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# Designing and implementing a green public investment programme in Georgia with focus on biodegradable waste

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# Components of the project

- I. Programmatic approach
- II. Sectoral focus

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# (I.) What is a programme in public expenditure

## ➤ Public (environmental) **expenditure**

- Direct vs. indirect
- Key instrument to address some of the fundamental problems

## ➤ (Green) public investment **programmes**

- a mechanism to allocate resources to priority areas in need of public funding, without which the priority measures will not be achieved
- a series of measures designed to achieve certain public objectives with clearly allocated budget and deadlines for their implementation

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## (I.) Why programmes are needed

- Many environmental projects are not profitable or their profitability is too low to attract attention/interest of the private sector
- Thus, the governments have in principle two choices:
  1. **Sticks** → To force implementation by regulation, though this might not be always possible (e.g. free market principles)
  2. **Carrots** → To financially support investments of the private sector
- In some cases, even relatively small technical assistance offered can tip the scales of decision-making towards more environment-friendly options (esp. in case of smaller companies)

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## (I.) Objectives of a programme

- **Objective 1:** Improve the **image** of public subsidies
- **Objective 2:** Leverage private (non-state) **investments** into cleaner infrastructure, equipment, techniques and technologies
- **Objective 3:** Contribute to accelerating the socio-economic **development** of the country (e.g. through creation of green jobs, adoption of innovative technologies)

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# (I.->II.) Objectives of the project

## Capacity development:

- **Design** – transfer practical skills and know-how to specialists in the MEPA with responsibilities for managing green public investments
- **Implementation** – enhance capacities to implement the designed green public investment programme and, more importantly, also similar low-carbon public investments in future

## Awareness:

- **Field burning** of agricultural residues (causes GHG emissions without any accompanying energy benefit)
- **Landfilling** and **illegal dumping** of bio-waste: landfill gas (mainly methane and carbon dioxide) and leachate that percolates into the soil and groundwater

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## (II.) Background

- In 2021, the OECD and the Ministry of Environmental Protection and Agriculture of Georgia agreed to work on designing a public environmental expenditure programme that focuses on utilising:
  1. **agricultural residues** from farms
  2. **green waste** and **bio-waste** from farms, households and food / beverage producers
- Two main groups will be involved:
  - a. Farmers
  - b. Food and beverage producers

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## (II.) Focus area

- The public environmental expenditure programme for Georgia aims to develop project pipelines that convert environmental problem and unused potential into:
  1. Heat **energy** from agro-waste (locally in the same farm or to produce biomass fuel)
  2. Small-scale aerobic **composting** facilities for farmers and households in rural areas (green waste and bio-waste)
  3. Anaerobic **digestion** facilities for food and beverage producers (bio-waste)

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## (II.) Pipelines – first stream

- **Waste to energy**

- Investment in the supply chain for vine-pruning or similar residues that will be used for biomass boilers, mainly in public buildings
- Investment in briquettes or pellet production facilities that use residues (hazelnut shells, fruit orchard pruning sunflowers, wheat straw, bay leaf etc.)
- Investment in biomass boilers and equipment for local incineration of biomass (wheat, corn straw, sunflower)

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## (II.) Pipelines – second stream

- Aerobic **composting** and anaerobic **digestion**:
  - Investment in farmers/household composting bins (aerobic composting of garden and kitchen residues)
  - Investment in food industry composting containers (aerobic composting)
  - Investment in food industry composting bioreactors (anaerobic digestion)

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## (II.) Implementers

- The main beneficiary of this EU4Environment technical assistance is the Ministry of Environmental Protection and Agriculture of Georgia (MEPA)
  1. The Ministry can implement the programme
  2. The Ministry can delegate the implementation to environmental funds, environmental agency (national/regional)
  3. The Ministry can outsource the implementation to NGO or even private company (banks, investment funds, etc.)

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## (I.+II.) Key benefits

### Benefits for **environment**

- programmatic approach contributes to sustainability of investments through longer-term planning timeframe (e.g. MTEF) and increased transparency of decision-making

### Benefits for **citizens**

- pipelines of projects may target multiple improvements (e.g. in state of environment, public services, employment or access to jobs, etc.)

### Benefits for **public finances**

- increased effectiveness and efficiency of local public spending

### Benefits for **public authorities**

- enhanced investment planning and management capacities (budget allocations and financing proposals) & strengthened communication channels (esp. in case of cross-sectoral focus)





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# Thank you for you attention

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