



NATIONAL BENEFITS OF CLIMATE REPORTING: THE MRV SYSTEM OF GEORGIA

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ACTION AREA: ——— Cross-cutting

FOCUS AREA: ——— M&E

COUNTRY: ——— Georgia

SECTORS

INVOLVED: ——— Cross-sectoral

TIMEFRAME: ——— 2016 - ongoing

CASE SUMMARY: ——— Georgia is one of the few countries that has successfully established a national system for Monitoring, Reporting and Verification (MRV) of greenhouse gas (GHG) emissions. A well-established and designed MRV system is essential for tracking progress towards emission reductions and development targets. Moreover, it helps in creating a robust and transparent process for coherent information collection and dissemination and for informing decision-making at national and international levels.

Georgia built upon its past MRV efforts, inter alia its experiences from the Clean Development Mechanism (CDM) and National Appropriate Mitigation Actions (NAMA). Different MRV systems were integrated into a single national MRV system through joint inter-ministerial efforts. These were coordinated by the Ministry of Environment and Natural Resource Protection (MENRP)¹, with capacity support from the German development cooperation agency (GIZ). The country developed a robust, feasible, and cost-effective national MRV system through a process which brought together key stakeholders from government institutions, private companies, and NGOs. Under the programme, trainings and workshops were conducted that were required to develop the capacity of stakeholders and enable them to gather a rich repository of relevant data in line with the requirements of advanced international MRV systems.

¹ Ministry of Environment and Natural Resource Protection (MENRP) is now merged with the Ministry of Agriculture and is known as the Ministry of Environmental Protection and Agriculture of Georgia (MEPA).

Georgia is taking a phased approach to developing an accountable, inclusive and efficient MRV system for effective data collection, management and analysis across sectors and focus areas in the country. The approach qualifies as a good practice as it enhances transparency, is technically feasible (i.e. entails trainings and capacity-building measures) and strongly backed by the highest political level.





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BACKGROUND: Georgia has been witnessing an increased frequency of natural disasters in recent years, the impacts of which have further amplified due to anthropogenic activities such as deforestation and grazing. In the third national communication submitted to United Nations Framework Convention on Climate Change (UNFCCC), the total country emissions in 2011 were estimated to be 15740 gigagrams carbon dioxide equivalent (Gg CO₂eq), among which the energy sector constituted 54.7% of the total share followed by industrial processes (MENRP, 2015). To address these issues and frame its climate actions, Georgia has been improving its national capacities through policy interventions and processes to respond to the changing environment and its potential threats at the national and local level.

The domestic 'Measurement, Reporting and Verification' (MRV) system in Georgia was first established under the Kyoto Protocol to monitor the implementation of Clean Development Mechanism (CDM) projects in the energy sector. Later, the experience of establishing an MRV system for CDM catered for the development of a national MRV system with the intention to incorporate future requirements for the MRV of internationally supported Nationally Appropriate Mitigation Actions (NAMA) and other mitigation activities. Moreover, Georgia has a well-established National Statistics Office (GeoStat), responsible for processing data, conducting surveys for census and providing equal access to information to all the users.

In 2014, Georgia and the European Union (EU) signed an Association Agreement, which came into force in 2016. The agreement aims to improve policy-making, professionalise the civil service sector, increase accessibility to public services and promote accountability and transparency of public institutions. In line with this agreement, Georgia prioritised and strengthened the approach to public administration reforms in the context of the European Neighbourhood Policy.

In 2016, Georgia submitted its first Biennial Update Report (BUR1) on Climate Change to the UNFCCC, highlighting the proposed design of the domestic MRV system. In its intended nationally determined contribution (INDC), Georgia commits to reducing its emissions by 15% below the business as usual (BAU) scenario for the year 2030 starting 2021. The main sectors covered are energy, industrial processes, agriculture and waste. Pre 2020, the country has envisaged to voluntarily reduce its emissions through joining the EU initiative 'Covenant of Mayors' (CoM) (Government of Georgia, 2015). In 2017, Geostat along with line ministries developed national indicators and targets for Sustainable Development Goals, which were closely linked to greenhouse gas emission reductions. Besides international commitments to the UNFCCC, the national government along with sub-national governments have developed a GHG emission MRV through specific MRV methodologies, that were used under the European Union (EU) Initiative to voluntarily reduce GHG emissions among 13 self-governing cities and municipalities in Georgia².

