



ECO.GEORGIA // 08/2021

ENABLING THE IMPLEMENTATION OF GEORGIA'S FOREST SECTOR REFORM – ECO.GEORGIA

Context

Georgia's forests play a central role in ensuring net removals of GHG emissions, which are projected to increase by about 70% by 2030 in the BAU scenarios. At the same time, the absorption capacity of the land-use, land-use change and forestry sector (LULUCF) is rapidly declining due to forest degradation. Climate impacts and rural demand for firewood are putting pressure on forests as up to 90% of the rural population meet their energy needs through firewood.

ECO.Georgia is a Green Climate Fund (GCF) project to enable the implementation of a forest sector reform, implemented by GIZ and the Government of Georgia. The project aims to mitigate greenhouse gases through improved, nature-based management of the country's forests and improvement of energy efficiency to reduce the demand for fuelwood.

Objective

ECO.Georgia will enable the Government of Georgia to implement its transformational forest sector reform agenda to put the entire nation's forests under the sustainable forest management (SFM) framework. It will do so by supporting the establishment of a nation-wide SFM system under Component 1 and in parallel, under Component 2, promoting market development for energy efficient stoves and alternative fuels to address the main drivers of Georgia's forest degradation and unsustainable fuelwood consumption. Component 3 safeguards the reform implementation by diversifying livelihood opportunities and strengthening local self-governance in forest adjoining rural communities.

PROJECT FACTS	
Project Title	Enabling Implementation of Forest Sector Reform in Georgia to Reduce GHG Emissions from Forest Degradation (ECO. Georgia)
National Designated Authority	Ministry of Environmental Protection and Agriculture (MoEPA)
Project Regions	Kakheti, Mtskheta-Mtianeti and Guria
Total financing	177.69 million Euros
Exp. mitigation impact	16.14 million tCO2eq
Total area covered	270,807 ha
Direct/indirect beneficiaries	98,337 / 1,000,000
Implementation	7 years
Total lifespan	20 years

Implemented by





SFM practices are implemented in Akhmeta Forest in the project region of Kakheti and in Mtskheta-Mtianeti and Guria. © GIZ / Benedikt Ibele

Partners

The government partner for the project in Georgia is the Ministry of Environmental Protection and Agriculture. In addition to GCF, the Government of Georgia, the Federal Ministry for Economic Cooperation and Development (BMZ), Swiss Agency for Development and Cooperation (SDC) and national banks in Georgia participate financially.

Besides GIZ, the following partners act as Executing Entities (EE):

- National Forestry Agency (NFA),
- Department of Environmental Supervision (DES),
- Environmental Information and Education Centre (EIEC),
- Rural Development Agency (RDA)

Project Approach

The first component will support the government to put in place the key building blocks of sustainable forest management at the national level, in the form of an appropriate policy and legal environment, knowledge and data management, and human and institutional capacity building. The NFA will implement practical SFM measures in the three target regions on a total area of more than 270,000 ha.

Under the second component, the project will accelerate the growth of the nascent stove and alternative fuel sector in Georgia by advancing supply chain development. In parallel, consumer awareness will drive demand for the provision of financial incentives and consumer financing products in collaboration with financial institutions.

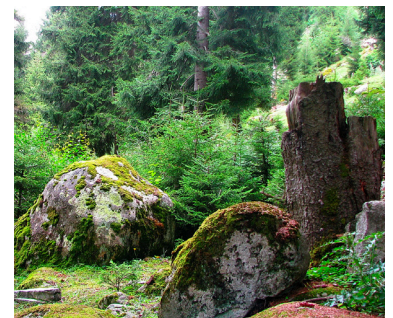
The third component will build the capacity of local authorities and citizens to participate in sustainable forest management. In doing so, communities in the target regions will be able to benefit from diversified income opportunities through improved forestry value chains and better access to forestry knowledge and skills.

Envisioned Impact

- The amount of CO₂e_q that remains sequestered in the standing forest will increase, reducing GHG emissions from forest degradation and increasing the carbon stock by at least 5.30 million tCO₂e_q by the end of the project or 16.14 million tCO₂e_q over a project life of 20 years.
- The project will cover 270,807 ha of state-managed forests in the target regions with SFM. This will lead to an improvement in the quantitative and qualitative characteristics of forests and a gradual build-up of carbon stock. The availability of sustainably harvested fuelwood in the target areas will increase fivefold from 50,000 m³ to 285,575 m³ by the end of the project.
- In addition, the project will promote accelerated adoption of stoves and alternative fuels in the target regions to achieve up to 30% market penetration by project end (ca. 30,000 stoves) and up to 75% in the long term. This will reduce the demand for fuelwood by up to 360,000 m³ or 50% compared to the baseline. Taken together, SFM and EE-AF will ensure that the supply of sustainably harvested biomass in the target regions can meet demand, effectively reducing the fuelwood gap, which currently stands at 580,000 m³.
- The project will also bring important social, environmental and health benefits. It will directly benefit nearly 100,000 rural residents who use firewood by enabling investments in energy efficiency and alternative fuels, thereby reducing energy poverty, improving thermal comfort and the quality of the indoor and outdoor environment.

ECO.Georgia supports the Georgian government in implementing the forest sector reform to include the entire country's forests in the framework of SFM.

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Registered offices Bonn and Eschborn, Germany

Project Enabling the Implementation of Georgia's Forest Sector Reform (ECO.Georgia)
6, Guluva St. 0114 Tbilisi, Georgia
T +995 32 220 18 00
E giz-georgia@giz.de
I www.giz.de

In cooperation with Ministry of Environmental Protection and Agriculture (MoEPA)

On behalf of Federal Ministry for Economic Cooperation and Development (BMZ)

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The project is jointly financed by the Green Climate Fund (GCF), the Government of Georgia, the Federal Ministry for Economic Cooperation and Development (BMZ), the Swiss Agency for Development and Cooperation (SDC) and national banks in Georgia.

Over 7 years, the Government of Georgia, in partnership with the German Development Corporation (GIZ), the National Forestry Agency (NFA), the Department of Environmental Supervision (DES), the Environmental Information and Education Centre (EIEC) and the Rural Development Agency (RDA) will implement the project's three components.