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ANNEX II

Of the Commission Implementing Decision on the individual measure in favour of Georgia for 2021

Action Document for “EU Green Connectivity Programme for Georgia”

ANNUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and measure in the sense of Article 23(3) of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS Basic Act	EU Green Connectivity Programme for Georgia Annual measure in favour of Georgia for 2021 OPSYS number: ACT-60630 linked to JAD.945893. Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes (Green and Health Initiative)
3. Zone benefiting from the action	The action shall be carried out in Georgia.
4. Programming document	Multiannual Indicative Programming Document (MIP) 2021-2027 ¹
5. Link with relevant MIP(s) objectives/expected results	Priority 1: Resilient, sustainable and integrated economy - SO 2 Strengthen connectivity Priority 3: Environmental and climate resilience - SO 1 Support progressive decarbonisation and adaptation to climate change - SO 2 Promote the environment and health nexus - SO 3 Stimulate the sustainable use of natural resources
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Resilient, sustainable and integrated economy: DAC code 210 Environmental and climate resilience: DAC codes 210 and 410

¹ To be adopted first half 2022

7. Sustainable Development Goals (SDGs)	Main SDG : <ul style="list-style-type: none"> - SDG 12 Responsible consumption and production Other significant SDGs: <ul style="list-style-type: none"> - SDG 3 Good health and well-being - SDG 9 Industry, Innovation and Infrastructure - SDG 13 Climate action - SDG 15 Life on land 			
8 a) DAC code(s)	21040 - Water transport Harbours and docks (25%) 41010 – Environmental policy and administrative management (40%) 41020 – Biosphere protection (35%)			
8 b) Main Delivery Channel	11000 – Public Administration of Member States 12000 – Recipient Government 40000 – Multilateral Organisations (International Organisations and/or Member State donor Agencies) 90000 – Other			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development ² <input type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

² For the Neighbourhood, activities related to education shall be marked as part of the “Social Inclusion and Human Development” target, in line with the NDICI-GE programming guidelines.

	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<u>Connectivity</u> Tags: transport people2people energy digital connectivity	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	<p>Budget line: 14.020111 Eastern Neighbourhood</p> <p>Total estimated cost: EUR 19 500 000</p> <p>Total amount of EU budget contribution EUR 19 500 000</p> <p>The commitment of the EU's contribution to the measure will be notably complemented by European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), German Development Bank (KfW), French Development Agency (AFD) and Swedish Swedfund as part of the Green and Health TEI (exact amount to be determined at a later stage).</p> <p>In the event that these contributions do not materialise, the EU action may continue outside of the TEI framework.</p>			
MANAGEMENT AND IMPLEMENTATION				
13. Implementation modalities (type of financing and management mode)	<p>Project Modality</p> <p>Direct management through:</p> <p>- Procurement</p> <p>Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.2.</p>			

1.2 Summary of the Action

In the early stages of political and economic transition in Georgia, high growth rates and urban expansion often took place at the expense of the environment. Today, deteriorating environmental conditions and pollution are having a direct, negative impact on the health of Georgian citizens, and environmental protection and its impact on health have become an increasing priority for the Georgian population and the Government, as illustrated by the third National Environment and Health Action Plan approved in 2018. Georgia is also contributing to the global fight against Climate Change, the Paris Agreement on climate change having entered into force for Georgia in 2017.

At the same time, Georgia aims to reinforce and improve its connectivity internally and with the European Union. Previous and ongoing large-scale infrastructure investments have shown the need for a sophisticated programme assuring quality of project preparation as well as aiming to protect citizens' health and environmental rights.

This action aims to improve environmental conditions with a view to better protect natural resources and the health of citizens. It will also contribute to the development of sustainable connectivity infrastructure that can improve the quality of life of Georgian citizens, while at the same time reinforcing the competitiveness of the Georgian economy.

The programme will help to reinforce the impact of current infrastructure projects in the area of Environment, Energy and Transport, as well as to prepare upcoming projects that could be co-funded by the EU together with European Financial Institutions within the framework of the Team Europe approach. Building on the Team Europe approach, joint efforts of the EU Member States, EIB and EBRD will help create increased and more coherent impact of EU support in this area. This action will contribute to the TEI on Green and Health which has its objective to build back better in a post-pandemic context. Specifically, component 2 of this action will contribute to the expected result of pillar 1 of the TEI (Improve air and water quality).

The components envisaged for this action are:

1. Sustainable infrastructure for better connectivity
2. Better air and water quality for citizens' health
3. Green and Circular Economy
4. Fight against climate change and behavioural change

2 RATIONALE

2.1 Context

Local Policy Context

Georgia is an upper-middle income country with a population of 3.7 million, of which 57% live in urban areas. The country has a gross national income per capita of EUR 3 498 (2015) and ranks 70 out of 194 countries/territories in the United Nation (UN) Human Development Index, categorising it as highly developed.

In the early stages of political and economic transition, high growth rates were achieved and urban expansion often took place at the expense of the environment. This is all the more unfortunate as Georgia benefits from strong natural assets, which are contributing to the success of tourism as a key driver of the Georgian economy. These assets, however, are being negatively impacted by the relatively poor environmental management in the country, as well as the global phenomenon of climate change.

Pollution also has a direct negative impact on the health of Georgian citizens with a high rate of cancers and other diseases known to be correlated among others to the high level of air pollution in some areas and the poor quality of some of the water available to citizens.

In recent years, environmental protection and its impact on health have become an increasing priority for the Georgian population and the Government, which led to the approval of the second National Environment and Health Action Plan³ in 2018. Georgia is playing its role within the global fight against climate change. The Paris Agreement on climate change entered into force for Georgia in 2017. In April 2021, the country submitted its updated Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC). In a recent poll⁴ prepared within the framework of the EU4Climate project and presented in February 2021, the Georgian population recognises climate change as one of the top three main challenges for humanity.

At the same time, gradual economic integration into the European single market and increased connectivity with the EU are topics of particular importance for Georgia given its geostrategic position. With the support of the EU and International Financial Institutions (IFIs), efforts have been made to construct new infrastructure for internal connections, and to develop connectivity projects that could better link Georgia and the EU. These should be developed in an environmentally sustainable manner.

