## PAR  PART I: PROJECT INFORMATION

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Georgia’s Integrated Transparency Framework for Implementation of the Paris Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies):</td>
<td>Georgia</td>
</tr>
<tr>
<td>GEF Agency(ies):</td>
<td>UNEP</td>
</tr>
<tr>
<td>Other Executing Partner(s):</td>
<td>Ministry of Environment Protection and Agriculture of Georgia</td>
</tr>
<tr>
<td>GEF Focal Area(s):</td>
<td>Climate Change</td>
</tr>
<tr>
<td>Integrated Approach Pilot</td>
<td>IAP-Cities ☐ IAP-Commodities ☐ IAP-Food Security ☐</td>
</tr>
<tr>
<td>Name of parent program:</td>
<td>[if applicable]</td>
</tr>
<tr>
<td>GEF Project ID:</td>
<td>10028</td>
</tr>
<tr>
<td>GEF Agency Project ID:</td>
<td>01639</td>
</tr>
<tr>
<td>Resubmission Date:</td>
<td>May 29, 2018</td>
</tr>
<tr>
<td>Project Duration (Months):</td>
<td>42</td>
</tr>
<tr>
<td>Agency Fee ($)</td>
<td>95,000</td>
</tr>
</tbody>
</table>

### A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES

<table>
<thead>
<tr>
<th>Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)</th>
<th>Trust Fund (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GEF Project Financing</td>
</tr>
<tr>
<td>CBIT</td>
<td>CBIT</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td></td>
</tr>
</tbody>
</table>

### B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Meet the enhanced transparency framework (ETF) requirements under the Paris Agreement

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Financing Type</th>
<th>Project Outcomes</th>
<th>Project Outputs</th>
<th>Trust Fund (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1: Strengthening vertical integration in Georgia for transparency-related activities</td>
<td>TA</td>
<td>1. Georgia uses the Municipal Development Coordination Platform (MDCP) as part of its enhanced transparency framework (ETF)</td>
<td>1.1 Modalities, procedures and guidelines for the implementation of the ETF at municipal level are developed</td>
<td>CBIT</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>1.2 Formal coordination mechanism with ETF related responsibilities and mandates among the MDCP stakeholders is defined</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>1.3. Training to MDCP stakeholders on measuring, reporting and verification (MRV) processes is provided</td>
<td></td>
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</tbody>
</table>

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1. Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.
2. When completing Table A, refer to the excerpts on GEF 6 Results Frameworks for GETF, LDCF and SCCF and CBIT guidelines.
3. Financing type can be either investment or technical assistance.
Component 2:  
Georgia’s National greenhouse gas (GHG) Inventory system and HFC data management system are aligned to the enhanced transparency framework (ETF)

<p>| | | | |</p>
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<thead>
<tr>
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<tbody>
<tr>
<td>TA</td>
<td>2. Georgia uses an improved National GHG inventory system, with a data management system on agriculture, waste, hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs)</td>
<td>2.1 Higher-tier methods for the relevant source categories of energy, product use and agriculture sectors are used, and country-specific emission factor for pre-selected IPPU(^4) key source-categories are identified</td>
<td>CBIT 410,000 45,000</td>
</tr>
</tbody>
</table>

\(^4\) Industrial Processes and Product Use

Component 3:  
Climate Change Mitigation in Georgia’s

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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>TA</td>
<td>3. The achievement of Nationally Determined Contributions (NDC) goals is tracked; and</td>
<td>3.1 Methodologies for assessing and reporting mitigation actions and policies, their effects and</td>
<td>CBIT 200,000 62,340</td>
</tr>
</tbody>
</table>

\(^5\) Quality Assurance/ Quality Control
For the implementation of mitigation measures are assessed and appropriately reported, including a data management system on transferred technologies, support needed and received are designed.

3.2 Methodologies and tools for identification of constraints and gaps for fulfilling the NDC goals are designed.

3.3 The data management system on transferred technology supporting the NDC implementation is developed.

<table>
<thead>
<tr>
<th>Subtotal</th>
<th>910,000</th>
<th>137,340</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management Cost (PMC)</td>
<td>CBIT</td>
<td>90,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>1,000,000</td>
<td>137,340</td>
</tr>
</tbody>
</table>

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ()

### C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

<table>
<thead>
<tr>
<th>Sources of Co-financing</th>
<th>Name of Co-financier</th>
<th>Type of Co-financing</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recipient Government</td>
<td>Ministry of Environmental Protection and Agriculture of Georgia</td>
<td>In-kind</td>
<td>137,340</td>
</tr>
<tr>
<td><strong>Total Co-financing</strong></td>
<td></td>
<td></td>
<td>137,340</td>
</tr>
</tbody>
</table>

### D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS  

<table>
<thead>
<tr>
<th>GEF Agency</th>
<th>Trust Fund</th>
<th>Country/Regional/ Global</th>
<th>Focal Area</th>
<th>Programming of Funds</th>
<th>GEF Project Financing (a)</th>
<th>Agenc y Fee (b)</th>
<th>Total (c)=a+b</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNEP</td>
<td>CBIT</td>
<td>Georgia</td>
<td>Climate Change</td>
<td>1,000,000</td>
<td>95,000</td>
<td>1,095,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total GEF Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,000,000</td>
<td>95,000</td>
<td>1,095,000</td>
<td></td>
</tr>
</tbody>
</table>

a) Refer to the Fee Policy for GEF Partner Agencies.

### E. PROJECT PREPARATION GRANT (PPG)

Is Project Preparation Grant requested? Yes ☒ No ☐ If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

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6 For GEF Project Financing up to $2 million, PMC could be up to 10% of the subtotal; above $2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

7 PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to $50k for PF up to $2m (for MSP); up to $100k for PF up to $3m; $150k for PF up to $6m; $200k for PF up to $10m; and $300k for PF above $10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.
F. PROJECT’S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS

Provide the expected project targets as appropriate.

<table>
<thead>
<tr>
<th>Corporate Results</th>
<th>Replenishment Targets</th>
<th>Project Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society</td>
<td>Improved management of landscapes and seascapes covering 300 million hectares</td>
<td><strong>Hectares</strong></td>
</tr>
<tr>
<td>2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)</td>
<td>120 million hectares under sustainable land management</td>
<td><strong>Hectares</strong></td>
</tr>
<tr>
<td>3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services</td>
<td>Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins; 20% of globally over-exploited fisheries (by volume) moved to more sustainable levels</td>
<td><strong>Number of freshwater basins</strong>; <strong>Percent of fisheries, by volume</strong></td>
</tr>
<tr>
<td>4. Support to transformational shifts towards a low-emission and resilient development path</td>
<td>750 million tons of CO$_2$e mitigated (include both direct and indirect)</td>
<td><strong>metric tons</strong></td>
</tr>
<tr>
<td>5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern</td>
<td>Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)</td>
<td><strong>metric tons</strong></td>
</tr>
<tr>
<td></td>
<td>Reduction of 1000 tons of Mercury</td>
<td><strong>metric tons</strong></td>
</tr>
<tr>
<td></td>
<td>Phase-out of 303.44 tons of ODP (HCFC)</td>
<td><strong>ODP tons</strong></td>
</tr>
<tr>
<td>6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks</td>
<td>Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries</td>
<td><strong>Number of Countries:</strong></td>
</tr>
<tr>
<td></td>
<td>Functional environmental information systems are established to support decision-making in at least 10 countries</td>
<td><strong>Number of Countries:</strong></td>
</tr>
</tbody>
</table>

**PART II: PROJECT JUSTIFICATION**

1. **Project Description.** Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project, 4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and co-financing; 5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

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8 PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

9 Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the Corporate Results Framework in the GEF-6 Programming Directions will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

10 For biodiversity projects, in addition to explaining the project’s consistency with the biodiversity focal area strategy, objectives and programs, please also describe which Aichi Target(s) the project will directly contribute to achieving.
1. The global environmental problems, root causes and barriers that need to be addressed:

The Paris Agreement, adopted at the 21st Conference of Parties (CoP) in December 2015, sets out a global action plan that puts the world on track to avoid dangerous climate change by limiting global warming to well below 2°C. The Agreement makes reference to contributions NDC ‘Nationally Determined Contributions’ that each individual country should make to achieve the worldwide goal set of reducing anthropogenic emissions of greenhouse gases. As part of this Agreement, all countries agreed to an enhanced transparency framework (ETF) for action and support (Article 13), with built-in flexibility which takes into account Parties’ different capacities and builds upon collective experience. The purpose of the framework for transparency of actions is to provide a clear understanding of climate change action in light of the objective of Article 2 of the Convention, including clarity and tracking of progress towards achieving Parties’ individual nationally determined contributions, and Parties’ adaptation actions, including good practices, priorities, needs and gaps, to inform the global stock take under Article 14 of the Paris Agreement. The agreement in Article 13 establishes the transparency framework for action and support, in order to enhance mutual understanding and enhance effective monitoring and implementation of the Agreement.