However, the lack of a domestic MRV system with standard rules and procedures tracking overall GHG emissions of the country, sustainable development co-benefits and financial support sparked the development of a comprehensive national MRV system in pursuance of a unified system to account for mitigation actions.

Thus, the BUR1 incorporated the plan to establish a national MRV system, targeting the Nationally Appropriate Mitigation Actions (NAMA) as well as other mitigation actions. Following the successful implementation of the national MRV system as provided for in BUR1, significant improvements have been initiated in the second BUR to make the system more efficient and increase the transparency of both mitigation as well as adaptation activities.

² The Covenant of Mayor (CoM) Initiative was launched in 2008 by the European Union (EU) and is one of the largest movements for local climate and energy actions. The initiative brings together thousands of local governments in pursuance to implement and exceed EU's climate actions.

ACTIVITIES: ————— The goal of the Government of Georgia was to establish an MRV system at the national level, building on its existing systems and infrastructure to enable a robust and systematic data collection and tracking of mitigation actions (see Figure 1). This MRV system is envisaged to be comprehensive, capturing all information pertaining to overall GHG emissions, sustainable development (SD) and its co-benefits as well as to financial flows for climate action. The development of this MRV system entailed the following activities:

1. DEVELOPING INSTITUTIONAL ARRANGEMENTS: In a first step, appropriate stakeholders were selected through a consultative process. The operation of the national MRV system is supervised by the Low Emission Development Strategy's Coordination Committee (LEDSCC) (Georgia, 2016) under the auspices of the Ministry of Environment and Natural Resource Protection (MENRP). In this context, MENRP formed the technical group (TG-MRV), which includes technical and industry experts on MRV for the development of common standards, templates and procedures. The TG-MRV is also responsible for the implementation of the QA/QC (Quality Assurance/Quality Check) procedures and the development of monitoring reports. Hitherto, the well-established National Statistics Office of Georgia (GeoStat) is a single window system for efficient and reliable data pertaining to mitigation activities and reporting to the implementation entities and the TG-MRV. For relevant stakeholders within these institutions, GIZ along with MEPA conducted specific trainings on enhanced data collection, understanding the International Consultation and Analysis (ICA) process and institutional set-up of the MRV system. The guidelines for the verification process for various sectors are designed by TG-MRV and approved by the LEDSCC, while the main focus lies on building sufficient local capacity of national verifiers (i.e. individuals or companies) (Georgia, 2016).

2. SELECTING COMMON STANDARDS AND TEMPLATES: Subsequent to the formation of the TG-MRV, the group designed detailed and robust guidelines and procedures covering MRV of GHG emissions, SD co-benefits and financial flows. Besides this, the technical group will also be responsible for designing templates for measurement and reporting, for the establishment of baselines and for conducting the QA/QC procedures (Georgia, 2016). The methodological development of the MRV system was based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The MRV for SD co-benefits was based on an already existing tool known as the UNDP NAMA SD Evaluation Tool³. Lastly, the financial component of the MRV system was planned in cooperation with MENRP and the Ministry of Finance through specifying climate change mitigation-related flows in the main budget. Initially the MRV system was established for the agriculture, forestry and other land use (AFOLU) sectors, but now also covers additional sectors, e.g. energy.

3. DEVELOPING A DOMESTIC REGISTRY FOR OPERATIONALISATION OF THE MRV SYSTEM: The operationalisation of the MRV system included the creation of a domestic registry system by the TG-MRV, in which the group documents the mitigation actions, the description of each activity and parameters that need to be monitored. Subsequently, the measurement and data collection responsibilities along with the reporting and verification processes were established (Georgia, 2016).

4. ESTABLISHMENT OF A FEEDBACK MECHANISM: Sector and/or project-specific feedback mechanisms were developed to understand and analyse the impacts of the activities and provide feedback to the national climate change and development policy of Georgia for an effective implementation of the policies (Georgia, 2016).

³ For more information on the Nationally Appropriate Mitigation Action (NAMA) Sustainable Development Evaluation Tool, visit the following link: <https://www.undp.org/content/undp/en/home/library-page/environment-energy/mdg-carbon/NAMA-sustainable-development-evaluation-tool.html>



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After the development of a national MRV system for tracking and monitoring the mitigation actions as specified in BUR1, Georgia now aims to enhance this MRV system through the inclusion of adaptation actions, a proper legal setup and specific institutional arrangements in the BUR2, which was submitted to the UNFCCC in June 2019.

