

## Georgia

# Developing municipal level mitigation action plans

Activity	Development of municipal level Sustainable Energy Action Plans under the Covenant of Mayors to support delivery of national LEDS
Country	Georgia
Sector(s) involved	Energy; Transport
Time frame	2008–2020

### Case summary

Georgia, a country with 4.5 million inhabitants, is currently developing a national Low Emission Development Strategy. At the local level, Covenant of Mayor signatory cities are planning to make significant contributions to this strategy and Georgia's national mitigation efforts. Of the seven current signatories to the EU Covenant of Mayors (CoM) in Georgia, four have already submitted and have begun implementing Sustainable Energy Action Plans (SEAP). The SEAPs outline plans to achieve the commitment outlined in the CoM to reach GHG emission reductions of at least 20% by 2020.

The development of the SEAPs involved a variety of stakeholders, including local and national public sector, private actors, international donors and experts. A variety of barriers were faced, including a lack of data (and access to existing data), difficulty engaging the private sector, political issues, capacity constraints, definition of baselines, adapting an EU process to a transition country context, donor coordination, national and local level coordination and limited financial resources.

Critical to the success of the development of the SEAPs were political commitment on national and local level, international financial support, technical assistance to local level & national coordinators, access to funds, motivated personnel and capacity building programs externally financed by the CoM.



Tbilisi City, Georgia

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LOW EMISSION  
CAPACITY BUILDING  
PROGRAMME

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## Background

In 2008, the European Commission launched the Covenant of Mayors (CoM), open to cities and municipalities of all sizes in Europe, with the aim of involving local authorities and citizens in the development and implementation of the European Union energy policy. The Covenant consists of the voluntary commitment of the signatory cities to meet and exceed the European Union's 20% CO<sub>2</sub> reduction objective by 2020 through the implementation of Sustainable Energy Action Plans covering energy efficiency, promotion of renewable energy and clean transport.

In 2010, the EU launched the Covenant of Mayors East program, a regional program to extend CoM activities to the Eastern Partnership countries. In parallel, the Eastern Partnership (EaP), launched in 2009, intensified the level of engagement of the EU with six partner countries in the East, including Georgia. The Covenant of Mayors is one of the priorities under the Eastern Partnership Energy Security platform.

## Activities

- » **Signature of the Covenant of Mayors:** On April 12, 2010, Tbilisi Mayor Gigi Ugulava signed the Covenant of Mayors (MESD 2011). Kutaisi (2011), Batumi (2011), Rustavi (2011), Gori (2012), Poti (2012) and Zugdidi (2013) have also subsequently signed the CoM. Between them they represent approximately 80% of the countries urban population, and 45% of the total population.
- » **SEAP submission, implementation and MRV:** On March 30, 2011, Tbilisi City Hall presented the EU with its Sustainable Energy Action Plan (SEAP), the first to do so in Georgia. The SEAP for Tbilisi envisages a 24% reduction of CO<sub>2</sub> emissions by 2020. The cities of Rustavi (2012) and Gori (2013) have also submitted their SEAPs (DG ENER 2010) and target a 28% and 29% reduction in CO<sub>2</sub> emissions in certain sectors by 2020, respectively. Several more municipalities are expected to finalise their plans in 2014. The SEAP for Tbilisi includes a detailed plan of action for various sectors (MESD 2011), based on the priorities identified in the 2009 Strategic Plan for Future Development of the Capital City (SEAP City of Tbilisi 2011). Tbilisi City Hall has already begun implementing the activities envisaged by the Action Plan. So far, the focus is on the transport and municipal infrastructure sectors by developing road infrastructure, renovating public transport, and introducing smart traffic lights and energy-efficient outdoor lighting. The development of the SEAP involves conducting Baseline Emission Inventory (BEI) and a projection of the increase in CO<sub>2</sub> emissions by 2020. Long-range Energy Alternatives Planning System (LEAP) software was used for the assessment of baseline (2009) CO<sub>2</sub>e emissions from the Tbilisi City Transport Sector and for the projection of future trends by 2020 (SEAP City of Tbilisi 2011), which was used as the baseline for the targeted reduction (24% reduction by 2020).
- » **Regular submission of implementation reports:** Signatories are required to publish implementation reports and interim results every 2 years after submission of their SEAP. Termination of the involvement of the Local Authority in the Covenant occurs in case of non-compliance.
- » **National coordination:** In order to be adapted to the specific contexts of the Eastern Partnership countries, the Covenant of Mayors proposes designation of Covenant National Coordinator (CNC). In this specific context, where the Covenant of Mayors needs to be adapted from a EU membership country framework to a developing country framework, National Coordinators assist the municipalities in developing their policies and management programmes. In February 2014, the Ministry of Energy signed an Agreement with the EU to become national coordinator of the Covenant of Mayors in Georgia. An agreement with the Ministry of Environment and Natural Resources Protection to become national coordinator as well is underway. Each national coordinator will focus on tasks related to its expertise (ie. they share responsibility for coordination). The Ministry of Environment is also coordinating the development of a low emission development strategy (LEDS) in Georgia and has declared the coordination of national and local mitigation efforts, and the alignment of the LEDS and the CoM process, as a priority.

