

What's in your bin?

a profile of the Georgian recycling sector



The American Chamber of Commerce in Georgia and the Georgian Waste Management Association, with the support of USAID's Waste Management Technology in the Regions Program implemented by CENN, have recently teamed up to stimulate a wider conversation about recycling and other pressing environmental issues in Georgia. Below, *Investor.ge* presents a profile of some of the main players on the Georgian recycling market and the issues they come up against in their work.

Kriala
Founded: 2013
Employs: 130
Field: Paper recycling
Produces: 300 tons of toilet paper per month



One of the main issues Kriala runs up against in its work is that of sourcing waste.

Kriala says this is attributable to the fact that paper waste collection in the country is largely oriented towards exporting the product rather than dealing with it domestically. Given that the export of paper waste is not taxed, Kriala says the price of the waste at home goes up.

"Instead, we have to buy wastepaper to cover our shortage of materials from both private companies and government agencies, printing companies and so on. We also lend our services to organizations that need to dispose of confidential or sensitive information recorded on paper."



Clean World | Founded: 2017 | Employs: 5
Field: Sorted waste collector and supplier

Clean World says one of the biggest problems it faces is that companies and organizations pay cleaning fees only based on the square footage of their premises. When it comes to throwing out waste, organisations thus have no incentive to pay attention to what they throw out, or even to consider recycling, since their waste is covered by their monthly cleaning fee.

One way to incentivize proper waste management on the organizational level, Clean World points out, would be to implement a system by which companies pay by weight, in which case:

"Companies would start counting money. They would look at how much they're throwing out, and figure out ways to reduce costs. This would have a positive effect on the entire value chain, and decrease the amount of waste that ends up at the garbage dump. This would have a positive effect on government expenses as well, reducing government spending on waste management by at least 15% on land fills."



Kere | Founded: 2018 | Employs: 35 | Field: Glass recycling
Capacity: 2,000 tons of glass per month | Produces: Multipurpose glass

Kere says that in addition to a lack of experience in the separation process, the Georgian recycling sector is lagging behind technologically.

"For example, we need a more powerful shredder, an investment that needs about 250,000 EUR, which would dramatically strengthen the capacity of the enterprise by about 35-40%. But we need funding and state support to acquire such machinery."

Kere also says that increased public awareness of the importance of segregated waste collection, and the introduction of certain tax exemptions for recycling companies, would help push the sector forward.

Zugo | Founded: 2010 | Employs: 50 | Recycles: 10 tons of polyethylene waste per month | Produces: Biodegradable and compostable bags

Amongst the challenges Zugo faces is the issue of competition in waste collection from the black market.

"This problem is likely caused by a lack of proper regulations, and it may be that agencies responsible for regulating such issues are not properly carrying out monitoring activities", Zugo says.

Zugo is currently the only producer of biodegradable and compostable bags in the South Caucasus.



TRC | Founded: 2017 | Employs: 10 | Field: Tire recycling | Recycles: 60 tonnes of tires per month | Produces: 30 tons of rubber granules used in construction of sports infrastructure

TRC says the private sector in Georgia has yet to cultivate importance of investing in the circular economy.

"There are a number of reasons for this. There is a lack of proper implementation of the legislation, and the legislation is itself faulty at times. For example, when the Waste Management Code went into force and tire dumping and burial and burning were banned, there was still no tire processing plant in the country. The ministry knew about this, and yet it could not fine violators, because there was no proper approach. This in turn had a negative effect on the sector, increasing an indifferent attitude towards these issues, and increased the skepticism of society towards the importance of recycling in general."



EcoGetPet | Founded: 2015 | Employs: 5 | Recycles: 20-25 tons of PET plastic bottles per month | Capacity: 350 tons per month

EcoGeoPet began as a collection company that exported raw plastic waste, and only later moved into the processing sector, and will soon begin producing wrapping tape from its recycled materials.

The company says there is currently an issue with a lack of public waste and separation bins which are not available in the streets, which means that most plastic bottle waste ends up in landfills. Another issue it faces is the public's over-reliance on state waste management services to take care of and separate waste.

"Each of us needs to learn that if we are to live in a healthy environment, to work in a team spirit that requires the active involvement of each of us. We hope people's attitude towards waste will change. With our business, we try to show that a used bottle is not waste, it is a resource for future use."

Sanitary | Founded: 1999 | Employs: 131 | Field: Toxic and hazardous waste management, soil remediation, other | Recycles: 110 tons of waste per month



Sanitary Executive Director Levan Kvirkvelia says one of the biggest issues for the company is that supervisory and monitoring activity in the field of hazardous waste is not systematic and strong enough to properly ensure that companies abide by their responsibilities when it comes to disposing of waste.