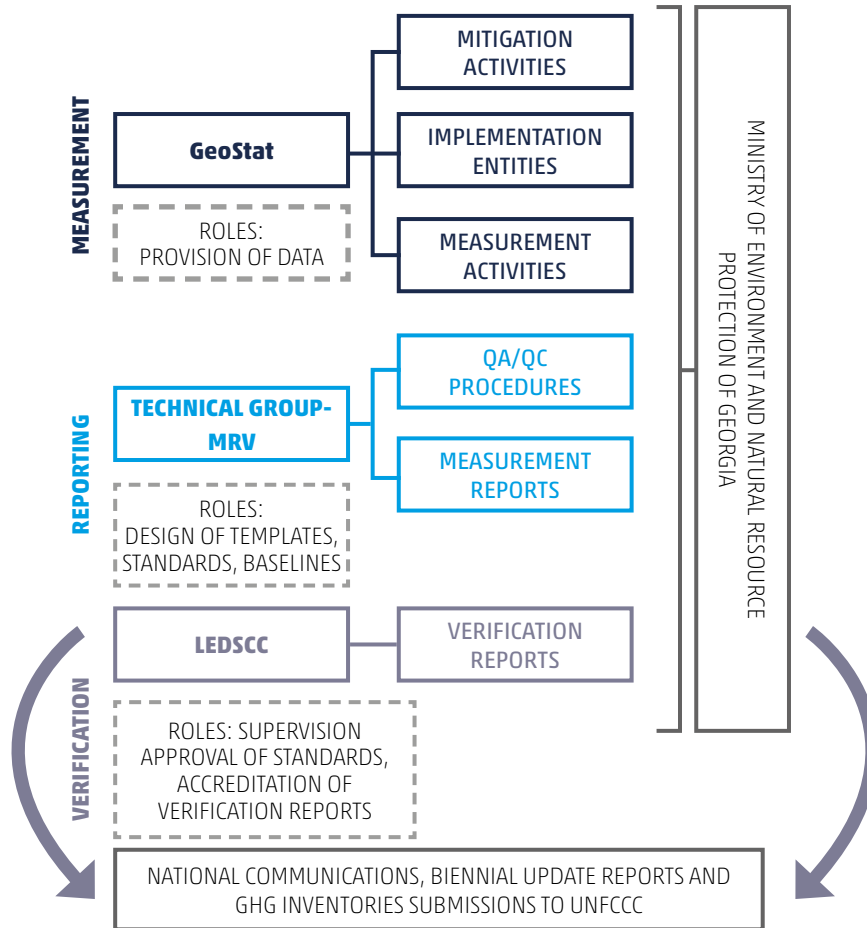


Figure 1: Framework for the National MRV System of Georgia (Georgia, 2016)

INSTITUTIONS

INVOLVED:

The **MINISTRY OF ENVIRONMENTAL AND NATURAL RESOURCE PROTECTION (MENRP)** is the main coordinating entity for the national MRV system. Within the ministry, the national level coordination of mitigation and adaptation activities is primarily handled by the Climate Change Division (CCD).

The Low Emission Development Strategy's coordination committee (LEDSCC) and the technical group (TG-MRV) led the initial work, along with the implementation entities and other relevant government bodies for the operationalisation of the MRV system. Currently, the Environmental Information and Education Centre (EIEC), a legal entity of public law under the aegis of MENRP, is responsible for the coordination of all functions pertaining to the MRV system.

Going forward, as envisaged under the second BUR, an enhanced MRV system will be led by a new Climate Change Council (CCC) that is proposed to be established with three sub-units:

- **GHG INVENTORY UNIT:** The GHG inventory unit will be responsible for the preparatory activities around developing inventories through data collection, quality checks and updating the inventory data.
- **MITIGATION AND ADAPTATION UNIT:** The mitigation and adaptation unit will be responsible for the calculation of baseline emissions, development of monitoring and evaluation indicators and review of mitigation actions.
- **SUPPORT UNIT:** The support unit will be responsible for the communication to relevant ministries, development of reporting templates and the identification of financial sources and capacity needs.

COOPERATION

WITH: ————— **THE MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT (MOESD)** and the **MINISTRY OF FINANCE (MOF)** have been actively helping in enhancing the functioning of the MRV system through the development of sustainable development strategies, other strategies pertaining to the energy and transportation sector and information pertaining to sources of international and national financial flows specifically for climate-related projects.