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## Institutions involved

Ministry of Energy; Ministry of Environment and Natural Resources Protection; Municipality signatories to the Covenant of Mayors; DG ENER European Commission; CoM East Office; National association of local authorities; Local NGOs; DG DevCO, the EU delegation in Georgia and other EU institutions; Ministry of Regional Development and Infrastructure; Ministry of Economy and Sustainable Development; Ministry of Finance; Municipal Development Fund Georgia; Partner cities (E.g. Saarbruecken for Tbilisi and Rostock for Batumi); The Steering Committee of the Low Emission Development Strategy.

## Cooperation with

European Commission: Eastern Partnership Energy Security platform; USAID – Enhancing Capacity for Low Emission Development Strategies (EC-LEDS); Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); Global Environment Facility (GEF); United Nations Development Programme (UNDP); City twinning (Climate Alliance, City of Batumi).

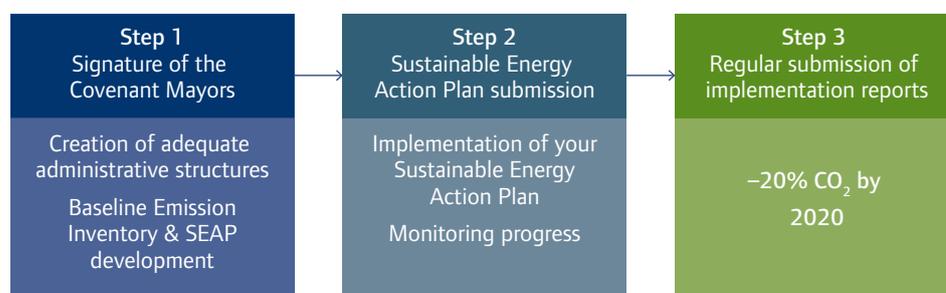
## Finance

Finance for development of SEAPs varied across municipalities. For Tbilisi, support was obtained from USAID for the assistance of 3<sup>rd</sup> party consultants. For Gori and Rustavi, SEAPs were developed with support from the Emirates Environmental Group, supported by COMO East and co-financed by the municipality. Batumi has used its own budget. The regional Sustainable Urban Demonstration Projects programme launched by the EU will provide significant co-financing for demonstration projects and other activities.

## Impact of activities

- » **Created a framework to channel climate finance into city development projects:** Providing an additional revenue stream for climate friendly projects. At the same time, the adoption of the CoM has contributed to a 'green' image for some cities.
- » **Improved coordination between cities and municipalities as well as between local and national level government:** The two departments in charge of national CoM coordination – the Climate Change Office of the Ministry of Environment and the Ministry of Energy – did not previously have a direct contact with municipalities.
- » **Established GHG emissions reduction targets:** In terms of GHG mitigation, in the SEAPs the goal is to achieve 24%–29% emission reduction by 2020. For Tbilisi, this target is relative to a projected baseline, whereas for Rustavi and Gori, it is relative to a base year.
- » **Improved urban planning capacity:** There are also some co-benefits that were not the main goal of the CoM and SEAP activities. In Georgia, cities have significant data and planning deficits. Collecting and analysing their local data on energy consumption and transport in a systematic way is often being

## The Covenant Step by Step



Source: Covenant of Mayors website: [www.covenantofmayors.eu/index\\_en.html](http://www.covenantofmayors.eu/index_en.html)

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done for the first. For some local authorities the SEAP is the first comprehensive planning document for their municipality. It is expected that these experiences and the data collection will help to improve urban planning in general.