EU-Georgia Sectoral Policy Context

Transport

Transport connectivity is a priority of the Eastern Partnership (EaP). Enhanced connectivity both within the EaP region, and between the EaP region and the EU has the potential to bolster economic growth and create job opportunities for citizens. Improved transport links will provide greater access to basic services and markets, enhancing resilience and reducing vulnerability to shocks. In the post COVID-19 period, the focus should be on “building back better” and there is high potential today for making transport infrastructure more sustainable and environmentally friendly.

The EU-Georgia Association Agreement⁵ complemented by the EU-Georgia Common Aviation Area Agreement⁶ cover all transport modes and promotes the alignment of Georgian with EU standards with a view to reinforce safety, sustainability and connectivity. Georgia is part of the extended Trans-European Transport Network (TEN-T) supported by the indicative TEN-T Investment Action Plan which identifies priority infrastructure projects to reinforce connectivity potential as outlined in the Communication on the extension of the trans-European transport network (TEN-T) to neighbouring third countries⁷. In general, Georgia is positioning itself to become a true trade and logistics hub linked to the EU market and the EU is supporting this endeavour.

The Joint Communication of the Commission and the High Representative on the Eastern Partnership policy beyond 2020⁸ sets strengthened interconnectivity as one of its key priorities. “*Strong interconnections between the EU and the EaP as well as among the partner countries are important drivers for economic development, regional integration, trade and mobility. Sustainable, rules-based and secure connectivity is key for both the EU and partner countries.*” Reinforcement of Environmental Protection and Climate resilience is also one of its main priorities. “*The EU will work together with the partner countries to transform the region into fair and*

³ <https://test.ncdc.ge/Handlers/GetFile.ashx?ID=951a795c-ab20-4bdd-8f32-57959e3e1728>

⁴ <https://eu4climate.eu/2021/02/12/georgians-see-climate-change-as-a-top-three-challenge-for-humanity/>

⁵ Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part, OJEU, L261, 30.8.2014

⁶ Common Aviation Area Agreement between the European Union and its Member States, of the one part, and Georgia, of the other part, OJ L 321, 20.11.2012, p. 3–32.

⁷ COM(2021) 820 final of 14.12.2021.

⁸ JOIN(2020) 7 final

prosperous societies, with modern, resource-efficient, clean, circular and competitive economies, while increasing their environmental and climate resilience, including through more sustainable use of natural resources.”

The Multiannual Indicative Programme (MIP) 2021-2027 for Georgia⁹ has set *Strengthened connectivity (transport, energy and digital), including through the Black Sea* among its priority objectives under its *Priority area 1: Resilient, sustainable and integrated economy*.

The promotion of sustainable maritime transport and digital connectivity of the Black Sea is equally a priority of the Common Maritime Agenda for the Black Sea Georgia is part of and coordinating in 2022.

Environment and Climate

In December 2019, the European Commission adopted the Communication on a European Green Deal¹⁰, which aims to make Europe the first climate-neutral continent by 2050. The Green Deal has a global dimension and the EU is committed to lead by example, using diplomacy, trade and development cooperation to advance climate action, as well as to setting standards for sustainable growth across global value chains.

The EU is a global leader in the fields of environmental protection and fight against climate change and has some of the world's highest environmental standards, developed over decades. Environment policy helps the EU's economy become more environmentally friendly, protects Europe's natural resources, and safeguards the health and wellbeing of people living in the EU. EU environmental policies and legislation protect natural habitats, keep air and water clean, ensure proper waste disposal, improve knowledge about toxic chemicals and help businesses move toward a sustainable economy.

On climate change, the EU formulates and implements climate policies and strategies, taking a leading role in international negotiations on climate. The EU helped build a broad coalition of countries in favour of high ambition that shaped the successful outcome of the Paris conference in 2015. The Paris Agreement on Climate Change¹¹ is the first ever universal, legally binding climate deal that set out a plan to put the world on track to avoid dangerous climate change by limiting global warming.

The EU has established environmental protection and fight against climate change as key elements of its relation with partner countries. The EU-Georgia Association Agreement (AA), including the Deep and Comprehensive Free Trade Area (DCFTA)¹², which was signed in June 2014 and entered into force on 1 July 2016, contains very broad chapters on Environment and Climate action, including the implementation of Multilateral Environmental Agreements (MEAs), environmental governance, air quality protection, water quality and water resources management, waste management, nature protection, industrial pollution and industrial hazards, chemicals management, climate action and forestry.

Furthermore, the AA states that EU-Georgia cooperation in the Environment sector shall aim at “*preserving, protecting, improving and rehabilitating the quality of the environment, protecting human health, sustainable utilisation of natural resources and promoting measures at international level to deal with regional or global environmental problems*” as well as with regard to Climate Action, EU-Georgia cooperation shall aim at: “*mitigating and adapting to climate change, as well as promoting measures at international level including in the areas of mitigation of climate change; adaptation to climate change; mainstreaming of climate considerations into sector policies [...]*” Within the AA, the parties also agreed to develop their cooperation

⁹ To be adopted first half 2022

¹⁰ COM/2019/640 final

¹¹ [The Paris Agreement | United Nations](#)

¹² Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part, OJEU, L261, 30.8 2014

in the field of public health, with a view to raising the level of public health as an essential area for promotion of sustainable development and economic growth.

The Joint Staff Working Document *Recovery, Resilience and Reform: post 2020 Eastern Partnership Priorities*¹³, states that the EU will support reduction of air pollution through better designed and applied legislation and regular air quality monitoring. It is also indicated that universal access to clean water and sanitation will be made available through scaling up investment in rural water supply and sanitation infrastructure. Another 3 000 000 people gaining access to safe water services and air quality being monitored and improved in 300 cities have been included as a Top Ten Target of the document. Through its second component on Better air and water quality for citizens' health, the current action document will directly contribute to achieving these priority objectives. The Joint Staff Working Document also refers to the necessity to support circular economy and accelerate green recovery and growth, facilitating the transition to less wasteful, more resource-efficient production. Through its third component on Green and Circular Economy, the current action document will directly contribute to achieving these priority objectives.