GIZ has actively engaged in the training and other capacity building activities required for the MRV system. GIZ is working with the Government of Georgia through the project 'Information matters: Capacity Building for ambitious reporting and Facilitation of International Mutual Learning through Peer-to-peer Exchange', to develop legal support documents to enable the implementation of the MRV system. This work is being integrated in the BUR2 processes to make the system more robust.

FINANCE: ————— No clear budget was allocated to MRV operations in Georgia's BUR1. The programme was initially funded by the Global Environment Facility (GEF) and implemented by the United Nations Development Programme (UNDP).

The project 'Information Matters', which is helping in strengthening the MRV system under the second BUR (BUR2), is funded by Germany's Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) through its International Climate Initiative (IKI).

IMPACT OF

ACTIVITIES: ————— • **ESTABLISHMENT OF A CENTRALISED MRV SYSTEM:** Georgia is among the few countries that have managed to develop and implement a centralised MRV system to maintain transparency of its climate actions. A centralised reporting system proved beneficial for creating uniformity in the reporting structure and providing easy access to information. This enables the country to observe actual impacts of its mitigation activities, and identify areas for improvement to create higher impact.

• **COMPLIANCE WITH OTHER INTERNATIONAL AGREEMENTS:** With the development of the central climate-related MRV system, Georgia – besides fulfilling its commitment to the UNFCCC – also complied with the EU requirements of national standards which incorporate environmental and climate change related issues. Georgia also plans to use this centralised system for reporting to the Long-Range Transboundary Air Pollution (LRTAP) Convention and other strategic climate change-related planning.



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- **DEVELOPMENT OF BENCHMARKS AND ANALYSIS OF PROGRESS:** A key impact of the centralised MRV system was that it helped facilitate the national development of evidence-based standards and benchmarks for the effective implementation of climate-related projects and activities within specific sectors. For instance, the previously established forest sector-based MRV in Georgia acted as a basis for developing currently ongoing new standards for the forestry component.
- **EFFECTIVE CAPACITY BUILDING AND COMMUNICATION PROCESSES:** The programme also led to effective capacity building through trainings and participatory activities around the development of inventories and reports and the operationalisation and implementation of the national MRV system. The process of developing a national GHG Inventory for Georgia led to a coherent and effective communication system across various implementation entities and other stakeholders. This was successful through allocating specific duties and responsibilities to various stakeholders and enhancing capacities where required.

WHY IS IT

GOOD PRACTICE:

- **TECHNICAL FEASIBILITY:** Georgia was previously designing MRV systems for the purpose of tracking the progress of sector based NAMAs. In this context, the country also designed specific MRV methodologies to document the impacts of the proposed mitigation actions under the EU Initiative (Georgia, 2016). Building on these, Georgia tried to develop a coherent and centralised system at the national level. This proved to be efficient and cost effective, as the technical architecture of developing a national system required minimum funding sources for bringing together already existing systems.
- **TRANSPARENCY:** Georgia's national MRV system is an inclusive system that aims at reducing complexities and ensuring that the system produces relevant and supportive information for effective implementation of the NDC and related national policy making. Besides this, mitigation actions are recorded through a central portal in the public domain to maintain transparency of the national targets and actual emission reductions achieved. The system also led to a transparent communication to other international commitments through strategically developing common templates that are subject to the same verification process but a different reporting structure on international platforms.
- **STRONG POLITICAL WILL AND PARTICIPATION:** The Government of Georgia backed the idea of designing a national MRV system with high-level political buy-in. This facilitated intensive coordination, consultation and management between various governmental institutions and line ministries to define clear procedures and guidelines for the development and implementation of the MRV system.

SUCCESS FACTORS:

- **PAST EXPERIENCE WITH MRV MECHANISMS AND EXISTING CENTRAL DATA COLLECTION SYSTEM:** Georgia's past experiences with various MRV systems helped the country to develop a robust national MRV system. Besides experiences in developing MRV systems, the country could draw on a well-established data collection system under the aegis of the National Statistics Office of Georgia (GeoStat).
- **INSTITUTIONAL ARRANGEMENTS:** Georgia already disposed of the elements that were necessary for developing a holistic MRV system. Nevertheless, the country recognised that in order to develop a central system, it was crucial to propose a new and separate institutional framework for an effective implementation of the system through the addition of required elements for further enhancement of the processes, roles and responsibilities. This process was further amplified by the addition of the adaptation component in the BUR2.