The success of enhanced transparency framework under the Paris agreement requires a change in governance structures in order to support decision making on a permanent basis; involvement of different stakeholders on transparency matters; a continual improvement in measuring and reporting methodologies; regular updates on new data and management of information flows.

Recently, socio-economic development of Georgia is significantly impacted by the environmental degradation through the depletion of resources. In several urban areas the air quality is lower than national standards, caused by the excessive use of motor vehicles, loss of open space and green areas, increased use of air-conditioning and refrigerant devices, limited utilization of energy-efficient and renewable energy applications in buildings.

The rural areas are faced to the soil erosion and land degradation events in forests and valuable farmlands caused by unsustainable agricultural practices, over dosage of pesticides, fungicides and insecticides, improper watering regimes.

These challenges call for synergy between two levels of governance. Firstly, the central government with the role of defining national development strategies and NDC implementation pathways and secondly the municipalities of Georgia, members of the Covenant of Mayors with the mandate of elaborating mitigation measures for their governing areas. The integrated and coordinated response at the local and national levels towards sustainable development addresses the environmental degradation issues with declining GHG emissions.

Therefore, in order to start preparing for undertaking these commitments, this support project offers a valuable and timely opportunity and is extremely useful for strengthening capacity in the country.

For Georgia there is a need to set up new transparency governance structures, develop and implement MRV procedures, and update, implement, and integrate new data and information flows with pre-defined periodicity. Two parallel ongoing climate activities at the central and local levels in the country need to be aligned under the Domestic Enhanced Transparency Framework. The clear, comparable, accountable and flexible MRV system should integrate mitigation strategies, measures and their effect into the national level. A key condition for successful implementation of the Paris Agreement’s transparency requirements is the provision requiring adequate and sustainable financial support and capacity building to enable developing countries to significantly strengthen their efforts to build robust domestic and regulatory processes.

2. The baseline scenario and any associated baseline project:

In 2010, Georgia acceded to the Copenhagen Accord, declaring that it “will take steps to achieve a measurable, reportable and verifiable deviation from the baseline scenario supported and enabled by finance, technology and capacity building.” In September 2015, Georgia has submitted its Intended Nationally Determined Contribution (INDC) to the United Nations Framework Convention on Climate Change (UNFCCC). According to the INDC, Georgia plans to unconditionally reduce its GHG emissions by 15% below the Business as Usual scenario (BAU) by 2030 and this 15% can be increased up to 25% if the country has an access to low-cost financial resources and technology. With this background, Georgia recognizes that in order to meet these targets, it is needed to: strengthen its national and sub-national climate institutions and build the capacity of experts and institutions in the ETF; improve its national greenhouse gas emissions (GHG) inventories; accurately assess and report its mitigating actions to aid tracking of its NDC goals, and moreover, to implement a well-structured domestic
measurement, reporting and verification (MRV) framework that includes activities related to finance, technology transfer and capacity-building support received and required.

Regarding current UNFCCC reporting, Georgia is currently preparing its 4th National Communication and second BUR, through GEF project (ID:9655) "Development of Georgia’s 4NC and 2BUR to the UNFCC" which incorporates GHG inventory component and is being implemented by United Nationals for Development Programme (UNDP).

Regarding national mitigation strategy, the Government of Georgia launched the preparation of the Low Emission Development Strategy (LEDS) with support of USAID. The mitigation measures considered in the strategy have been chosen based on national priorities, resource efficiency and mitigation potential. The LEDS document mostly represents the general capacity towards the NDC fulfilment.

At the same time, in order to coordinate multi-stakeholder processes, the government has established a main recommending body under the LEDS system named Coordination Committee, which has been chaired by the Minister of Environment and Natural Resources Protection. The Committee has consisted of the highest-level representatives of all climate change-related Ministries, mostly the deputy ministers. The Coordination Committee has enabled the LEDS design processes and it has had the authority to adopt working plans, establish implementation units and communicate with the Government of Georgia. The committee has considered reports, advice and plans and proposes actions to the Working Group, which has been the counseling body of the managerial system. The Expert Working Group (EWG) has included civil servants from central government, as well as independent experts. The key functions of the group have involved preparing detailed working plans that specify how LEDS targets are to be attained, identifying priority sectors and reporting to the Coordination Committee on the progress made. Under the EWG, six sectoral Sub-Working Groups (Sub-WGs) have been established for the sectoral domains of agriculture, construction, energy, forestry, industry, transport and waste. The activities of each Sub-WG have been controlled by the EWG to maintain the transparency and consistency of work related to technical and policy standards. The Sub-WGs have provided regular updates of the technical work to the EWG. In addition, the Sub-WGs have prepared sectoral policy visions and strategies. Since 2015, after the elaboration of the Sustainable Development Goals (SDGs), each Sub-WG was asked to address the issue of the fulfillment of the SDGs in their set of tasks.

The EWG has assessed the sectoral policies developed by the Sub-WGs in a cross-sectoral approach. An amalgamated version is presented to the Coordination Committee for final consideration. The Sub-WGs have been coordinated by the different ministries in accordance with their working area. Further, the Climate Change Division (CCD) under the Ministry of Environment and Natural Resources Protection of Georgia (MoENRP) has performed the role of Secretariat to the LEDS process. The Secretariat is responsible for organizing the Steering Committee and WG meetings. The CCD has also been responsible for preparing adequate documents for the meetings and keeping all documents related to the coordinating committee. To a certain extent, the LEDS document involves the measures outlined in the National Energy Efficiency Action Plan (NEEAP) designed by the government supporting the climate friendly development of building, transport, industry, etc. sectors.

Accordingly, such kind of multi-ministerial decision-making body requires a well-functional transparency framework in-country, in order to understand key emission sources and sinks in the country, assess effects of mitigation projects and policies and related multiple benefits, track progress towards NDC targets, meet stakeholder demands for public disclosure of GHG information.

The implementation of the climate mitigation policy in Georgia considers both the priority directions from the LEDS and the other climate related activities ongoing in the country. One of the important and growing climate related movement have been observed at a local level in Georgia.

- Strengthening vertical integration in Georgia for transparency-related activities

Over the recent years, the Georgian municipalities and cities have joined the Covenant of Mayors (CoM), seeking to establish a vertical coordination dialogue between central and local governments on mitigation matters. A second initiative, named Covenant of Mayors for Climate and Energy (CoMCE), was launched in
2016, for the time period up to 2030. By joining the CoMCE, municipalities and cities are expected to develop Sustainable Energy and Climate Action Plans (SECAPs) – a mid-term (10 years), including mitigation and adaptation strategies appropriate for the local communities and aligned with the NDC targets of Georgia. To date, only two municipalities and eight cities have developed their SEAPs listing mitigation measures for upcoming years until 2020. Most of the proposed mitigation actions include the renovation of administrative buildings, modernization of public transport, development of green areas. Despite this initiative, there is a general recognition that the priority mitigation requests raised by the local authorities have not been fully included in the national climate related strategies. There is a limited coordination during the development mitigation strategies among the multi-ministerial central level recommending body and local authorities.