Environmental and climate resilience is Priority Area 3 in the Multiannual Indicative Programme 2021-2027 for Georgia¹⁴. In addition, considering the importance of this sector for Georgia, Green and Health has been proposed as Team Europe Initiative for Georgia in the MIP 2021-2027.

Public Financial Management (PFM)

During the last decade, Georgia has demonstrated progress in **Public Financial Management (PFM)** and **Domestic Resource Mobilisation (DRM)** expansion and strengthening of fiscal discipline and budgeting, rolling out the rules and procedures for the internal financial control and audit, the application of public sector accountability standards and enhancing external audit and oversight.

Despite this positive performance, Georgia's financial system still has to pass the "COVID-19" stress test that requires maintaining balanced attention between the immediate needs and medium term policy reforms. The 2019-2022 PFM strategy remains relevant, and the crisis context will however require close monitoring of exceptional spending / procurement procedures, financial management and control safeguards.

The Government has currently no control over the de facto policies implemented in the fields of environment, climate and health in Georgia's breakaway regions of Abkhazia and Tskhinvali region/South Ossetia.

Complementarity with EU and other Donors/Partners

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

Donor coordination will be ensured with actions of other donors in the field of environment, climate change, health and smart transport.

Complementary projects include:

- EU4Environment Water and Data (2021-2025);
- EU4Environment;
- EU4Climate;
- EU Solidarity for Health Initiative for the Eastern Partnership;
- Regional programme for supporting vaccine preparedness and deployment;
- Strengthening Environmental Resilience and Maritime Safety for Black and Caspian Sea riparian states.

¹³ [swd_2021_186_f1_joint_staff_working_paper_en_v2_p1_1356457_0.pdf\(europa.eu\)](#)

¹⁴To be adopted first half 2022

A thematic Group on Sustainable Use of Natural Resources is active in Georgia within the framework of Joint Programming and the overall cooperation between the EU Delegation and the EU Member States. A coordinating structure among donors of this sector also exists under the leadership of the Ministry of Environmental Protection and Agriculture of Georgia (MEPA). The projects planned within this action will be coordinated with other donors and beneficiaries within both these frameworks.

The action is fully in line with the objectives of the Green Deal and its external dimension.

Most of the activities included in this action will be implemented through a Team Europe approach in the framework of the Green and Health Team Europe Initiative in Georgia, which was selected in the framework of the MIP 2021-2027 for Georgia¹⁵. The Actions will be coordinated with other actions implemented in the sectors of environment, health and climate by EU Member States and European Financial Institutions. The action will also contribute to the preparation of new infrastructure projects in the fields of transport, environment and climate that could be co-funded at a later stage by the EU and European Financial Institutions in a Team Europe approach.

2.2 Problem Analysis

Short problem analysis

PRIORITY 1: Sustainable infrastructure for better connectivity

Development of regular ferry transportation across the Black Sea

The development of Black Sea connectivity is considered one of Georgia's strategic priorities. This ambition is supported by the EU as it can reinforce the trade potential of Georgia and its capacity to reap the full benefits of the DCFTA. The reinforcement of this connectivity vector can also be a further driver to the development of people-to-people contacts, and exchanges between the EU and Georgia.

Georgia's connection to EU ports is undermined by the lack of freight ferry capacity and regular direct container feeder services. For the time being, direct ferry service (Ro-Pax) is provided between the ports of Georgia and Bulgaria, while Georgian and Romanian ports are linked only by indirect container feeder service with limited schedule and longer travel time reducing its attractiveness. Likewise, currently there is no regular direct container feeder service between Georgia and Romania which hinders containerization of the corridor.

These recent years, there has been regular political dialogue between Georgia, Romania and Bulgaria on the development of this project. Support has been requested by all sides to the European Commission in order to support the preparation of this key connectivity project.

A feasibility study for the development of ferry and container feeder services between the ports of Georgia, Bulgaria, Romania and Ukraine was finalised in December 2019 for the Ministry of Economy and Sustainable Development (MoESD) of Georgia. The feasibility study needs to be updated and further preparatory work is necessary in order to prepare this investment, secure the necessary funding that could be supported through European Fund for Sustainable Development Plus (EFSD+), and put in place regular ferry/feeder transportation between Georgia and the EU.

Development of Port Energy Efficiency and Management plans

Ports in Georgia are important contributors to environmental pollution, which is all the more regrettable as most of the seaports and terminals are located close to urban areas. Port systems nevertheless have high potential for improving their environmental impact and developing innovative solutions to make energy savings. In order to support green maritime transport and sustainable port development, the International

¹⁵ To be adopted first half 2022

Maritime Organisation (IMO) adopted a strategy on reduction of greenhouse gas (GHG)¹⁶ whereas the EU Sustainable and Smart Mobility Strategy¹⁷ sets up an ambition to create zero-emission Ports. The Georgian authorities want to follow that direction. With the support of Swedfund, the Georgian Maritime Transport Agency (MTA) will be conducting an assessment of the Port reception facilities for Ship-Generated Waste. MTA is also aiming to assess the energy efficiency and energy savings potential of Georgian Ports with a view to develop Green Deal Port Masterplans in Georgian ports. In addition, it should look into the potential for providing clean energy (electricity) to vessels at berth (on-shore power supply – OPS). This greening process has the potential to reinforce the competitiveness of Georgian Ports and may open up the way to investments to be supported through the EFSD+.

Implementation of domestic intercity passenger transportation reform

The situation with regard to intercity passenger transportation is very problematic in Georgia. In particular, sanitary, ecological or fire-safety standards established by the Georgian legislation and internationally are not respected in bus stations. Technological equipment as well as operational and physical infrastructure aspects of the majority of bus stations are very poor and do not meet the required standards.

The situation with off-station commercial passenger carriage is also complex. The boarding of passengers often happens in places of mass gatherings instead of bus stations, which leads to chaotic situations on roads, traffic congestion and violations of ecological standards. Traffic rules, environmental protection and safety norms as well as drivers' labour conditions are neglected. The technical parameters and cost recovery capacity of such vehicles do not correspond to the technical and safety requirements for passenger transportation.

