

Funded by the European Union **EU4Environment** Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine

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

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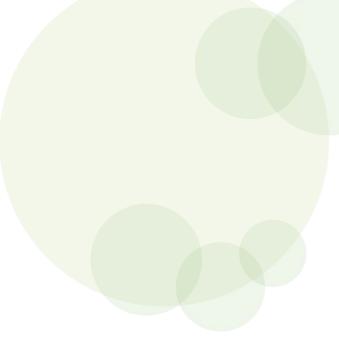






Components of the project

- I. Programmatic approach
- II. Sectoral focus

















(I.) What is a programme in public expenditure

Public (environmental) expenditure

 $\,\circ\,$ Direct vs. indirect

 $\,\circ\,$ Key instrument to address some of the fundamental problems

- (Green) public investment programmes
 - \circ a mechanism to allocate resources to priority areas in need of public funding, without which the priority measures will not be achieve
 - $\,\circ\,$ a series of measures designed to achieve certain public objectives with clearly allocated budget and deadlines for their implementation









(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:
 - 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)

BETTER POLICIES FOR BETTER LIVES





(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)









(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









(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







(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)







(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)







(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)







(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.)







(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

 $\,\circ\,$ 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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