- **ITERATIVE APPROACH FOR IMPROVING THE SYSTEM OVER TIME:** The key strength of the MRV system is the incorporation of a feedback mechanism in the implementation process of the MRV system to track, assess and monitor the progress of mitigation actions and identify areas of improvements and success. This inherent iterative approach and recognition of the need to continuously assess and improve, provides systemic flexibility to modify the processes to make them more effective.
- **DEVELOPMENT OF CLEAR GUIDELINES:** Through the joint effort of various stakeholders and continuous consultations with the line ministries, a new system with clear guidelines was developed based on the existing systems and common methods, procedures and guidelines that included quality control and assurance to ensure high transparency.

OVERCOMING BARRIERS / CHALLENGES:

WHAT WERE THE MAIN BARRIERS / CHALLENGES TO DELIVERY?

INSTITUTIONAL:

A proper procedural legal setup is crucial for the operationalisation of the MRV system, which is currently lacking in Georgia.

FINANCIAL:

There is no financial allocation in the current budget to establish and operationalise the MRV system in Georgia, presenting a major barrier to the successful implementation of the system.

INFORMATIONAL:

The main challenge that Georgia initially faced was data collection. The main issue was not access to but a lack of data to develop a MRV system.

CAPACITY:

The country faces major issues due to a lack of local technical MRV experts and external support for increasing local capacity.

HOW WERE THESE BARRIERS / CHALLENGES OVERCOME?

The country has developed a legal background document in the BUR2 to meet the country's future reporting obligation under the UNFCCC as well as other international treaties.

The funds for the development of the MRV and other training programmes were sourced from the Global Environment Facility (GEF).

GIZ facilitated multiple training programmes and workshops for capacity building, including on inventory preparation, data collection, institutional processes and sector-specific trainings to generate information.

The Environmental Information and Education Centre is responsible for the technical coordination and will hire sector experts to develop templates.



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- LESSONS LEARNED:** ———
- **LEVERAGE EXISTING CAPACITIES TO CREATE NEW ONES:** Georgia used its experience with a range of MRV systems to develop an enhanced and new single platform for smooth information flow. This proved beneficial for effective administration and management, elimination of duplication of data and verification processes, and efficient time management.
 - **IMPLEMENT A STAKEHOLDER-DRIVEN PROCESS:** The whole institutional architecture and set up of Georgia's MRV system was a stakeholder-driven process incorporating local governments and other important entities to allow more effective planning, informed decision making and the evaluation of the impacts of the implemented measures.
 - **ALIGN THE ESTABLISHMENT OF AN MRV SYSTEM WITH OTHER NATIONAL PRIORITIES TO INCREASE POLITICAL BUY-IN:** The MRV system is designed in such a manner that it does not only track progress towards NDCs but also helps to implement the Enhanced Transparency Framework requirements, which fits into the larger national agenda.

HOW TO REPLICATE

- THIS PRACTICE:** —————
- **FOLLOW A SYSTEMATIC APPROACH:** Georgia has implemented a centralised MRV system through adopting a systematic approach to reduce barriers and bridge the gaps in transparent and robust communication of its mitigation actions. The system provides an exemplary use of integrating the existing structures in one common platform for increased usability and feasibility in the functioning of the government.
 - **PLAN COMPREHENSIVELY AND IMPLEMENT IN A TARGETED MANNER:** The system is implemented through a comprehensive planning process at different levels, gathering sufficient information and bringing together the right stakeholders through proper consultations and analysis.
 - **PUT IN PLACE INSTITUTIONAL ARRANGEMENTS WITH HIGH-LEVEL POLITICAL BACKING AND COOPERATION:** The initial step in the development of the system was the finalisation of the institutional arrangements through seeking validation in various consultations. If needed, necessary set-ups can be made for close collaboration of stakeholders defining clear responsibilities

CONTACT FOR

- ENQUIRIES:** —————
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FURTHER KEY

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WEBSITES: ———— · GIZ Information Matters – Ambitious Climate Reporting:
<https://www.giz.de/en/worldwide/30164.html>

· Website of the Environmental Information and Education Centre (EIEC):
<http://eiec.gov.ge/Home.aspx?lang=en-US>

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