This situation has a negative effect on service standards in the sphere of passenger carriage of citizens and tourists. A package of legislative amendments in this sector has been elaborated but it still needs to be improved, adopted and then implemented. The goal of the legislative package is to comply with the obligations set out in the Association Agreement and to ensure the normalisation of regulation of the intercity passenger services which could require investments that could be supported through the EFSD+ or through the Eastern Europe Energy Efficiency and Environmental Partnership (E5P) for which the EU is the main donor in Georgia.

Improvement of Urban mobility in Tbilisi

Urban mobility in Tbilisi is characterised by a large share of car use, and an aging and fragmented public transport infrastructure. Over the last few years, Tbilisi City Hall has been taking several steps to improve and modernise the city's transport system. A Sustainable Urban Mobility Plan (SUMP) is currently being developed, nevertheless, challenges remain in regards to curbing car ownership and fostering a significant and decarbonised modal shift.

Among the priority measures included in the SUMP under development, Tbilisi City Hall has selected two urban cable car lines to be developed, and requested Agence Française de Développement (AFD) to consider financing them. Both these lines are mass transit corridors. They will provide a comfortable, fast, safe, and low carbon daily transportation mean for about 50,000 residents of these districts living nearby the planned stations. Close to these locations are concentrated stations for railways, metro, municipal bus and minibus, as well as intercity bus, which all could be connected with the cable car station. This investment has the opportunity to create a hub and multiplier impact and has a high potential for replicability in Tbilisi and other cities of Georgia.

¹⁶ [250 IMO submission Talanoa Dialogue April 2018.pdf \(unfccc.int\)](#)

¹⁷ https://ec.europa.eu/transport/themes/mobilitystrategy_en

PRIORITY 2: Better air and water quality for citizens' health

Air Quality

Ambient air pollution is one of Georgia's most acute environmental challenges, one with a significant impact on human health. According to the World Health Organisation (WHO), the current concentration of major air pollutants in Georgian urban and rural areas - particulate matter (PM_{2.5} and PM₁₀) – is more than double the recommended average annual concentration in Georgian urban and rural areas, according to the World Health Organization (WHO). The 2017 WHO report “Monitoring Health for the Sustainable Development goals” underlines that Georgia is in the third place in Europe in terms of the mortality attributed to indoor and outdoor air pollution.

Several alarming studies also highlight the impact of air pollution on the Georgian economy. The 2018 Georgian State Audit report found that 120 million GEL (approximately 40 million EUR) was spent from the state budget in 2016 for the treatment of diseases related to air pollution.

In addition, according to the National Report on the State of the Environment of Georgia, at least 75% of air pollution by NO_x, sulfur oxides, and O₃ is caused by the transport sector. These increased emissions from the transportation sector, namely from vehicles, are caused by the age of vehicles (91% of cars are above 10 years old and only 3% below 6 years) and the lack of public transport and problems with fuel quality. The industrial sector is the second key source of air pollution. A law on control of industrial emissions transposing the relevant EU directive was prepared with the support of EU twinning during the period 2018-2019 and is currently in the process of adoption.

Water quality and management of natural resources

Georgia is one of the richest countries in Europe in both surface and groundwater resources. In Georgia, fresh surface water resources per capita is 14,000 m³, while the same average figure in Europe is 9,300 m³. Georgia's surface water resources are comprised of more than 26,000 rivers, 850 lakes, 43 reservoirs, 734 glaciers and wetlands with a total area of 627 km². As for groundwater, the estimated amount of only fresh groundwater resources is 18 billion m³ per year, while the consumption rate, for example, in 2015 was only 1.08 billion m³. In addition, Georgia is rich in mineral and thermal groundwater. The role of the Black Sea, with its 320 km coastline in Georgia, is significant for the country in terms of economic development, including the tourism industry. All rivers in Georgia belong to either the Black Sea or the Caspian Sea basins. 99.5% of rivers or streams are less than 25 km in length.

The overall quality of surface water in Georgia is satisfactory. The main challenges with surface water resources come from households due to the discharge of untreated urban wastewater into surface water bodies. Only around 50% of the population has access to wastewater collection services, and the number of wastewater treatment plants (WWTP) remains very limited despite ongoing investments by the EU and IFIs.

The agriculture, industry and energy sectors also pose challenges to Georgia's water resources. In regards to agriculture, the main issues are linked to the unsustainable use of water for irrigation, where losses exceeding 50%, and also diffuse pollution caused by runoffs from the land (nitrates, phosphates and pesticides). Although phosphate contamination is not detected nitrogen compound levels (especially ammonium) are above the set limits.

As for the industry, only newer industries have WWTP, whereas the rest work without any treatment or pre-treatment system, thus discharging untreated industrial water discharge causes additional burden to surface waters. The energy sector is another important field affecting water bodies. In the energy sector, the non-consumptive use of water amounted to 23.5 billion m³ in 2016, and further expansion of hydropower generation is expected. The majority of hydropower plants have an impact on river flow, as they typically divert and/or impound water and consequently can affect rivers negatively if adequate dynamic environmental flow is not maintained.

Several infrastructure projects are being implemented in the water sector by the EU and partner IFIs (KfW, AFD, EIB). They aim to improve water supply and sanitation in numerous localities around the country. Complementary support to the reform of the water sector as well as provision of specific equipments have the potential to increase the impact of current infrastructure projects and prepare the ground for future successful investments in the sector in the framework of Team Europe Initiatives.

The Black Sea is geographically isolated from the oceans, and about one-third of continental Europe belongs to its catchment area. Therefore, pollution of coastal waters and the quality and quantity of drained rivers are the main factors determining the Black Sea's environmental state. Black Sea pollution and overuse of resources over the past 50 years has resulted in the drastic deterioration of the water quality and the ecosystem as a whole. In line with the requirements of the EU Marine Strategy Framework Directive (MSFD)¹⁸, a Marine Environment Strategy was developed in 2019-2020 with the support of the EU-funded project. "Support to implementation of the Environmental provisions of the EU-Georgia Association Agreement".