The Georgian MRV system for mitigation measures is in the kickoff phase with a limited and incomplete framework, based on the MRV concepts of a few internationally supported NAMAs. This domestic MRV system approach is currently used for reporting under the National Communications and Biennial Update Reports (BUR) for reporting on in-country GHG emissions and removals. This system enables to monitor the current implementation of national mitigation policies and programs, which is a crucial task for tracking the NDC implementation. However, it is mostly oriented to the estimation of direct GHG emissions, leaving out indirect effect on GHG emissions and a vast number of multiple economic and social related impacts related to the projects. Subsequently, the implementation indicators commonly overlook inputs and intermediate effects such as changes in behavior, technology and practices. Since the climate related programs and projects generally incentivize a rapid paradigm shift, the development of indicators in the MRV that demonstrate transformation in ongoing practices is essential for implementing and tracking mitigation actions.

The poor alignment of municipalities’ climate plans with the NDC, the limited coordination among the different government levels resulting in high institutional fragmentation, and the lack of a strong and well conceptualized MRV system are gaps that need to be addressed in order to implement and enhanced transparency framework working from the central government to municipalities and vice versa. There is a need, to enhance the role of municipalities and cities in the NDC implementation. This requires the development of capacities of cities and municipalities, considering that there is still a lack of capacity in preparing Sustainable Energy and Climate Action Plans (SECAP) requested under CoMCE.

To address these issues, Georgia has decided to establish a national Municipal Development Coordination Platform (MDCP), in order to enhance the coordination between central and sub-national government institutions concerning climate change mitigation; linking the mitigation measures reported in SECAPs to the implementation of NDC’s targets in Georgia. Further, the MDCP will institutionalize a national-local development policy dialogue, involving key stakeholders in order to eliminate barriers for the implementation of local climate investments.

- **Georgia’s National greenhouse gas (GHG) Inventory system is aligned to the enhanced transparency framework (ETF)**

National reports such as GHG inventories and BURs have been prepared using external resources. The Environmental Information and Education Center of the MEPA (the main implementing organization of the inventory) relies on local and international experts to prepare the GHGs emission inventory, making the process ad-hoc based and not continuous. This makes impossible to ensure the development and continued utilization of accumulated knowledge and experience. Further, the national inventory uses the simplest calculation methods offered by IPCC guidelines (Tier 1), increasing the level of uncertainty of the report. In order to track NDC implementation effectively, the national inventory data have to be managed by improving the system transparency, consistency, comparability, completeness, and accuracy.

Being aware of this, Georgia has launched a number of climate projects and programs aimed at developing measuring and reporting measures supported by international partners. Each project addresses the specific issues related either a study of institutional setup or digitalising the data management system. For instance, in 2015, Georgia joined the second phase of technical support project “Information Matters: Capacity Building for Ambitious Reporting and Facilitation of International Mutual Learning through Peer-to-Peer Exchange” (IM) funded by the Ministry of Environment, Nature Conservation, Building and Nuclear Safety (BMUB) under the...
International Climate Initiative (IKI). The project main goal is to strengthen the in-country capacities for improved reporting on climate change. The IM aims to increase awareness of key stakeholders on the importance of MRV institutional arrangement, GHG inventory based on IPCC 2006 Guidelines, MRV system for mitigation actions, Quality Assurance/Quality Control (QA/QC) activities and methods related to collection of raw data. Regarding QA/QC, the International Consultancy and Analysis (ICA) of Georgia’s BUR states that the country needs to enhance “the capacity of the relevant national institutions to collect and provide more reliable activity data needed for the development of the GHG inventory for different sector source-categories”. Hence, the development of institutional set up and procedural guidance are necessary for advancing the QA/QC process efficiency. Regarding the inventory, the summary report highlights the gap related to the methodologies used for calculation of data for different time periods.

In the light of this situation, Georgia has decided to tackle these issues by migrating the current inventory to the new IPCC guidelines 2006 step by step, developing higher-tier methodologies and the estimation of country specific emission factors for the following source-categories: Road transport (1.A.3.b); Fugitive emissions from natural gas transmission and distribution (1.B.2); Ammonia production (2.B.1); Nitric acid production (2.B.2). Further, Georgia proposes to develop the data management system in relevant sectors for entire time-series.

- Climate Change Mitigation in Georgia’s transparency system

In addition to the LEDS, the government has designed a number of programs supporting the climate change mitigation goals, such as NAMAs for energy efficient refurbishment in the public building sector, efficient use of biomass for equitable, climate proof and sustainable rural development, and urban mobility. These NAMAs are also planned to be linked with the National Energy Efficiency Action Plan (NEEAP). The NEEAP provides varied activities sorted by fields, including building, transport, industry, etc. and aims to support the identification of energy efficiency improvement measures and expected energy savings in all sectors (e.g. buildings, transport, power generation, industry and services). LEDS and NEEAP are also highlighted in the INDC as means to identifying Georgia’s pre-2020 actions. Moreover, the country also plans to develop “Climate 2021-2030” by 2019, which will define the legal instruments, activities, methods and other relevant issues, and with the aim of coordinating climate related multi-sectoral activities in the country and provide pathway for reaching the country’s climate targets.

Another project launched in 2015 supported by the GEF named “Harmonization of information management for improved knowledge and monitoring of the global environment in Georgia” targets the three Rio Conventions on biodiversity conservation, climate change, and desertification. The ultimate goal of the project is to develop innovative approaches based on available best practices for the implementation of national policies and programs contributing to the Rio Conventions through the improvement of environmental impacts and trends monitoring process affiliating setting up of collaborative environmental management. In order to achieve the above-mentioned objective, the project develops the digital portal for environmental information and knowledge management. In terms of climate change, it means that the data needed for GHG inventory and mitigation actions effect assessment would be collected in this portal and archived. Additionally, the portal delivers the information in a format that allows experts and decision makers to analysis it and make decisions on climate related issues efficiently. Moreover, the project develops the legal framework for proper functioning of the digital portal addressing the climate data gathering, sharing and archiving system.

Although the implementation of these projects and plans presents likely emission reduction activity in the country, the mitigation effects have not been reflected properly either in the national inventory or First Biennial Update Report. This is due to the fact that, the MRV system for the mitigation actions is in development and incomplete. In addition, the practices related to the measurement of in-country GHG emissions and removals, reporting under the national communications and the BUR, and implementation of the CDM projects have not been incorporated into the elements of domestic MRV system. The disintegrated domestic system makes it difficult to monitor the actual implementation of national mitigation policies and programs, which is a crucial task for tracking the NDC implementation.

The assessment and report of mitigation measures, as well as the identification of constraints and gaps related to GHG mitigation activities, are vital steps for identification and prioritization of future steps and increase the work efficiency within the context of tracking the implementation of the NDC. Currently, the country does not
have a mechanism allowing to track the mitigation project effects either at a national or local level. The digital portal being developed by the three Rio conventions project will be a platform that shows the information on emission reductions. Nevertheless, it is not enough to properly track the NDC implementation. The mismatch between the methods used for estimation emissions by either projects or government bodies contributes to a limited transparency in tracking the low carbon pathways in the country. The ICA summary report highlights the limitation in the reporting information on progress of implementation. The ambiguous situation on assessment of GHG mitigation effects influences on the estimation of support needed to reach the NDC targets. Furthermore, there is no protocol guiding the policy makers in assessment of amount of resources needed.

In order to address these problems, Georgia has decided to develop methodologies for MRV of Mitigation actions and policies in order to track their effects and the support needed. Further, it will address the gaps and constrains for the implementation of such mitigation actions and will implement a data management system on transferred technology and finance support for NDC related activities. Aiming at fulfilling its climate change commitments and implementing its long-term climate change strategy, Georgia has identified several gaps regarding the Enhanced Transparency Framework, which will be addressed through this CBIT proposal. During the developing sub-national ETF system (under the first component of the CBIT project) the information on mitigation projects will be delivered from municipality level. Since it is expected to increase the number of data providers, the threat of double counting of mitigation projects and their effects need to be taken into account.

