention on Information on Foreign Legislation	Resolution by the Georgian Parliament, 03.02.1999
77	Charter of the European Council	Resolution by the Georgian Parliament, 04.02.1999
78	Convention Between Governments of Georgia and Bulgaria on Avoiding Double Taxation on Income and Capital	Resolution by the Georgian Parliament, 04.02.1999
79	International Convention on Liquidation of All Forms of Race Discrimination	Resolution by the Georgian Parliament, 04.16.1999
80	International Convention and Statute of Free Transit	Resolution by the Georgian Parliament, 04.16.1999
81	Pact on Agreement on Conditions of Freight Control at Borders	Resolution by the Georgian Parliament, 04.16.1999
82	Convention on Transit Trade of Those Countries, Which Do Not Have Access to Sea	Resolution by the Georgian Parliament, 04.16.1999
83	Customs Convention Related to Containers	Resolution by the Georgian Parliament, 04.16.1999
84	Convention Between Governments of Georgia and Turkmenistan on Avoiding Double Taxation on Income and Capital	Resolution by the Georgian Parliament, 05.12.1999
85	Kyoto Protocol to Convention on Framework of Climatic Changes	Resolution by the Georgian Parliament, 05.28.1999
86	Convention and Protocol on the Refugees Status	Resolution by the Georgian Parliament, 05.28.1999
87	Convention Between Governments of Georgia and Greece on Avoiding Double Taxation on Income and Capital	Resolution by the Georgian Parliament, 06.23.1999

No	Convention/Treaty	Georgian Legal Act
88	UN Convention on Strangle Against Devastation	Resolution by the Georgian Parliament, 06.23.1999
89	Convention on Acknowledgement of Qualification Related to Higher Education in European Regions	Resolution by the Georgian Parliament, 06.23.1999
90	European Convention on Mutual Aid in Criminal Cases	Resolution by the Georgian Parliament, 06.23.1999
91	Convention on Liberty of Associations and Protection of Organisations	Resolution by the Georgian Parliament, 06.23.1999
92	Pact on International Lorry Freight Traffic	Resolution by the Georgian Parliament, 07.22.1999
93	Protocol of the Pact on International Lorry Freight Traffic	Resolution by the Georgian Parliament, 07.22.1999
94	Fifth Additional Protocol of the World Post Union	Resolution by the Georgian Parliament, 07.23.1999
95	Charter of the World Post Union	Resolution by the Georgian Parliament, 07.23.1999
96	Agreement on Post Parcels	Resolution by the Georgian Parliament, 07.23.1999
97	Pact on C.O.D. Post	Resolution by the Georgian Parliament, 07.23.1999
98	World Post Convention	Resolution by the Georgian Parliament, 07.23.1999
99	Common Regiment of the World Post Union	Resolution by the Georgian Parliament, 07.23.1999
100	Statute Against Corruption (GREKO)	Resolution by the Georgian Parliament, 09.08.1999

* * *