Public health

Since the second half of the 1990s, life expectancy at birth has significantly improved and reached 72.7 years in 2016. There is significant progress in terms of reducing maternal and child mortality: the mortality rate of children under the age of five was 24.9 per one thousand live births in 2000 and 10.7 in 2016 while the maternal mortality rate was 49.2 per one thousand live births in 2000 and 17.8 in 2016.

Non-communicable diseases are leading among mortality factors: in 2016, 35% of deaths were caused by cardiovascular system diseases and 13% by cancers. Additionally, respiratory system diseases have a significant share in the total number of incidents of diseases in the country: 38-40% of all of the incidents.¹⁹

Despite a significant increase in health expenditures in recent years, existing data shows that Georgia still scores badly in terms of healthcare expenditure among the countries of the wider European region with state healthcare expenditure only 36% of total healthcare expenditure, 2.9% of the Gross Domestic Product (GDP) and 8.6% of the state budget (2015 numbers).

Significant steps still must be taken to increase the efficiency of the healthcare system as well as the accessibility of a full range of health services and improve the quality of medical services. Particular focus has to be put in the area of prevention, which is especially weak.

Asbestos

An important challenge for Georgia is the management of asbestos and asbestos containing materials (ACMs). Information about production and use of asbestos in Georgia prior to 1992 is inaccessible. Currently, import is the only source of asbestos. People working in construction or with ACMs (e.g. cars, ships, planes, firefighting items etc.) are the most exposed. However, as asbestos is also found in buildings and domestic materials, the entire population can be in contact with the material. There is no monitoring system in place for the import of ACMs. Georgia needs both legal and technical capacity-building to ensure sound management of asbestos and ACMs.

PRIORITY 3: Green and circular economy

Development of green and circular economy

Georgia is at the initial stage of its transition towards a green economy. It is recognised that the development of the green economy and green growth will result in higher productivity and thus competitiveness on global

¹⁸Directive 2008/56/EC: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0056&from=EN>

¹⁹ Vision for developing the healthcare system in Georgia by 2030: http://www.parliament.ge/ge/ajax/downloadFile/81366/Health_Strategy_Eng

markets, enhanced environmental quality of life, more resilient ecosystems and economies and new business opportunities.

Modern economic models like circular economies, individual business schemes like the environmental management system or ecosystem services are being promoted by the government. Eco-labelling, which will assist producers to provide credibility to their products or services and provide objective information to the eco-conscious users, has particular potential.

Reuse and recycling of resources is one of the cornerstones of the circular economy. Moving away from waste dumping to recycling and reusing will reduce risks to the environment and human health. Prevention, substitution, reusing and recycling creates new jobs and business opportunities and decrease CO₂ emissions. Georgia is committed to the development of the green economy, and actions supporting circular economy are addressed in the National Environmental Action Plan (NEAP)-3. The Ministry of Environmental Protection and Agriculture is in charge of leading the process.

Still, the promotion of this new model of production remains complicated. The private sector remains conservative in general, and necessary stimuli need to be provided in order for the economic actors to include circularity within their methods of production.

Improving waste management

When it comes to waste management, approximately 900,000 tons of municipal waste are generated annually in Georgia. As for hazardous waste (HZW), information is limited just to some concrete waste streams such as obsolete pesticides accumulated from past activities (4,000t), polychlorinated biphenyl (PCB) (600t), waste containing arsenic substances (120,000t) and healthcare waste (1,500t annually).

Georgia has 60 registered (official) municipal waste landfills and uncontrolled dumpsites in or nearby almost all villages. None of the current landfills can be considered to be in conformity with EU standards. Currently, waste collection services are not yet offered in most rural areas and waste disposal and recycling systems are still limited in Georgia. Waste management today is not a self-sustained system and is subsidised by the state or local budget.

Re-use, recycling and waste recovery are among the main pillars in waste management, but the lack of waste separation activities and the absence of incentives for them limits their presence in Georgia. The absence of a tariff policy and effective cost recovery mechanism for received waste management services (for both citizens and companies), as well as low tariffs and insufficient fee collection, are another set of challenges. This results in poor conditions of technical equipment and infrastructure, which are not in line with international standards. Special attention has also to be drawn to Hazardous Waste Management starting from prevention and on-site separation to its final safe handling (incineration or disposal).

Until 2014 there has been no coherent waste related legislation in place in Georgia. The signing of the AA sped up the process of development of national waste policy and legislation. The Waste Management Code (WMC) is a framework law creating a general regulatory foundation for waste management at national level. The law covers all major waste streams and stipulates the establishment of more sustainable waste management practices in the country through general principles and requirements including the collection, transport, recovery and disposal of waste, and promoting waste planning, prevention and reuse in line with EU legislation and practice.

The main national policy document, defining the vision and setting the 20-year objectives and targets in waste management is the National Waste Management Strategy for 2016-2030²⁰, which was adopted by the government of Georgia in April 2016.

²⁰ [Changing waste management practices in Georgian cities | UNDP in Georgia](#)

A Strategy on Biodegradable Waste has been developed and will be incorporated within the National waste management strategy, whereas the requirements related to Extended Producer Responsibility (EPR) are gradually being introduced in Georgia on a stream by stream basis (batteries, packaging, electronic waste etc.).

Several infrastructure projects are being implemented in the waste sector by the EU and partner IFIs (KfW, EBRD). They aim among others to build EU-standard solid waste landfills, as well as relevant sites for the management of hazardous waste. Some other projects are also under preparation in the sector. Complementary support to the reform of the waste sector has the potential to increase the impact of current infrastructure projects and prepare the ground for future successful Team Europe investments in the sector.

PRIORITY 4: Fight against climate change and behavioural change

Lowering emissions in line with Paris Agreement

The global phenomenon of climate change already has a strong impact on Georgia's environment. The negative consequences include, among others, a rise in temperatures, changes in precipitation patterns; reduction in water availability; a rise of Black Sea water levels; an increase in the frequency and intensity of floods, flash floods, landslides and mudflows, a decrease of rainfall; and the extension of evaporation, among others. Climate change also affects various economic sectors, particularly the agricultural sector which plays a key role in the country's economy. Tourism is another dominant economic sector of Georgia suffering from climate change.

