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GREEN ECONOMY, DIRECTIVES OF THE EUROPEAN UNION, PROBLEMS AND CHALLENGES

Abstract. Georgia as well as the modern entire World, faced a lot of environmental problems and challenges on the background of development and technological progress. During the latest decades climate changes, degradation of habitats, water and atmosphere pollution importantly changed that ecological environment where people and other living organisms have to live. Georgia has a clear interest in rapid economic growth. Green growth and green economy are acknowledged as important and favourable factors of sustainable development. The present paper refers to the discussion of the green economy of Georgia according to the directives of the European Union, it deals with the analyses of the current situation and problems and the development of recommendations.

Keywords: green economy, sustainable development, education of the environment protection, clean development, green agreement of the European Union.

1. Introductions

Green Economy is the model of economy development which reduces the risks of the environment protection and economic problems and aims to sustainable development and to reduce the negative impact on the environment. It is in close connection with the ecological economy, provides for achieving of sustainable development through elaborating of the relevant policy and unites the environment protection, social and economic issues. Green economy includes six basic sectors: renewed energy, green buildings, clean transport, water management, waste management and land management.

The number of the World's population exceeded 8 billions in November, 2022 which is a record number in the human beings' history. The increased

population increases demands for such livelihoods as water, food, electric energy and etc. Moreover, according to the latest research of the United Nations Organization, there is a 95% probability that the World population will be between 9.4 and 10 billion by 2050 and between 8.9 and 12.4 billion by 2100. The World is facing a great challenge –on the one hand, it must provide for the satisfaction of the increased consumption and on the other hand, it must care its native planet (Green Economy-One of the Basics of the Sustainable Development, 2022) [1].

The way of getting out of the challenge is Sustainable Development which achievement is possible through introducing of the Green Economy. Georgia is at the 47th position among the World's the most ecologically clean economy and it is among such

countries as Uruguay and Australia. RBC published this data on the bases of IEL and Columbia Universities researches.

Georgia is taking important steps to get closer to the European space. The government is taking the initiative to implement voluntary measures to promote Sustainable Development by promoting the development of ecosystem services, clean manufacturing, environmental education and green working positions. Georgia signed the Association Agreement with the European Union in 2014. This is a kind of application and at the same time an action plan, which determines the prospects of integration of Georgia into the European Union. Under these conditions, it must be important for the Georgian society to be aware of those challenges and problems that modern Europe is facing. While in the European space there is an active discussion on such issues as reforming the financial market, eliminating systemic inequality, prospects for the development of the Green and Sustainable Economy (Osadze L., Sreseli L., 2019)[3].

2. Materials and Methods

The goal of the research is to evaluate how the existing policy framework in Georgia is in line with the European Union Green Deal policy and what the basic measures are that must be implemented.

The present research is based on the outcomes of the researches implemented by the analytical centre “World Experience for Georgia” which was supported by the European Union (EU) and United Nations Development Programme (UNDP) according to quantitative and qualitative indicators. Based on the statistic indexes and scientific works, we analyzed the identified shortcomings relevant to the basic directions of European Green Deal based on the analyzes on the Georgian policy documents. This study will help the Government of Georgia to develop a guide, to further align Georgian legislation with the EGD policy and to attract international financial supporting.

The evaluation of readiness of Georgia towards European Green Deal includes:

- Reviewing of Georgian policies and strategic documents relevant to EGD;
- Identifying, describing and evaluating progress indicators for monitoring of the implementation of EGD goals and comparing Georgia with EU member states;
- Evaluating of shortcomings in the policy of Georgia and legislative framework in compliance with EGD and preparing of relevant recommendations;
- Identifying and describing examples of Georgian best practices relevant to the goals of EGD (Evaluation of Readness of Georgia towards Green Deal,;13; 2022) [2].

Results / discussion

The European Green Deal is a set of policy measures presented by the European Commission, which goal is to make the European Union a climate-neutral union by 2050.

There are some strategies and legislation related to European Green Deal in the EU and Georgia.

The documents related to NEGD in the European Union:

Communication of the European Commission about the European Green Deal and a Guide Map

The goal of the document is the documents related with EGD and their status in Georgia. This is a new strategy of growth which focuses on transforming the European Union into a fair and developed society with modern, resource-effective and competitive economics where by 2050 there will be no net greenhouse gas emissions and economic development will not depend on the use of resources.

Georgia does not possess a unified strategy related to this issue, however, it has adopted several strategies and action plans that include components relevant to the Green Deal [2].