3. The proposed alternative scenario with the proposed project, with a brief description of the expected outcomes and components of the project:

The GEF-CBIT proposal has been designed to address the immediate needs of Georgia in order to (1) enhance the vertical coordination between activities at a local level and national goals in a field of climate change; (2) to improve the national inventory through supporting the data collection and management for developing higher tier methods and more accurate activity data; and (3) develop and implement a national tracking system for NDC implementation. The GEF-CBIT support will give Georgia the capacity to report on the progress towards its NDC goals in accordance with principles of clarity and transparency in line with the Article 13 of the Paris Agreement. To achieve this, the project will focus on three main components as follows:

➢ Component 1: Strengthening vertical integration process in Georgia for transparency-related activities
➢ Component 2: Georgia’s National greenhouse gas (GHG) Inventory system and HFC data management system are aligned to the enhanced transparency framework (ETF)
➢ Component 3: Climate Change Mitigation in Georgia’s transparency system

Each component targets a specific outcome that will be achieved through many outputs, as described in the text below.

Component 1. Strengthening vertical integration in Georgia for transparency-related activities

The main objective of the first component is to synergize the national and local climate policy measures. The existing policy drivers on both levels would be used for building the vertically integrated transparency system. The NDC via identified mitigation goals of the country determines the target point that the country needs to meet in the future. The national strategy papers such as LEDS, NEEAP, etc. identify the directions for low carbon sector development in order to fulfil the mitigation targets. Regularly, Georgia estimates its national GHG emissions accounting the climate performance for the previous years. Simultaneously, there is a climate activity driven by the Covenant of Mayors at the municipal level in Georgia. The Municipalities have emission reduction targets and some of them action plans describing how to reach these targets. Since there are similar climate intentions in both levels it is resource-efficient and common-effective to coordinate and integrate local climate activity in to the national policy implementation phase.

Firstly, the national transparency system, consisting of coordination mechanisms on climate related issues between the central and sub-national levels, creates a synergized vertical institutional structure. The CBIT proposal supports the Georgian government to strengthen the municipal development coordination platform by

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developing the modalities, procedures, and roles of stakeholders on how to communicate on climate related matters.

Secondly, after establishing the robust vertically integrated institutional structure for sub-national ETF, the CBIT proposal addresses the technical aspects of the local MRV systems by adopting the following criteria:

**Clarity** The project will support the municipalities to develop the climate related local strategy papers such as SECAPs with clear targets and well-defined measures. The municipalities will also receive the assistance to develop concrete target-oriented monitoring reports on the implementation of local climate strategies, including the assessment of emissions/carbon sinks.

**Comparability** The project will support the municipalities to design the documents in an aggregable way. The local climate policies and measures will be developed in accordance to the similar methodologies what are used for national documents such as NDC, GHG inventory, BURs etc. The measurement activities of GHG emissions and mitigation effect at local level will rely on the country specific emission factors and multiple benefit criteria determined nationally by the second component of the project.

**Accountability** The project supports the municipalities to elaborate a transparent and user-friendly accounting system in order to implement local climate policy transparently and keep time-frames for reporting and monitoring. The reporting modalities will be complementary with the nationally determined reporting format developed for the transparency system in Georgia by the second component of CBIT project.

**Flexibility** The project will support the municipalities to keep and enhance local circumstances and priorities in a climate related policy development process by developing guiding materials. The material will take into consideration the nationally agreed multiple benefit criteria for characterisation of local priorities in order to identify the effect of the implementation of these priorities not only at a municipal level but also at the national scale.

Thirdly, the first component of CBIT proposal incorporates the awareness raising activities among the MDCP stakeholders in order to advance their knowledge on climate related matters, skills for identification common issues and joint efforts in reaching the climate goals. The project will support the municipalities for obtaining new skills related to the development of climate related action plans and monitoring systems during the practical working processes.

The Outputs proposed to achieve this Outcome will ensure the implementation of a sub-national enhanced transparency framework (ETF) system at the Municipal Development Coordination Platform (MDCP), as follows:

1.1 **Modalities, procedures and guidelines for the implementation of the ETF at municipal level are developed**

Output 1.1 will contribute to operate the well-organized, vertically-integrated coordination platform by elaborating the coordination framework documents in order to develop procedures for: keeping municipalities accountable for meeting their commitments and continuing to increase their ambition; identifying opportunities to enhance municipalities’ efforts; and for communicating on support needed for stronger climate action. The project also proposes the guidelines to identify climate capacities for municipalities and to mobilize domestic and international support in order to achieve a shared understanding of collective and individual climate efforts at the municipal level. The formal coordination platform between central and local government levels on climate related matters have not been enforced yet. The legal frame on climate related communication is not developed yet in the country.

1.2. **Formal coordination mechanism with ETF related responsibilities and mandates among the MDCP stakeholders is defined**
Output 1.2 of the CBIT proposal considers the further work on the coordination mechanism including developing guidance on:

- The details of and format for integrating ETF scope on MDCP functions;
- Who can contribute to and benefit from the ETF activities;
- The additional responsibilities of the MDCP members for functioning ETF;
- The role of secretariat of the MDCP

The awareness about the climate related matters including the measuring, reporting and verification mechanism is limited. The municipalities have a mediocre experience in measuring of GHG emissions for key sectors including the energy, transport and buildings. Only one monitoring report of SEAP implementation prepared by Tbilisi City Hall indicates the lack of knowledge and capacity for other cities and municipalities to develop monitoring report. There are no verification practices at a local level in Georgia.

1.3. Training to MDCP stakeholders on measuring, reporting and verification (MRV) processes is provided

Output 1.3 of the project proposal addresses the barrier of the limited awareness at a local level by developing the training materials and developing short-term courses for the MDCP stakeholders and municipality personal in the following areas: GHG inventory development, Mitigation actions and their effects, Mitigation and Adaptation policies, Identification of support needed. The training materials and short-term courses will incorporate the deliverables developed by Component 2 of the CBIT project.

1.4. Procedures are developed and implemented for preparing and submitting MRV reports

1.5. Standard reporting formats for Sustainable Energy and Climate Action Plans (SECAP) are completed with local authorities

Output 1.4 and Output 1.5 support the enhanced MRV systems by developing the procedures for preparation monitoring reports and SECAPs. The adequate format will be elaborated for the municipalities in order to balance the level of detail reporting. The learning by doing approach will be used for the municipalities for developing the monitoring reports and SECAPs. The project will address five different categories of local authorities such as large and small cities, large and small municipalities and provinces, in order to assist local representatives in developing climate related strategies and monitoring systems. The local entities will be grouped based on these criteria and will jointly prepare monitoring reports and climate action plans such as SECAP fully aligned with national priorities.

Outputs under Component 1 are aligned with GEF CBIT Programming directions (a), (c), (d) and (e)

**Component 2: Georgia’s National greenhouse gas (GHG) Inventory system and HFC data management system are aligned to the enhanced transparency framework (ETF)**

The aim of the second component of the CBIT proposal is to advance the national GHG inventory system by improving the data management system, operationalizing higher-tier methods both for national and sub-national levels and enhancing QC/QA process. The use of general, simpler GHG estimation methods with default values gives figures with a high uncertainty and vague profile. For meeting the ETF requirements, it is necessary to improve the accuracy, completeness and transparency of the GHG inventory.

The CBIT project proposes activities that will allow the country to use more detailed level of emission estimation in order to better track the emission trend changes by sector and to check the level of NDC implementation. The modalities, procedures and guidelines for the implementation of the ETF system at a municipal level (Output 1.1) will represent the tools for synergising local and national climate activities, including GHG inventory and mitigation measures. Higher methods for estimating GHG emissions for activities such as identification of
country-specific, area specific or plant-specific emission factors, selection of technology specific calculation methods, development of descriptions of different technology lines that are in operation or used to be in a part of processing last 28 years and development of statistical methods for more comprehensive data gathering will be available through the project.