A significant reduction in emissions was caused by the collapse of the centrally planned economy in the early 1990s, but for many years now emissions have been growing, coupled with the economic growth of the country. CO₂ emissions per capita for Georgia were 2.416 metric tons per capita in 2014, and 3.45 metric tons in 2019,^{21,22} which shows a 42% increase in five years. In most EU countries emission levels were decreasing in this time.²³

The Paris Agreement on climate change entered into force for Georgia in 2017. In 2015, prior to the adoption of the Paris Agreement, Georgia submitted its Intended Nationally Determined Contribution (INDC) to the UNFCCC. According to the INDC, Georgia plans to unconditionally reduce its GHG emissions by 15% below the Business as Usual (BAU) scenario by 2030. This implies a 34% reduction in emission intensity per unit of GDP from 2013 to 2030. In order to fulfil its obligations under the Paris Agreement, the MEPA has approved a 'Climate Action Plan' (CAP) in May 2021 and which should be implemented in the following years. In April 2021, the Government of Georgia has approved its **new Nationally Determined Distribution (NDC), the 2030 Climate Change Strategy and its Action Plan**. The development of the NDC was supported amongst other by the EU4Climate programme. The new targets are the following:

- Georgia is fully committed to an unconditional limiting target of 35 % below the 1990 level of its domestic total greenhouse gas emissions by 2030;
- Georgia is committed to a target of 50-57% of its total greenhouse gas emissions by 2030 compared to 1990, in case the global greenhouse gas emissions follow the two degrees or one and a half degrees scenarios respectively, with international support.
- In its updated NDC Georgia sets more ambitious targets that exceed its precedent INDC targets by seven % (unconditional) and 10-17% (conditional), respectively.

The updated NDC of Georgia is also more ambitious when it comes to adaptation to climate change. Additionally, it establishes commitments to strengthen the role of women and engage more deeply with the youth while implementing climate actions.

²¹ <https://knoema.com/atlas/Georgia/CO2-emissions-per-capita>

²² As a matter of comparison, it was 8.52 tons per capita in Germany in 2019

²³ <https://data.worldbank.org/indicator/EN.ATM.CO2E.PC?locations=AZ-AM-GE>

The Agriculture and Rural Development Strategy of Georgia 2021-2027²⁴ among other activities, integrates climate change-related aspects and aims to introduce climate-smart agricultural practices in the country. The Environmental Assessment Code of Georgia²⁵ was adopted in 2017 and has now entered into force. The code should facilitate the integration of climate change issues in sectoral policies. In addition to the agricultural sector, energy and health have been identified by the government as priority sectors for climate mainstreaming in the country.

Public awareness of environmental protection and climate change

Even though the level of environmental and climate consciousness is relatively low in Georgia compared to EU standards, it has been growing over the past years. The population has become more and more sensitive about the negative impacts of pollution and bad environmental conditions on health. This issue has therefore become an increasing priority for the Government.

Behavioural change within the population is needed to better protect the environment and contribute to fighting climate change. For these reasons, facilitating environmental education, ensuring access to environmental information and public participation in environmental decision-making are among the priorities of the MEPA and its subsidiary institution, the Environmental Information and Education Centre. The Centre is conducting trainings, courses and seminars for development of qualification under the competence of Ministry, implementing certification required by Georgian legislation. In addition, the Centre is preparing and conducting numerous informational campaigns and awareness raising activities.

To support raising the level of environmental literacy in the country, the national "Unified Strategy of Education and Science" 2022-2032, which should be adopted in April, features large-scale and small-scale activities to be implemented by the Environmental Information and Education Centre in order to cover all levels of education and a wide range of community. The concept of Education for Sustainable Development implies empowering community and organisations to support the sustainable development of the country through quality education. Environmental protection and climate change should also be further introduced in educational programmes.

Non-Governmental Organisations (NGOs) and civil society organisations also play a key role in the promotion of new behaviours aimed at better protecting the environment and contributing to the global fight against climate change. Support to both public institutions and civil society is required in order to extend the coverage of current actions and initiatives and increase awareness of the public regarding environmental protection and its impact on health.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action

The **Ministry of Economy and Sustainable Development of Georgia (MoESD)** is the responsible institution for the Transport sector. The MoESD is tasked among others to develop the transport and logistics sector according to the country's priorities and ensure maximal economic efficiency, as well as to improve the legislative framework for transport policy in cooperation with the respective structural unit(s) of the Ministry.

The **Maritime Transport Agency (MTA)** of the Ministry of Economy and Sustainable Development of Georgia is the responsible authority for the majority of topics related to maritime safety, maritime security, and protection of the marine environment. The MTA is an independent body with its own budget composed of service fees rendered to the industry.

²⁴ [Agriculture and Rural Development Strategy of Georgia 2021 – 2027 \(eu4georgia.eu\)](https://eu4georgia.eu)

²⁵ [Preview \(matsne.gov.ge\)](https://matsne.gov.ge)

The **Municipal Transport Department of Tbilisi City Hall** is in charge of Municipal Transport policy in the City of Tbilisi whereas the **Tbilisi Transport Company** is in charge of the management of the Transport network in the city.

The **Ministry of Regional Development and Infrastructure (MRDI)** is responsible for the efficient management and implementation of state regional development funds.

The **Ministry of Environmental Protection and Agriculture of Georgia (MEPA)** is the Ministry in charge of development of environmental policy and legislation in the country. The Ministry also plays a major role in environmental administration, issuing and enforcement of the permits, implementations of state control, data analysis and management in the field of environmental protection and use of natural resources (except for minerals, oil and gas) through its subordinated structural units as well as state subordinated entities and the Legal Entities of Public Law. The MEPA also coordinates the cooperation within the framework of regional and international Multilateral Environmental Agreements. Numerous institutions are operating within the scope of the Ministry.