"When a blind eye is turned to this matter, it creates problems for the sector as it limits the flow of waste material. The state should pay closer attention to monitoring the issue. However, when it comes to the private sector itself, we are seeing that businesses are slowly waking up and realizing that not only is it a matter of the law, but it is also their responsibility to deal properly with their waste. In the past few years we have more and more companies signing contracts with us. That's a sign that there is some momentum in the country."

**GeoMulch
Founded: 2014
Employs: 20
Field: Recycling wood and forest waste
Recycles: 900 m3 of wood waste per month
Produces: 300-400 m3 of organic mulch**

GeoMulch PR Manager Ana Tskhadadze says sourcing waste is a problem for the company. Sometimes the company collects wood waste on its own, but this is an expensive process. Meanwhile, the majority of wood waste simply ends up in landfills, which can then not be accessed because it is government property.

"We lose this wood entirely, it's just sitting there, of no use to anybody. We're in the process of making agreements with Tbilisi City Hall and several other municipalities to acquire this wood before it ends up at the landfill, but this needs time."

Another issue the company faces is a lack of awareness about mulch as a product, Tskhadadze says, noting many are dismissive of mulch's beneficial effects on the environment and the beautifying effect it can have on a landscape.

"Mulch is about much more than just appearances – it can help combat air pollution and global warming. It reduces dust pollution, and mulching green areas improves the sustainability and health of plants, which helps them deal with carbon dioxide."



Green Gift | Founded: 2017 | Employs: 8 | Field: Paper waste collection | Recycles: 4-5 tons of paper waste per month
Produces: Stationary gifts

Green Gift is a one of its kind social enterprise in Georgia, the main mission of which is to raise awareness about environmental issues, which it does by gathering paper waste and transforming it into stationary. The organization gathers waste with the help of boxes placed on the premises of companies and organizations who dispose of their paper waste there. Green Gift works with some 120 organizations, from small enterprises to large international organizations.

Green Gift hopes to increase its collection capacity, as "waste management will continue to become a more important part of our daily lives, and public awareness of the matter will increase. We are thus sure that products made from recycled paper will also become increasingly popular."



Enviroserve | Founded: 2017 | Employs: 7
Field: Exporting electronic waste
Collects: 6-7 tons

Enviroserve runs into barriers at the stage of obtaining electronic waste, much of which in Georgia is sold at auction, where it often happens that both damaged and second hand equipment are sold in the same lot, which to the company is unacceptable because: "companies or individuals will buy up the lot, take what they want and then dump what they don't. This means that just a small amount of waste gets taken out of the cycle, and the rest of it ends up in the landfill. A clearer distinction must be made in auction lots to prevent this from happening."

Moreover, Enviroserve says this is a bad practice because in many cases, electronic equipment can contain hazardous waste, and it should only be handled by companies that have permits to deal with such waste.

Ministry of Environmental Protection and Agriculture of Georgia

Investor.ge asked Minister of Environmental Protection and Agriculture Levan Davitashvili to comment on upcoming plans for Georgia's recycling sector and some of the above-mentioned issues encountered by recycling companies in the country:

Regulation must first and foremost be a systematic process, Minister Davitashvili says, noting that in 2019, it carefully monitored the production and use of plastic bags in the country. Back in October 2018, single-use bags below 15 microns (0.015 millimeters) in thickness were banned, which at the time made for about 40 percent of the market in the country, while the import and production of non-biodegradable plastic bags was banned starting April 1, 2019.

"At the end of 2019, the Department of Environmental Supervision carried out an inspection of all plastic bag producing companies and identified violations. Samples were taken from all manufactures of plastic bags and were examined for verification of compliance with technical regulations. Letters were also sent from the Ministry to all municipalities requesting compliance with the regulations. Moreover, the Ministry is working closely with the Customs Department of the Ministry of Finance to ensure effective control of the import of plastic bags."

More effective regulation will be carried out thanks to the Extended Producer Responsibility package it has prepared, Minister Davitashvili says, which will introduce further regulations on the management of packaging waste, electric and electronic equipment, end-life-vehicles, batteries and accumulators, waste tires and waste oils, noting the bylaws will oblige manufacturers to collect separated waste generated as a by-product of their operations or production, and to achieve recycling rates as defined in the technical regulations. This, Davitashvili says, should in turn boost the potential and capacity of waste recycling in the country and raise waste management standards.

Better monitoring and supervisory activity will be implemented through the use of a digital register, which will record specific waste streams and will allow manufacturers to keep up-to-date information about waste production and recycling rates and targets.