In accordance to the decision 1/CP.21 paragraph 90, Georgia shall submit the information on the national inventory, progress made in implementing and achieving its NDC, and should provide information on financial, technology transfer and capacity-building support needed and received no less frequently than on a biennial basis. This substantial shift of climate related reporting system induces the need of progress of QA/QC performance in Georgia. In order to improve the present QA/QC system both at the national and sub-national and overcome existing shortcomings, the following measures have to be carried out:

- A QA/QC plan for the national and sub-national GHG inventory, including an outline of the processes, schedule to review all source categories and a time frame from initial inventory development to final reporting in any year;
- General inventory level QC procedures, including the cross-check activities for the assumptions and criteria for the selection of activity data and emission factors, documented transcription errors, emissions calculations, etc. The General QC procedures considers also checking the movement of inventory data among processing steps, estimations of uncertainties in emissions and removals, internal documentation, recalculations, completeness, prior estimates;
- Category-specific QC procedures consider checking emission data, including default factors, country-specific emission factors, and direct emission measurements from individual sites; checking activity data collected at a national level using secondary data sources or from site-specific data prepared its personnel from their own measurements;
- QA procedures consider the expert peer review including guidance for checking the calculations or assumptions done during the sector inventory both at a national and sub-national level;
- Application procedures for verification techniques, including defining the scope of verification and activities/mandates under this instrument;
- Design the certification course for verifiers;
- Archiving system protocol, including the identification of type and mode of information needs to be archived.

Furthermore, the CBIT project will support Georgia to meet the Paris Agreement requirements and comply with the Enhanced Transparency Framework by building on the 4th National Communication and 2nd BUR project to go beyond the on-going work by supporting Georgia on the implementation of clear QA/QC procedures, plans and protocols including verification and archiving measures, for the national GHG inventory taken under the National Communications (NC) and for the SECAPs developed by municipalities for the years of 2019-2020. The QA/QC system elements have been represented during the first BUR. The add-hoc base approach will continue during the preparation of the next BUR report including the quality control assignment to the inventory expert team by their own expert knowledge and judgement, since there is currently an absence of the national protocol on the QC procedures. The same approach will be addressed to the QA assignment which will be performed by the external expert by his/her own discretion. The QA/QC system at a sub-national level will be built based on the procedures developed for the municipal MRV reports in accordance with Output 1.4. The QA/QC system will include the mitigation actions reported under the second BUR. The piloting of the system during the implementation of NC and BUR will be used to prepare the continuous improvement plan proposal. This plan should allow the MEPA to identify the crucial areas for improvement and investment, in the context of enhanced transparency framework of the country.

Finally, under this component the project will ensure that there is an improved National greenhouse gases (GHG) inventory system, with a data management system on energy, industry, agriculture, waste, including hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) which are not totally covered by the on-going BUR, and standard reporting formats for SECAPs at a municipal level reached by Output 1.5 incorporates all national circumstances and country specific requirements for harmonisation of two GHG inventory systems at national and sub-national levels. The barriers related to the absence of activity data for PFCs and limitations for the HFCs make the estimation of the emissions vague. This component of the CBIT project will address these barriers by implementing the following outputs:
2.1. Higher-tier methods for; the relevant source categories of energy, product use and agriculture sectors are used. Country-specific emission factor for pre-selected industrial processes and product use (IPPU) key source-categories are identified

This Output supports the country in advancing the completeness and accuracy of its national inventory system through the following activities:

- Select industries operating in the key source-categories;
- Develop tools and trainings for gathering the factory specific activity data relevant for higher calculation methods (Tier 2 and Tier 3) for the technical staff;
- Select energy and agriculture source-categories;
- Develop the method for estimation of country specific emission factors for the preselected source-categories;
- Elaborate mechanisms for enduring data flow system.

Currently, there are two main sources of agriculture data in the country – the MEPA and the National Statistics Office of Georgia. In some extent, the data provided from the two sources is contradictory. Moreover, the current statistical method does not consider the surveys that allow to provide data relevant for the estimation of emissions. Regarding the waste sector, the data management system relevant for GHG inventory is fragmented and allocated in different operators in the field.

2.2. The data management system for agriculture and waste sectors is developed

Output 2.2 is particularly focused on these two sectors due to the current poor data management system. By selecting the advanced statistical methods for up-scaling the data gathering activity both in agriculture and waste sectors, the project will help to increase the variety of activity data. For developing the data management system, all operators in both field will be connected to the GHG inventory management system developed by the GEF funded project "Harmonization of information management for improved knowledge and monitoring of the global environment in Georgia."

2.3. Modalities and procedures for implementation of quality assurance/ quality control (QA/QC) are designed and adopted

The output 2.3 of CBIT project is going to shift the QA/QC process from ad-hoc basis to the enduring, legally supported procedure for all Georgian national inventories in future by implementing the following activities listed beneath:

- Elaborate a QA/QC plan and procedures for the national GHG inventory;
- Develop a category-specific QC procedure;
- Develop an application procedure for verification techniques;
- Design the certification course for verifiers;
- Elaborate an archiving system protocol.

2.4. Modalities and procedures for data collection, reporting and enforcement on emissions of hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) are developed

The activity data related to the consumption of HFCs have been gathered during the preparation of BUR in a limited way. The country was only able to represent the emissions based on the simplest estimation method provided by IPCC only for four different substances. It is expected that the emissions contribution from this source-category in a total national GHG portfolio would be in a range of 1 to 5 per cent. The high level of limitation in HFC data is related to the absence of data management system. Currently, the activity data is gathered from the custom service which is not fully relevant for the GHG inventory. In order to estimate the HFC emissions the raw data provided by the custom service is processed by the expert from the Georgian Association of Refrigerants, Cryogenic Technics and Air-conditioning Engineers. Based on the expert judgement the final results are presented in the national
inventory document. Furthermore, the decision of the MEPA on moving to the 2006 IPCC guidelines requires different approaches for data gathering than it used to.

Output 2.4 of the CBIT project is going to fulfil the HFC data collection gap by developing methodologies for data collection on HFCs and PFCs and designing the related procedures and forms. The CBIT will follow the study findings developed under the IM (Information Matters) project.

One of the key sources of data providers is the technician personnel who maintain the appropriate equipment and devices. The technicians working on ODS (Ozone Depleting Substances) are already involved in the system of data collection for the Montreal Protocol. In accordance to the recommendation of IM\textsuperscript{11} project, this infrastructure can be utilized for addressing the HFCs and PFCs data management system. Currently, the technicians have a limited knowledge on data processing requirements of these gases.

2.5. Capacity training for technicians on methodologies for data collection on hydrofluorocarbons (HFCs) to perfluorocarbons (PFCs) are designed and implemented

2.6. National certification scheme for technicians on HFCs and PFCs is implemented

Output 2.5 and 2.6 of the CBIT project will address the lack of awareness on HFCs and PFCs data collection methods by developing the guidelines and providing the trainings for the technicians and designing the national certification schemes of technicians on HFCs and PFCs.

Outputs under Component 2 are aligned with GEF CBIT Programming directions (d), (e) and (f).

Component 3: Climate Change Mitigation in Georgia’s transparency system

The aim of the third component of this CBIT proposal is to synergize mitigation measures with Georgia’s transparency system by creating a mechanism of tracking NDC implementation both at national and municipal levels.

The absence of procedures for assessing the effects and benefits of mitigation actions and low carbon policies, and the support needed for carbon friendly sector development represent barriers to track the mitigation path of the country. Moreover, the limited information on climate friendly technology transfer complicates the country’s mitigation capacity assessment. NDC tracking requires a data management system on transferred mitigation technology and funds either international or national allocated to the NDC implementation. The third component of the CBIT project through the development of domestic methodologies and tools based on the existing international literature\textsuperscript{12} will establish the appropriate infrastructure for tracking the mitigation projects implementation in the country, either at national or municipal level, by establishing the mechanism to avoid double counting. The CBIT project will also support the strengthening of institutional and technical capacities. Finally, the outputs proposed below will contribute to the activities related to the assessment of technology and capacity needs.

3.1. Methodologies for assessing and reporting mitigation actions and policies, their effects and support needed and received are designed

\textsuperscript{11} Information Matters: Capacity Building for Ambitious Reporting and Facilitation of International Mutual Learning through Peer-to-Peer Exchange

Output 3.1 will address the gaps related to incorporating mitigation policies and measures effects in the NDC tracking system by developing methodologies and tools about the assessment technics of mitigation policies and measures effects. Moreover, the project will assist the country to develop guidelines on evaluating the mitigation measures multiple benefits, quantitative goals and progress indicators. Finally, the project will design the data supply system including the process of estimating emission reductions, with a tool to avoid duplication of the activities and double counting of emission reductions.