The **National Environmental Agency (NEA)** is a Legal Entity of Public Law under the MEPA. The NEA is mandated to monitor ongoing hydrological, meteorological and geological events; provide short and medium-range forecasts for potential extreme weather conditions; evaluate risks of natural and anthropogenic hazards and planning and implementation of measures for reducing these hazards; develop early warning systems; prepare state geological maps; elaborate and publish annual information bulletins on relevant issues. The NEA is responsible for the creation and operation of monitoring systems for measuring the qualitative state of the environment including ambient air, surface and groundwater, sea and soil on the territory of Georgia. The Hydro-meteorological Department, Department of Geology, Department of Environmental Pollution Monitoring and Legal Department are the key structural units existing under the NEA dealing with the above mentioned competencies.

The **Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia (MoIDPOTLHSA)** is responsible among others for health policy. The **National Center for Disease Control and Public Health (NCDC&PH)** under this Ministry is the central agency for public health. The mission of the agency is to protect and improve the health of Georgian population through evidence based prevention, preparedness and timely response to public health threats.

The **Office of the Public Defender (Ombudsman) of Georgia** oversees the observance of human rights and freedoms in Georgia, which includes the right to a healthy and safe environment. It advises the government on human rights issues. It also analyses the state's laws, policies and practices, in compliance with the international standards, and provides relevant recommendations.

The **Ministry of Finance** ensures financial control over budgetary funds and spending; treasury development, revenue mobilisation, provision of state budget funds management and controlling movement of funds within Georgia.

The integration of environmental issues into sectoral policies and actions demands commitment to contribution of resources from other ministries and the government as a whole. Most crucial in this respect are the ministries that are either primarily involved in planning the development of the socio-economic sectors that cause major pressure to the environment or play a significant role in preventing/responding to environmental challenges. The **Ministry of Economy and Sustainable Development, the Ministry of Regional Development and Infrastructure, the Ministry of Finance with its Customs Department, the Ministry of Internal Affairs, and the National Statistics Office** are key state institutions in this respect.

Numerous **Civil Society organisations (CSOs)** are engaged in the sectors of environment, climate change, transport and health and are relevant partners of the Government and of the International Community in the implementation of reforms.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The overall objective (impact) of the Action is to improve the environmental conditions through better protection of natural resources and of the health of citizens, and the development of sustainable connectivity infrastructure that will improve the quality of life of Georgian citizens, while at the same time reinforcing the competitiveness of the Georgian economy.

This action will also enhance Georgia's resilience to respond to urgent needs by the Georgian central and local authorities as well as the population that are resulting or could result from the war situation following the Russian aggression against Ukraine.

The Specific Objectives (Outcomes) of this action are:

1. Sustainable infrastructure for better connectivity;
2. Better air and water quality for citizens' health;
3. Green and Circular Economy;
4. Fight against Climate change and behavioural change.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

1. contributing to **Outcome 1 Sustainable infrastructure for better connectivity**²⁶:
 - 1.1. Start of regular ferry transportation across the Black Sea further advanced;
 - 1.2. Port Energy Efficiency assessment realised and Management plans developed;
 - 1.3. Domestic intercity passenger transportation reform implemented.
2. contributing to **Outcome 2 Better air and water quality for citizen's health**:
 - 2.1. Reinforced capacity to regulate, monitor and analyse air quality;
 - 2.2. Reinforced capacity to regulate, monitor and analyse water quality and quantity;
 - 2.3. Efficiency of healthcare system reinforced in tackling environmental health issues, in particular indoor air pollution, lead pollution, asbestos pollution.
3. contributing to **Outcome 3 Green and circular economy**:
 - 3.1. Increased knowledge of Circular economy methods and potential;
 - 3.2. Circular economy and Extended Producer Responsibility (EPR) legislative framework further finalised and implemented in practice;
 - 3.3. Access to finance for circular economy facilitated;
 - 3.4. Successful initiatives in the field of circular Economy reinforced and extended;
 - 3.5. Reinforced Waste management and Recycling capacities.

²⁶ Complementary action: A blending project with Agence Française de Développement (AFD) will invest in the development of sustainable urban mobility, specifically, cable car lines in Tbilisi.

4. contributing to **Outcome 4: Fight against Climate change and behavioural change:**
 - 4.1. Enhanced capacity to implement NDCs, to reduce national emissions and adapt to the impact of climate change, in line with the commitments undertaken in the framework of the Paris Agreement;
 - 4.2. Population and private sector more aware and active in environmental protection, fight against climate change and green transition.

3.2 Indicative Activities

Activities related to **Output 1.1 Start of regular ferry transportation across the Black Sea further advanced**

- Update of the feasibility study and elaboration of action plan for activities necessary to prepare the investment;
- Preparation of the necessary technical documentation to secure funding sources for this investment, including applicable environmental assessments.

Activities related to **Output 1.2 Port Energy Efficiency and Management Plan:**

- Assessment of ports' current energy efficiency and management status and potential for onshore power supply (OPS);
- Development of measures to foster innovative overall energy systems integration, including onshore power supply (OPS);
- Development of effective integration of transport modes within and around ports.

Activities related to **Output 1.3 Domestic intercity passenger transportation reform:**

- Revision and update of legislative amendments for the reform of intercity passengers transportation;
- Technical and financial support in the implementation of intercity passengers reform, including communication to the public

Activities related to **Output 2.1 Reinforced capacity to regulate, monitor and analyse air quality:**

- Development of air quality plans for Tbilisi, Kutaisi and Batumi;
- Installation of new monitoring stations in five potential zones and one in the Agglomeration of Tbilisi;
- Development of an Air quality modelling and forecasting system;
- Installation of an air quality monitoring automatic station in Chiatura;
- Support for the establishment of the national air quality reference laboratory;
- Further development of the Air Quality Portal and Air Quality Application;
- Development of a gender equality and social inclusion checklist to improve air quality to better protect the health of the population;
- Strengthen gender equality and social inclusion awareness of the NEA and other involved agencies on the impact of air quality on men and women. Conduct capacity building on gender mainstreaming in environmental programmes;
- Establishment of appropriate enforcement measures to implement EU vehicle emission standards in Georgia;
- Support to the implementation of the Industrial emission law and preparation of industrial law implementation plan:
 - Development of Governmental Acts on sector specific Best Available Techniques (BAT);
 - Evaluation of the potential of BAT for at least two domains and development of corresponding recommendations;
 - Development of particular incentives for the private companies;
 - Implementation of a pilot project on BAT implementation in selected enterprise;
 - Trainings on BAT for industry and stakeholders.
- Improvement of the existing taxation system for the import of vehicles to support the renovation of the car fleet and protect the country from increasing imports of diesel vehicles;