Why is it good practice	<ul style="list-style-type: none"> <li>» The SEAP for Tbilisi builds upon the Strategic Plan for Tbilisi city, illustrating that it is <b>linked to existing processes, national strategies and measures</b>. In several of the SEAP cases, it is clear that it was <b>country driven</b> in that most of the material was produced by the municipality itself, with <b>strong ownership</b>.</li> <li>» Apart from approval at the municipal level, the Ministry of Energy and the Ministry of Environment and Natural Resources Protection has endorsed the CoM process <b>illustrating commitment and leadership at the highest political level</b>. The CoM in Georgia also illustrates best practice in terms of <b>coordination across different key ministries</b>. It is innovative in the sense that two key ministries share the task of national coordination of the process.</li> <li>» An important short- and medium objective of CoM signatories is to gain access to funds for modernisation of their urban economies and infrastructure. The long term vision of the Ministry of Environment and Natural Resources Protection is to achieve a cross-sector transformational impact affecting 90% or more of Georgia's urban population. <b>As such, it is clear that there is a long-term vision combined with clear definition of short and medium-term policy goals and measures</b>.</li> <li>» The use of <b>professional and technical support, advice and peer-to-peer learning, both in government and private institutions</b> was an important element of the development of the SEAPs. CoM can offer a platform to facilitate a direct local level best practice and information exchange between cities in developed and developing countries.</li> <li>» The SEAP have to be reviewed and eventually updated each year, <b>as such it is a dynamic document in an on-going updating process</b>. Some of the periodic adjustments that are possible are the inclusion of new sectors.</li> </ul>
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Success factors	<ul style="list-style-type: none"> <li>» <b>High-level political commitment</b>: At both national (from ministers) and local level (from mayors).</li> <li>» <b>International financial support</b>: For preparation of SEAPs and capacity building programs externally financed by CoM and technical assistance to local level stakeholders &amp; Covenant National Coordinators.</li> <li>» <b>Motivated and capable personnel in the municipalities</b>: Important for the effective development of the SEAPs.</li> </ul>
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Overcoming barriers/ challenges	<p>What were the main barriers/challenges to delivery? How were these barriers/challenges overcome?</p>
Capacity	<p><b>Lack of capacity and financial resources to undertake MRV at municipal level.</b></p> <p>The CoM process targets both improve access to funds (especially EU grants) and strengthening of HR capacity (through donor programmes support). EC-LEDS project component 1 should develop MRV for all SEAPs and help municipalities in preparation of monitoring reports. Tbilisi city will be the first (should be done by the end of September, 2014). Meanwhile, the EU CoM Office and research centre are being developed the guideline for MRV of SEAPs which are not distributed yet.</p>
Information	<p>The main barrier for SEAP development was the absence of statistical information and data. Collecting data in the appropriate format was difficult and expensive. Municipalities also did not see the value of data collection.</p> <p>80% of the data existed, but was difficult to find. Improving the coordination of data gathering also benefitted the LEDS and the Energy Planning Process. In the absence of data, approximation methodology was employed, using proxy values from similar countries.</p>

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## Institutional

Industry is not considered under the CoM in the EU as it is covered in the ETS. Outside of the EU, this is not the case and it is difficult to involve the industrial private sector.

Municipalities are working with the private sector to get them involved. A critical success factor for private sector involvement in Batumi city was involving the highest level (mayor) in the process. Also in Batumi city an innovation festival highlights potential technology transfer benefits as a way to incentivise private sector involvement.