Fit for 55 Package (EUR-Lex – 52021DC0550 – EN – EUR-Lex (europa.eu)) [5]

The goal of the document is the document related with EGD in Georgia and their implementation status.

The Fit for 55 package includes interconnected legislative initiatives which goal is to regulate the legislative framework of green transformation by 2030 and in the subsequent period. The beforementioned package offers changes in the current legislation and presents new legislative initiatives. Overall, updating of 8 current legislative documents and elaborating of 5 new initiatives are planned according to the package. These changes will affect the following sectors: climate, energetics and fuel, transport, buildings, land use and forestry:

- Reviewing of the EU Emissions Trading Scheme (ETS), including maritime, aviation and CORSIA;
- Carbon Border Adjustment Mechanism (CBAM);
- Effort Sharing Regulation (ESR);
- Changing in the Directive on Renewable Energy to meet the ambition of the new 2030 climate goal (RED);
- Changing in the Directive on Energy Efficiency to meet the ambition of the new 2030 climate goal.

It is not yet mandatory for Georgia to transfer the beforementioned initiatives in the legislation. However, it will be important to consider them when trading high-polluting products (cement, iron and steel, aluminum, fertilizers, electricity) with EU member states. There is a discussion in progress in Georgia regarding the introduction of the emissions trading scheme. Georgia also transposed the previous versions of the RED and EED Directives [2].

Law of Georgia, on Promoting the Generation and Consumption of Energy From Renewable Sources, 2019 [6]

The following issues are controlled according to the document:

- Law on Energy Efficiency (Law of Georgia on Energy Efficiency, 2020) [7];
- Revision of the regulation on greenhouse gas emissions in the LULUCF sector;
- Revision of the Directive on deployment of alternative fuel infrastructure;

- Revision of the regulation which sets CO₂ emission performance standards for new passenger cars and new light commercial vehicles.

The most important in this package is:

Increasing the share of renewable energies to 40%, increasing the target rate of energy efficiency to 36–39%, changing the emissions trading system. The introduction of CBAM and green hydrogen promotion mechanisms can be considered innovative [2].

The Just Transition Mechanism

The Just Transition Mechanism (JTM) is a key tool to ensure that the transition towards Green Economy happens in a fair way and inclusive. The goal of the mechanism is to create investments for those people who are employed in coal industry. Georgia does not possess the just transition mechanism [2].

The new EU Strategy on Adaptation to Climate Change

(Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change, 2021) [8].

The goal of the document is the documents related with EGD in Georgia and their status. The strategy aims to realize the 2050 vision of a climate-resilient connection by strengthening smarter, systemic, rapid and international actions. This is expressed in the improved knowledge and data throughout the policy cycle, support for policy development and climate risk management at all levels and accelerated adaptation action. This means that each municipality, company or family must have access to the information on the adaptation. Georgia has not possessed adaptation to climate change plan yet.

The goal of NDC of Georgia is to support sustainable and balanced development of the country, considering of climate change, environmental and socio-economic challenges. One of the priorities of the climate policy of Georgia is the adaptation to climate change- The National Plan of Adaptation to Climate Change for the Agricultural Sector – (The National Plan of Adaptation to Climate Change for the Agricultural Sector, 2017) [9], which determines the goals and activities in the Agricultural Sector.

EU Gender Equality (Gender Equality Strategy 2020–2025, 2020) [10].

The goal of the document is the documents related with EGD in Georgia and their status. One of the basic goal of the EU Gender Equality Strategy is to promote women's participation in the labor market and to facilitate their education by providing access to educational programmes and training. Georgia does not have Gender Strategy [2]

Programme –Digital Europe (Shaping Europe's digital future, 2022) [11]

The programme of digital Europe (DIGITAL) is a new programme funded by the European Union which is focused on accessing digital technologies to business, citizens and public administration. The Digital Europe Programme provides strategic funding to support projects in five key areas: super computers, artificial intellect, cyber security, advanced digital skills and ensuring the widespread use of digital technologies in the economy and society, including through digital innovation hubs. The total budget of the programme is €7.5 billion.

Georgia is planning to develop "Long-term National Strategy for the Development of the Digital Economy and Information Society and Its Implementation Plan ("Government Programme 2021–2024 for "Building a European State", 2022) [12], according to which in coordination, by the involvement of all the relevant organizations, the future directions of the digital economy development and the activities of its implementation will be determined, which will contribute to the development of electronic services in public and private sectors, the growth of digital literacy, the acceleration of the process of forming an information society, the increase of high-tech exports, the development of research and innovation, and the increase of the competitiveness of Georgia in the global digital economy. In addition, the 2020–2025 action plan for the development of broadband networks of Georgia and its implementation has already been developed. As a result of the implementation of the state programme for the de-

velopment of broadband, fiber-optic infrastructure, the population living in the regions of Georgia will benefit from high-speed Internet, which will further increase the involvement of our citizens in the socio-economic life of the country [2].