3.2. Methodologies and tools for identification of constraints and gaps for fulfilling the NDC goals are designed

Nowadays, neither NDC nor LEDS have a tool to do a mid-term review procedure in order to check the level of their implementation. During the implementation of NDC it will be important to have tools for diagnosis analysis why the actual activities do not follow the climate strategies. Moreover, the communication on NDC implementation is a mandatory task for all countries.

Hence Output 3.2 of the CBIT proposal will address the gap related to the absence of nationally adopted methodology for assessing the constraints on the implementation of NDC by developing guidelines and procedures and identifying which method and in which case would be appropriate for determining the problems and studying the causes of constraints.

There are several mitigation projects either completed or ongoing addressing the transfer of low carbon technologies in the country. Since there is no protocol on how to communicate on these technologies with the implementing entities, the first BUR contains limited information on the technologies transferred in the country. The information on transferred climate friendly technologies was barely collected from the municipalities.

3.3. The data management system on transferred technology supporting the NDC implementation is developed

Output 3.3 of the CBIT proposal will overcome the barrier about managing transferred technology data by developing the protocol on how beneficiary entities have to communicate on the technology. Moreover, the project will develop templates on the necessary technology specification that can be requested.

Outputs under Component 3 are aligned with GEF CBIT Programming directions (e), (g) and (h).

4. Incremental/additional cost reasoning and expected contributions to the baseline

The CBIT project aims to build and strengthen institutional and technical capacities to meet enhanced transparency requirements, as defined in article 13 of the Paris Agreement. For this purpose, it is structured in three components and a number of outputs to achieve the goal.

The climate change governance is driven by the central government of Georgia and followed by sub-national actors. The coordination among the different levels in climate related matters are limited. The CBIT project will allow Georgia to develop an enhanced holistic and integrated MRV system, built on programmes, projects and procedures aligned to the national and municipal levels. The ETF system targeting the NDC implementation will require improved coordination mechanisms between central and sub-national levels in order to align national and local priorities and address the effective and transparent implementation of mitigation measures. The incremental resources will be mobilized for addressing MDCP coordination and collaboration with the national climate change policy actors. Moreover, the joint mitigation data management system under the ETF will be developed both for national and sub-national levels in consideration of the fulfilment of the NDC goals.

The country has been making progress in the coordination mechanisms regarding information sharing, analysis and quality control and assurance, in particular regarding GHG Inventories. There is a GHG Inventory System designed to be implemented, and this has been possible through the national continuous process of elaborating its National Communications and BURs. The country counts on a long series of National GHG Inventories.
However, several barriers in the way to enhanced transparency were identified. In a more general sense, there are other aspects of MRV to be improved, not only regarding GHG Inventories but also mitigation and adaptation actions, as well as support received through means of implementation. The transparency framework consists of integrated MRV system for national and sub-national climate mitigation measures in order to account support received and assess the envisaged multiple benefits. The robust verification system increases the clarity of the GHG estimation in the country.

Without the support of the CBIT project, the process of enhancing transparency related to climate change aspects would be slower, although climate change constitutes one of the priorities for the country. The focus would be on defining and implementing actions that, even if coordinated, would not have the necessary information/data analysis and systematization. The project gives the opportunity to increase efforts in mitigation actions having, at the same time, the mechanisms and tools to make them more efficient and transparent.

The CBIT project is designed to improve mandatory reporting of signatories of the UNFCCC. As such this project is financed on full agreed cost basis. In the case of this project, eligible activities have been described in the GEF document Programming directions for the Capacity Building Initiative for Transparency (GEF/C.50/06). The activities of this project are consistent with the scope of the programming directions. Cofinancing is not a necessary requirement for this project, however the Ministry of Environmental Protection and Agriculture of Georgia already undertakes a foundation of activities that are considered cofinancing and have been included in table C.

Furthermore, the completion of the project will strengthen the capacity of Georgia to develop, improve and implement several other plans and visions the country has set for itself.

5. Global environmental benefits

This project will contribute to the improvement of local and global environmental conditions through enhancing transparency related to GHG emissions, impacts of climate change, mitigation and adaptation actions in the country.

In addition, the project will facilitate and collaborate in the implementation of the NDC of the country. In that sense, the improvement in the institutional framework, technical capacities and the development of diverse analysis will make climate change measures more effective and efficient.

The enhanced coordination and the systematized information will also collaborate in achieving wider co-benefits from defined and implemented actions.

This project is linked to the GEF-6 climate change mitigation focal area Indicator 3 on MRV systems for emissions reductions in place and reporting verified data. The indicator has 10 levels and the baseline and target will be set during project development.

The project will monitor an additional indicator for qualitative assessment of institutional capacity built for transparency-related activities under Article 13 of the Paris Agreement. The baseline and target will be set during the project development phase following the scale of 1-4 as per the guidance on Annex IV: Indicator for qualitative assessment of institutional capacity for transparency-related activities of the CBIT programming direction.

6. Innovativeness, sustainability and potential for scaling up:

Innovativeness

Through the CBIT project, Georgia will develop the transparency framework by designing an integrated measuring, reporting and verification system. The system will be built on the procedures and protocol for MRV of the national inventory of GHG emissions and mitigation measures, including programmes and projects at
national but also at municipal level. For instance, the results of measurement of a mitigation action at a municipal level will feed into the direct and indirect contribution to national policies and targets.

The domestic MRV system will have a merit to keep track of climate-related support received from international partners in form of finance, technology transfer or capacity building vis-à-vis the mitigation action in a particular sector of the economy. The system will be equipped to evaluate the multiple benefits of mitigation measures related to social and economic priorities of the country.

The introduction of verification system in Georgia for the emission reduction activities enhances the accuracy, completeness and transparency of the mitigation measures. The robust verification system strengthens the clarity in a process of GHG data generation and delivery. Correspondingly, it could catalyze a shift towards data-driven policy making in a field of climate change in the country. Finally, the processes and tools designed under this project have a bottom up approach and will help to set the position of Georgia in the negotiations regarding transparency.

**Sustainability**

At a project pilot phase, the climate change division will ensure enhanced coordination of the CBIT project deliverables and the preparation of Georgia’s 4th National Communication (FNC) and 2nd BUR. In other words, the MEPA team will track the delivery of the CBIT project results in order to ensure their use in related projects. Accordingly, the synergy of the outputs of the CBIT project with Georgia’s climate reporting projects to the UNFCCC will enhance the sustainability of the project.

Hence, once the MRV system has been piloted during the 4th NC and 2nd BUR, it will be improved by taking into account the challenges and feedbacks on the distribution of roles and responsibilities, and the use of guidelines, protocols and templates. Subsequently, the system will be handed over to the government for the permanent use in order to ensure sustainability of the CBIT project.

The upgraded MRV system will incorporate the sub-national circumstances and priorities. The disaggregated methodologies and guidance will be used to estimate GHG emissions and identify mitigation measures at a local level. The project will define the integrated transparency framework with a protocol for the development of SECAPS, with the inclusion of MRV procedures at a municipal level. As mentioned in the baseline section of this document, the CoMCE (Covenant of Mayors for Climate and Energy) was formed, aiming at establishing a vertical coordination between central and local governments in relation of climate change matters. In this context, municipalities are expected to develop SECAPS (sustainable Energy and Climate Actions Plans) in the mid-term (10 years), which include mitigation and adaptation strategies for local communities, aligned with the national NDC targets. This CBIT project will support Georgian local governments to design appropriate procedures, guidelines and institutional structures for the ETF at this level. In this sense, national based MRV processes will be defined and adapted to be integrated in a consistent manner at the municipal level; which will be reflected in the monitoring, reporting and verification components of long - term SECAPs.

Furthermore, the enhanced transparency framework incorporates robust MRV system for collecting, reporting and archiving data on time. This fits with the requirements of policy-makers in most cases. Facilitating data and data assessment to decision makers would allow the new system to easily integrate with existing working architecture. In addition, the knowledge exchange activities on any new procedures related to the transparency process in Georgia underlines the importance of the new framework for the climate change activities in the country.

