

Workshop “Strengthening national capacity in applying sustainable energy policies and practices based on the recommendations of the Environmental Performance Reviews”

30 June 2021, Online
09:00 a.m. – 12:00 p.m. (CEST)

Georgia - 3rd EPR

Report	No.	Topic	SDG	Recommendation (quote)	Implementation	Implementation updated
Part III	7.1	Legal, Policy and Institutional framework		<i>The Government should finalize a national energy strategy in accordance with national priorities and carry out a strategic environmental assessment of the strategy.</i>	<i>The Government is committed to the further development of renewable energy resources. The country has been developing HPP sites on a case-by-case basis, focusing on the benefits and costs of each site, rather than an optimal development framework. In the absence of a national energy strategy and strategic site allocation policy, serving as a long-term vision for the energy sector, it is difficult to verify why projects are needed from a national energy demand and supply point of view, why hydropower is selected as the source of energy and where the HPP dams are to be located. A number of shortcomings in the national legal and institutional framework for environmental management weakens the soundness and sustainability of decisions being made with regard to enhancing the country's power generation infrastructure. Currently, national law in Georgia does not carry provisions for conducting SEA of national and regional development plans for different sectors of the economy, including the energy sector.</i>	Ongoing. The National Energy Policy Concept is already prepared, and The National Integrated Energy and Climate Plan (NECP) of 2021-2030 – which will provide an overview of the current energy system and the energy and climate policy, as well as national targets and appropriate measures, will be adopted in late 2021.
	7.2	Infrastructures; Compliance with international laws, regulations, standards		<i>The Ministry of Economy and Sustainable Development (The Ministry of Energy) should apply hydropower plant site selection criteria based on international best practices.</i>		Ongoing. The annual Ten-Year Network Development Plan (TYNDP), which primarily focuses on the development of the transmission network, provides overviews for planned future generation facilities – which includes a sizable number of hydropower sites.
	7.3	Compliance with international laws, regulations, standards		<i>The Ministry of Environmental protection and agriculture of Georgia (The Ministry of Environment and Natural Resources Protection) should consider application of the principles of the</i>		Implemented. There is a SEA requirement for strategic documents, among others for energy sector (https://matsne.gov.ge/ka/document/view/3691981?publication=71). It is being prepared for National Energy Policy Concept and NECP.

				<i>Hydropower Sustainability Assessment Protocol developed by the International Hydropower Association.</i>		
7.4 (a) (b)	Legal, Policy and Institutional framework			<i>The Government should: (a) Develop national rules on the methodology for determining environmental flows; (b) Develop a resettlement policy framework.</i>	<i>There are no national rules on the methodology for determining an acceptable minimal water flow (“environmental flow”) that shall remain in a river after water obstruction as a result of HPP development in order to sustain aquatic life and downstream ecosystems. In terms of resettlement, contracts and memoranda do not provide sufficient safeguards for citizens. The legislation does not address the issue of involuntary resettlement caused by infrastructure projects.</i>	Ongoing. National rules on the methodology for determining an acceptable minimal water flow (“environmental flow”) have been developed and equals 10 per cent. The Methodology has been prepared with support of the USAID project “Governance for Growth” (G4G). According new draft “Law on Water Resources Management” water user when abstracting water from the river should take into account environmental flow requirements. The draft Law should be submitted to the Parliament of Georgia for adoption for the end of 2021. After adoption of the Law the Methodology will be approved by the Order of the Minister of Environmental Protection and Agriculture of Georgia.
7.5	Renewable energies	7.2		<i>The Government should consider the promotion of renewable sources of energy.</i>	<i>Geothermal waters are currently used in Georgia for district heating, fishpond heating, agricultural drying, industrial applications and greenhouse heating. The climatic conditions of Georgia are favourable for utilizing solar energy. The country has considerable potential biomass resources. However, the renewable power potential is not given priority at the moment. Currently, there are no legal acts or tax benefits supporting the development of alternative renewable sources of energy use in Georgia.</i>	Ongoing. The Law of Georgia On Promotion of Production and Utilization of Energy from Renewable Sources has been adopted by the Parliament of Georgia on December 26, 2019. The purpose of this Law is to create legal grounds for the encouragement, promotion and consumption of energy received from renewable sources. Currently, the normative acts depending on the Law are being prepared by the Government of Georgia. Apart from that, the Ordinance (Power Plants Benefiting from this support scheme are entitled to a Feed-in-Premium tariff of up to 1.5 US cent/kWh) of the Government of Georgia No. 403 “Establishing support schemes for promoting the Generation and use of Energy from renewable sources (HPPs)”, adopted on July 2 nd 2020, established support schemes for Hydro Power Plants with installed capacity greater than 5 MW. On January 29 th 2021, it was amended to include all power plants using renewable energy sources. The Ordinance will fully enter force after the Energy Market liberalisation in mid-2021. Additionally, Virtual Net-metering is available for all RE Generators up to 500 KW since 2020.

Annex I	5.3 (a)	Market mechanisms	<p><i>The competent central and local governments, including the regulatory agency for the energy and water sector (GNERC), should:</i></p> <p><i>(a) Eliminate in a transparent and gradual fashion any existing price subsidies for utility services, notably water supply and sanitation but also waste and energy services, taking into account the associated need for targeted social assistance to lower-income households.</i></p>	<p><i>The recommendation has been partially implemented. Overall, electricity tariffs are cost reflective, but there are important cross-subsidies among different consumer groups. Water supply tariffs in the majority of the country are not cost reflective and discriminate against industry and other legal entities. There has been progress with the installation of water meters; metering of electricity consumption is virtually complete.</i></p>	
---------	------------	-------------------	--	---	--