In all Eastern partnership countries with the collapse of the Soviet Union, emissions declined significantly. In the typical methodology baselines are set using a base year of 1990 – in this case emissions were quite high and cities would be able to achieve much greater than 20% reductions by 2020, without undertaking any mitigation measures. This created a barrier in that despite a willingness to adhere to the CoM, using a standard approach to target setting would have rendered any action obsolete as the goal would be reached without any effort.

In order to overcome this, a new approach was developed and adopted. When the Tbilisi SEAP was developed, an innovative approach was taken, and a new methodology developed which was used by other municipalities, which involved development of a baseline scenario using simulation software. However, the municipalities of Rustavi and Gori used base year scenarios due to insufficient capacity to develop projections.

Coordination between LEDS, NAMA, SEAP and other individual actions is a challenge. Lack of donor coordination created conflicts in approaches.

An interviewee reported that there will be a CoM working group under the LEDS process with MENRP, MoE and others. Furthermore, a coordination effort is envisaged between EU, USAID, GIZ and others, in order to create synergies and avoid overlaps.

CoM was started as a developed country and regional (EU) process and is now extending to transition countries. The challenge is to “adapt” an existing process to a transition country context.

Much stronger national focus with Ministry level national coordinator, which exists only in the Eastern partnership, not in the EU member countries. In Georgia, the Ministry of Energy and Ministry of Environment and Natural Resources Protection are official “Covenant National Coordinators”, and have signed partnership agreements with DG ENER of the European Commission. This should facilitate coordination meetings and knowledge sharing between cities, sharing of best practices and development of guidelines.

## Lessons learned

- » **The development of SEAPs at the municipal level can be an effective means for national mitigation planning and can facilitate national MRV:** As CoM in Georgia covers 80–90% of urban and 45% of the total population with seven action plans, if you can achieve a coherent and coordinated MRV system, where the cities get national support for MRV and the national level get locally generated data, MRV at the national level (for biennial reporting, LEDS, NAMAs) can be enhanced.
- » **National financing frameworks are a key issue and need to be taken into account from the beginning:** Based on local regulation and practice – municipalities can have external finance, but need approval from the Ministry of Finance. It is not easy to get approval, unless extremely important for the national government. The position of the MoF in national government is key for this.
- » **National context and knowledge of procedures is critical:** Different public entities have different procurement procedures, and a good knowledge of these is critical to mitigation planning. For example, in one municipality in Georgia, the lowest cost bid must be selected. Thus in the absence of building norms requiring thermal insulation (regulatory measure), energy efficiency actions for social housing in a SEAP may be impossible in the absence of reforms. Without this knowledge, the SEAP would not be realistic.

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- » **Data is critical and cross-cutting:** A minimum amount of data is required to do good planning and for building scenarios. Collection of data under SEAP also helps improve planning in general as it changes the mentality of municipal planners to a more comprehensive perspective.
- » **Principle of subsidiarity:** Certain mitigation actions can be handled most efficiently and effectively at the local levels. Rather than channel all available funding into national programs, local actors can drive certain mitigation actions.

## How to replicate this practice

- » **Political will, financial support and capacity:** The CoM was designed to be replicated at scale in the EU, and with some modifications to the approach it is also replicable in transition economies. The key conditions to transfer/replicate this elsewhere are: political will, finance and capacity support.
- » **Develop effective data and statistics systems:** As early as possible.
- » **Develop knowledge/capacity around technologies:** As a lack of knowledge in this area leads to opportunities being missed.
- » **Involve municipal staff:** From the outset to ensure deep understanding of priorities.

## Contact for enquiries

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## Further key resources

- » GIZ case study on Tbilisi SEAP development:  
[http://www2.gtz.de/wbf/4tDx9kw63gma/com-broschuere\\_en\\_online.pdf](http://www2.gtz.de/wbf/4tDx9kw63gma/com-broschuere_en_online.pdf)

## Website(s)

- » [www.covenantofmayors.eu/index\\_en.html](http://www.covenantofmayors.eu/index_en.html)
- » [www.greengeorgia.ge/](http://www.greengeorgia.ge/)
- » [http://eecgeo.org/en/project\\_como.htm](http://eecgeo.org/en/project_como.htm)

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