**Potential for scaling up**

The ICA summary report gives the ideal innovative scheme for designing the measures addressing the gaps and barriers to the enhancement of transparency framework in the country. The tools, methodologies and mechanisms developed by the CBIT project will be tested under a wide range of consultations with public, private and civil society sectors. Later, based on this framework, the NDC of Georgia will be implemented and tracked.
The CBIT project focuses on transparency aspects at the local level and its coordination with national targets. The technical capacity and best-practices developed in pre-selected municipalities could be extended to other municipalities engaged in climate change mitigation.

Furthermore, the activities related to vertical integration and strengthening of municipal coordination has a potential to be scaled up at a regional level through activities including peer exchanges and capacity building. The CBIT project could inspire other neighbouring countries how to build connections between central and local governments on implementing NDCs into their own institutional and transparency frameworks.

2. **Stakeholders.** Will project design include the participation of relevant stakeholders from civil society organizations (yes ☑/no ☐) and indigenous peoples (yes ☐/no ☑)? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

The Ministry of Environmental Protection and Agriculture of Georgia is responsible for climate change, environmental protection and sustainable use of natural resources. The Service for Climate Change within the Ministry is responsible for the assessment of impacts and risks of climate change and coordinates the preparation of adaptation strategies and action plans and their implementation. Departmental ministries (Energy, Agriculture, Labor, Health and Social Affairs) play a key role for the assessment of various sectors’ vulnerability to climate change for the process of preparation of adaptation measures.

Various institutions from public to private sectors are involved in the development of climate change related measures in Georgia. The CBIT project will engage different organisations and entities at varied stages by taking into account their roles and mandates. The table below presents key stakeholders with description of their roles grouped by the expected functions in the CBIT project.

<table>
<thead>
<tr>
<th>Function</th>
<th>Institutions/Entities</th>
<th>Description of roles specific to the CBIT project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change policy developer institutions</td>
<td>Ministry of Environmental Protection and Agriculture (MEPA)</td>
<td>Coordinating the project execution; Leading the steering committee of the project; Providing relevant information necessary for project activity implementation; Supporting project with communication of different governmental stakeholders;</td>
</tr>
<tr>
<td></td>
<td>Ministry of Economy and Sustainable Development (MESD)</td>
<td>Participating in the steering committee meetings of the project; Closely communicating with the project management by providing the contact person; Assisting technically to the project on a sustainable economy and energy development matters; Providing relevant information necessary for project activity implementation;</td>
</tr>
<tr>
<td></td>
<td>Ministry of Regional Development and Infrastructure (MRDI)</td>
<td>Participating in the steering committee meetings of the project; Closely communicating with the project management by providing the contact person; Providing technical assistance to the project; Providing relevant information necessary for project activity implementation;</td>
</tr>
<tr>
<td></td>
<td>Ministry of Finance (MoF)</td>
<td>Participating in the steering committee meetings of the project; Closely communicating with the project management by providing the contact person; Providing budget support and technical assistance the project;</td>
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<tr>
<td>Category</td>
<td>Description</td>
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<tr>
<td>Coordinating platforms</td>
<td>Providing relevant information necessary for project activity implementation; Assisting the project to deliver outputs to the Georgian covenant signatory cities/municipalities to fulfill their commitments taken under the Covenant of Mayors; Supporting in the communication between signatory representatives and the project team in order to exchange best practices and lessons learned in the field of energy and climate change; Providing information to the project management of needs and barriers of local communities on climate related matters;</td>
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<tr>
<td>Climate change mitigation implementer entities</td>
<td>Providing technical information on factory specific activities relevant to the GHG inventory; Cooperating with the project team by participation meetings, workshops, trainings etc.</td>
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<tr>
<td>HFC and PFC importers</td>
<td>Providing technical information necessary to build a new transparency system on F-gases in Georgia;</td>
<td></td>
</tr>
<tr>
<td>Municipalities and City Halls</td>
<td>Participating in the steering committee meetings of the project; Providing technical assistance to the project on a SECAP development and monitoring implementation matters; Providing relevant information necessary for project activity implementation;</td>
<td></td>
</tr>
<tr>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)</td>
<td>Providing information about ongoing projects; Cooperating with the project team in order to identify synergy opportunities during the implementation phase;</td>
<td></td>
</tr>
<tr>
<td>United Nation Development Programme (UNDP)</td>
<td>Providing information about ongoing projects; Cooperating with the project team in order to identify synergy opportunities during the implementation phase;</td>
<td></td>
</tr>
<tr>
<td>Monitoring and reporting institutions</td>
<td>Monitoring and evaluating project milestones and outputs; Providing information on International Consultation and Analysis (ICA)</td>
<td></td>
</tr>
<tr>
<td>Ministry of Finance (MoF)</td>
<td>Providing information on internationally funded climate projects.</td>
<td></td>
</tr>
<tr>
<td>Municipalities and City Halls</td>
<td>Monitoring and reporting the status of SECAP development and supervise reports elaboration.</td>
<td></td>
</tr>
</tbody>
</table>

**3. Gender Equality and Women's Empowerment.** Are issues on gender equality and women’s empowerment taken into account? (yes ☑/no ☐). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

At a national scale, in 2010 the Parliament of Georgia adopted a law on gender equality, aiming at the provision of judicial guarantees to achieve gender equality and to strengthen equality principles of human beings. After the adoption of this law, the institutional set-up has to take into account the gender equality principles, strengthening women participation in the development of policies.

This project will leverage the empowerment of women by involving them in policy design, programme implementation and MRV system operation. Mostly, the CBIT project will include measures that promote an active role of women and non-discrimination in their treatment and exercising their rights, while promoting public awareness and access to equal opportunities and treatment in employment and occupation.
The COP 22 acknowledged the need of enhancing the visibility of gender issues in the composition of climate change work teams, staffing of national institutions, and local actions. The CBIT project will promote the measures on technical assistance of focal points for collecting and disseminating gender disaggregated data related to the climate change activities.

Moreover, the project supports measures that ensure gender responsiveness during the implementation of enhanced transparency framework. The design of Georgia’s transparency framework and reporting mechanisms will be carried out through the active involvement of women. Additionally, the MRV system integrates measures that provide data linked with the gender gap, such as inequality and poverty. Gender disaggregated data generated by the MRV system will highlight the gender issues related to the climate change.

In addition, this project will organize a gender workshop on a topic that will be agreed upon during the PPG stage. The topic of the workshop could be training on how women and men have been engaged to adopt mitigation measures, etc. Institutions to be consulted on gender engagement will include, but not be limited to: Ministries in charge of gender, the gender focal point for the convention on climate change, civil society organizations as well as research institutions and development partners working in the fields of gender and climate change. The engagement of local beneficiaries of the project would enhance the focus of women role and necessities.

4 Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

The CBIT project implementation could be hindered or meet the specific obstacles caused by the following major risks.

<table>
<thead>
<tr>
<th>Project risk</th>
<th>Rating</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of institutional buy-in</td>
<td>Low</td>
<td>Building on workable existing institutional arrangement for GHG inventory; Training and involving all line ministries at the project outset; Designing specific buy-in strategies for different stakeholders (e.g. key ministries, industrial operators, local governments, and Civil Society Organizations(CSO)); Strengthening the established MDCP.</td>
</tr>
<tr>
<td>Limited coordination among institutions</td>
<td>Low</td>
<td>Developing a mechanism for integration of the CBIT project steering committee into MDCP; Establishing channel for regular briefing of key stakeholders of the CBIT project; Making explicit the roles and responsibilities and allowing participants to transparently implement while sharing regular updates on progress; Identifying possible linkages of NDC implementation with line ministries.</td>
</tr>
<tr>
<td>Lack of high-level political willingness and commitment</td>
<td>Low</td>
<td>Designing high-level informing mechanism on stages and milestones of the CBIT project; Ensuring alignment with the individual ministry’s needs; Providing regular progress report to the Ministers and Deputy Ministers on the CBIT project achievement.</td>
</tr>
<tr>
<td>Constraints in data availability and accessibility</td>
<td>Medium</td>
<td>Utilizing the fruitful elements of the existing national data management system; Including industrial data providers in the technical working group to facilitate data access; Establishing legal or less formal collaboration arrangements with institutions that are the repositories of data; Revising data collection template specifically designed for different data providers;</td>
</tr>
</tbody>
</table>
5. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives.