Sustainable and Smart Mobility Strategy –European Transport Future [13]

The European Green Deal aims to reduce greenhouse gas emissions from the transport sector by 90% by 2050.

The goal of the Climate Change and Action Plan for 2021–2023 is to reduce greenhouse gas emissions in the transport sector below 15% of baseline by 2030.

Some potential plans and strategies are elaborated in the transport sector which will have a positive effect on the redirection of road freight to rail shipments, however, a clearer plan needs to be presented.

An integrated plan for Sustainable Urban Mobility of Batumi was developed. The main task of the plan is to increase the safety of transport. The Sustainable Urban Strategy of Tbilisi and the long-term action plan related to it (2022–2030), as well as the "Green City Action Plan" of Tbilisi (2017–2030) were developed (2017–2030).

Circular Economy Action Plan

Georgia is planning to elaborate a circular economy strategy and action plan. Nowadays, MEPA is working on elaboration of the target indicators. The new waste code is the first step in this direction. Along with the development of the Code, MEPA also established new principles of extended consumer producer responsibility and adopted several regulations to promote waste circularity [15].

Small and Medium-Sized Business Strategy for Sustainable and Digital Europe [16].

Small and Medium-sized sector accounts for more than half of gross domestic product of the European Union, creates two-thirds of jobs and covers all sectors of the economy. The strategy is based on the current framework of the European Union related to small and medium-sized business and aims to involve the

beforementioned businesses into sustainable development. Ministry of Economy and Sustainable Development elaborated the strategy for the development of small and medium-sized entrepreneurship of Georgia, 2021–202[17]. The strategy is based on the Principles of Small Business Act of 2008, the best practice of the European countries in small and medium-sized business. The main priorities of the strategy are the improvement of legislation on permits/licenses, strengthening of institutions and operational environment. Various institutions and agencies will support entrepreneurship through low-interest financing, research in electronic communications, information technology and innovation and finding additional export markets. According to the strategy, it is planned to simplify the business start-up procedures and digitize the digital services and tax administration system introduced up today for entrepreneurs. The goal of the strategy is to prioritize the fight against corruption. As a result, competitiveness among small and medium-sized enterprises will increase, creating a solid foundation for inclusive and sustainable economic growth.

The European Union’s Biodiversity Strategy for 2030 [18]

The goal of the strategy is to ensure the restoration of the world’s ecosystems by 2050, maintaining their resilience and adequate protection.

Biodiversity strategy and action plan of Georgia [19] covers the biodiversity of the following areas: species and habitats, protected territories, forest ecosystems, agricultural biodiversity and natural fields, inland water ecosystems and the Black Sea. The strategy sets the goal, national target indexes and the activities to each directions.

It is worth mentioning that the Association Agreement includes the introduction of green policy issues in Georgia.

National Action Plan for Association Agreement Implementation [20] covers the activities to be implemented on concrete terms. The order N297 by the Minister of Labor, Health and Social Defence of Georgia includes different directions: “Drinking water, hygienic requirements for water quality of centralized drinking water supply systems, quality control” (Annex 1); “Hygienic requirements for the water quality of non-centralized water supply. Sanitary protection of springs” (Annex 3); “Protection of costal water from pollution in the areas of population water consumption “-sanitary rules and norms (Annex 4).

Conclusion

In the XXI century, on the way of implementing the green strategy, it is the Green Economy that has the means to bring the highest capitalization. This is the biggest opportunities for our small economy. The study revealed lots of shortcomings and outlined the problems.

As mentioned, the European Green Deal is closely related to the Sustainable Development goals. The National Development Strategy of Georgia is in the process of elaborating. It determines general directions of the country development and includes both sectoral strategies and the goals of the Sustainable Development. That is why EGD compliance issues can only be analyzed at the level of individual sectors. Georgia has great opportunities to develop its industrial sector, create safe environment, develop digital economy and weaken the problems of education through its strategic location and the AA/DCFTA Agreements signed with the European Union, Georgia has great opportunities. The process of implementing separate paragraph of the agreement is started, the legislative norms were developed in some directions, however, more attention and consistency is needed in our steps.

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