The Executing Agency of the project will be the Ministry of Environment Protection and Agriculture of Georgia, and the Implementing Agency will be UN Environment.

The proposed components and structure of the CBIT project is in close alignment with ongoing projects in Georgia. Since the CBIT project aims to improve the national GHG inventory by moving up the IPCC tiers used for calculations, it will align with GEF-UNDP project development of Georgia’s Fourth National Communication and Second Biennial Update Report to the UNFCCC. The country specific emission factors, procedures and guidance developed for QA/QC and national MRV systems done by this project will be then be handed to the GEF-UNDP project and tested during the development of fourth NC for the period of 2019-2020.

The CBIT project also takes into account measures to strengthen the coordination of climate change strategies and policies at the local and national levels. The GIZ project VICLIM funded by the BMUB, launched in July of 2017, covers the vertical integration matters in Georgia, including the improvement of institutional and human capacities for vertically integrated climate action, and the adoption of the experiences and/or concrete measures based on the German National Climate Initiative (NKI in German). Respectively, the project will analyse the local government performance in the field of climate change and support the MDCP by developing the support activities. At the same time the CBIT project will develop the procedures and regulatory framework for SECAP development and monitoring system in Georgia in order to translate this information into the NDC implementation and make an intrinsic part of national transparency framework.

Another field of action is HFC and PFC inventory, where the project includes the development of methodologies and protocols for data generation, collection, reporting and archiving. Meantime, the GIZ project IM contribute to share the study on the experience on the F-gases data management systems in other countries with similar national circumstances and develop legal framework for operating this kind of system.

At a national level, GIZ provides support on the development of a roadmap for NDC and recommendations on multi-ministerial institutional setup and a work plan for revising the NDC under the project CDCPIII. Meanwhile, the actions related to the development of tools for tracking the NDC implementation, the enhancement of national MRV system, and its harmonization with inter-ministerial coordination platform will be taken by the CBIT project.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Timeframe</th>
<th>Focus Area</th>
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</thead>
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<td>Feb 2015 – Feb 2018</td>
<td>Improvement of data management systems</td>
</tr>
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<td>GEF-UNDP</td>
<td>July 2017 – June 2021</td>
<td>Development of reports to UNFCCC: FNC, SBUR</td>
</tr>
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<td></td>
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</tr>
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The tasks within the projects listed in the previous table are in most cases aligned with the activities anticipated in the CBIT project. All these efforts together have the capacity to build a robust transparency framework for Georgia. Indeed, each one of these activities and tasks represents building blocks for each other. Since these projects include activities that are very close related to each other, the establishment of a coordinating mechanism is a worthwhile measure. Accordingly, permanent (for instance bi-weekly) meetings with project managers, coordinators and CCD responsible for all climate change projects execution at a technical level will be carried out. This will allow key implementer partners to consider new agenda topics and their alignments supporting the synergies among the ongoing initiatives.

6. Consistency with National Priorities. Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes ☒/no ☐). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The CBIT project components are aligned to the five key national climate related documents showing the sector development pathway.

The INDC paper clearly represents the country mitigation target for 2030. In this regard, the document specifies the economic sectors where the mitigation measures would be taken, including energy, transport, industry, agriculture, waste and forestry. In order to fulfil the NDC target, the CBIT project will develop an integrated transparency framework with advanced MRV system that will make possible to track the NDC implementation process via measuring mitigation actions effects, reporting their contribution to the national scale and verifying the mitigation profile either project or country level.

The National Environmental Action Plan (NEAP) prepared by the MEPA provides different climate change targets for upcoming five years period from 2017 to 2021, including Target 1: Creation of prerequisites for GHG emission reduction and Target 3: Implementation of the reporting obligations under the UNFCCC. In relation to these targets, the CBIT project is going to develop methodologies and procedures for measuring and reporting achieved effects. Moreover, the project considers improving quality of reporting documents to the UNFCCC such as NC and BUR through the development of QA/QC system in the country, provision of time-series consistency, identification of country specific activity data for industry sector and advancing the tier methods used for calculations, and design of archiving system.

The capacity building needs are represented in the First BUR as described below:
- Strengthening institutional mechanisms to enhance national capacities to address climate change, including the public and private sectors, civil society and non-governmental organisations;
- Enhancing the capacity of experts, including training courses on climate change;
- Enhancing the national capacity to implement the SEAPs.

The CBIT project will develop public-private cooperation platform with regards to improving both GHG emission inventory for industry sector and data management system on imported F-gases. Furthermore, the project will develop knowledge exchange measures on climate related issues for the different stakeholders. At a sub-national level, the project provides technical support for development of monitoring reports of SEAP implementation and preparation of SECAPs.

The LEDS consists of sectoral mitigation strategies with individual measures. The implementation of LEDS mostly means to meet NDC target and can be translated as an instrument for NDC implementation. The CBIT project will develop the procedures and tools for tracking the implementation of the NDC that in case of Georgia could be carried out by of LEDS.

The CBIT project is also aligned with the TNA. The TNA document highlights the barriers related to the development of mitigation technology market in Georgia, including lack of information, limited awareness, inappropriate institutional set-up, and limited technical knowledge. The CBIT project will develop the MRV
system in the country that integrates the data management for mitigation projects. Moreover, the project considers trainings for technicians and awareness raising measures.

7. Knowledge Management. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The CBIT project will reach out to key ministries and stakeholders to provide regular progress reports in a user-friendly form, ensuring clear linkages among the initiatives arising during the implementation phase and demonstrate the project progress on building enhanced transparency framework.

At a technical level, regarding to the data management system set-up on F-gases in Georgia, the CBIT project will use best practices provided by the IM project, modifying appropriate elements for adapting national circumstances and availabilities. Moreover, Output 2.5. includes trainings of technicians that are serving with these chemical compounds.

A part of the budget will be allocated to knowledge management as it is in an Output 1.3., aiming the capacity building for the key stakeholders of the MDCP on MRV processes, by providing trainings and peer to peer exchange programmes.

The MDCP will play an important role in sharing knowledge and experience associated with the implementation of mitigation actions at the local level. The platform contributes to develop common understanding on fundamental matters and basis on vertical integration. The CBIT project will provide the tools and mechanisms in an easy-to-use mode. Moreover, the project considers the activities related to the development of SECAPs and Monitoring system based on the approach learn by doing, with an ultimate goal to create capacity on self-making monitoring and reporting about SECAP implementation at a municipal level. The knowledge management system incorporated in the transparency framework will be accessible to the regional countries and international audience for sharing vertically integrated NDC implementation mechanism.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT13 OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):  (Please attach the Operational Focal Point endorsement letter(s) with this template. For SGP, use this SGP OFP endorsement letter).

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>MINISTRY</th>
<th>DATE (MM/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nino Tkhilava</td>
<td>Head of environmental policy and international relations department</td>
<td>MINISTRY OF ENVIRONMENT PROTECTION AND AGRICULTURE OF GEORGIA</td>
<td>03/05/2018</td>
</tr>
</tbody>
</table>

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies14 and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

<table>
<thead>
<tr>
<th>Agency Coordinator, Agency name</th>
<th>Signature</th>
<th>Date (MM/dd/yyyy)</th>
<th>Project Contact Person</th>
<th>Telephone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelly West, Senior Programme Manager &amp; Global Environment</td>
<td>Kelly West</td>
<td>May 29, 2018</td>
<td>Geordie Colville Climate Change Mitigation</td>
<td>+2547136 01293</td>
<td><a href="mailto:geordie.colville@un.org">geordie.colville@un.org</a></td>
</tr>
</tbody>
</table>

13 For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

14 GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT
C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required GEF Project Agency Certification of Ceiling Information Template to be attached as an annex to the PIF.