Activities related to **Output 2.2 Reinforced capacity to regulate, monitor and analyse water quality and quantity:**

- Development of a ground water quality and quantity monitoring programme (expansion of monitoring network through installation of relevant groundwater modelling software and installation of monitoring stations);
- Supply of chemical and biological laboratory equipment necessary for the better analysis of water quality and relevant trainings provided;
- Upgrading of Water Information System of Georgia;
- Enhancement of regular water flow measurements through deployment of automatic water level monitoring system and field expeditions;
- Development of a gender equality and social inclusion checklist to improve water quality to better protect the health of the population;
- Strengthen gender equality and social inclusion awareness of the NEA and other involved agencies on the impact of water quality on Men and Women. Conduct capacity building on gender mainstreaming in environmental programmes;
- Development of environmental public health tracking capacities, which could include surveillance of lead poisoning/lead biomonitoring, waterborne diseases and WASH (water, sanitation and hygiene) in education facilities;
- Activities to strengthen the capacities for effective implementation of the EU *acquis* in the field of bathing and drinking water;
- Support in the implementation of the Marine Environment Strategy.

Activities related to **Output 2.3 Efficiency of healthcare system reinforced in tackling environmental health issues:**

- Development of national programmes/plans for asbestos and asbestos containing articles management to ensure safety for human health and environment;
- Development of national programmes/plans for lead containing substances to ensure safety for human health and environment.

Activities related to **Output 3.1 Increased knowledge of Circular economy methods and potential:**

- Circular Economy and Extended Producer Responsibility (EPR) awareness raising campaigns, as well as campaigns on waste prevention;
- Development of design guidance for specific economic sectors with a high-level circular potential.

Activities related to **Output 3.2 Circular economy and Extended Producer Responsibility (EPR) legislative framework further finalised and implemented in practise:**

- Support in finalisation and implementation of Circular Economy Strategy (preparation of necessary regulations) and of the Road Map to Circularity;
- Development of mechanisms to ensure enforcement of the legislations in the sector;
- Support to the implementation of municipal waste management plans/strategies as well as EPR in municipalities and self-governing cities;
- Establishment of the framework for Eco-labelling and Green Procurement.

Activities related to **Output 3.3 Access to finance for circular economy facilitated:**

- Improving the capacities (e.g. financial literacy) of businesses (in particular MSMEs) and public administrations (in particular at municipal level) investing in circular economy (CE) business models / practices to develop bankable circular economy projects;
- Development of incentives and stimulus for the private sector to move towards a more circular model of production and get engaged in waste management;

- Support to financial institutions to develop financial products and services for businesses (in particular MSMEs) and public administrations (in particular at city level) investing in CE business models / practices;
- Capacity development of financial institutions to assess CE technology and projects and to diversify financial services for CE initiatives by enterprises and individuals.

Activities related to **Output 3.4 Successful initiatives in the field of Circular Economy reinforced and extended:**

- Extension of separated collection of waste and promotion and support to reuse and recycling of specific waste streams with a view also to reinforce local production;
- Capacity-buildings at local and municipal level to support the implementation of CE principles and EPR;
- Training to municipal and environmental inspectors and customs officers to check the non-use of plastic bags;
- Preparation of initiatives to encourage businesses to reduce food waste (e.g. discount sale points for food near ‘best before’ date, cooking oil re-use, composting/recycling of leftover food products);
- Support to women’s entrepreneurship and employment in the green and circular economy through capacity building, and economic empowerment and access to finance;
- Expansion of successful pilot actions existing in the field of green/eco-tourism;
- Organisation of a national call for proposals for municipalities, CSOs and private sector stakeholders demonstrating CE tools and techniques.

Activities related to **Output 3.5 Reinforced Waste Management and Recycling capacities:**

- Preparation of feasibility studies and technical documentation for the construction of new EU standard landfills and related processing facilities (including in Georgia's breakaway regions);
- Support to the implementation of Municipal Waste Management plans;
- Support the gender-sensitive approach to developing waste collection systems in villages.

Activities related to **Output 4.1 Enhanced capacity to implement the NDCs, to reduce national emissions and adapt to the impact of climate change, in line with the commitments undertaken in the framework of the Paris Agreement:**

- Identification of and support to the implementation of some of the priority actions of the NDC and Climate Action Plan, including in the sectors of Energy, Transport, Agriculture (also climate adaptation as regards the latter);
- Implementation of a Long Term – Low Emissions Development Strategy (LT-LEDS) ;
- Support to the development of the work plan for the decarbonisation of the economy, with a detailed budget breakdown;
- Promotion of Women's CSO cross border dialogue and confidence-building with the breakaway regions of Abkhazia and Tskhinvali region/South Ossetia on implementing the Climate Action Plan and promoting awareness-raising behavioural change for environmental protection and climate change.

Activities related to **Output 4.2 Population and private sector more aware and active in environmental protection, fight against climate change and green transition:**

- Support provided to the Environmental Protection and Natural Resources Parliamentary Committee in expertise and communication;
- Educational and other outreach actions on Environment and Climate, including actions with a focus on children and students;
- Support to the implementation of the national strategy Education for Sustainable Development 2020-2024;

- Introduction of gender equality and social inclusion assessments of programmes and project proposals in the Ministry of Environmental Protection and Agriculture.

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection, Climate Change and Biodiversity

The environmental and climate change risk screenings carried out in the design stage concluded that no further action was required. Most of the action document is directly focused on protecting the environment and contributing to the global fight against Climate change. The specific component focused on Sustainable Infrastructure for Better Connectivity will directly contribute to the preparation or funding of green investments in the sector. The development of the regular ferry transportation across the Black sea will include an environmental assessment prior to the selection of the precise investment.

Outcome of the Environmental Impact Assessment (EIA) screening (relevant for projects and/or specific interventions within a project)

The EIA screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design). Several interventions will require at least additional screenings (and potentially full-scale assessments) to meet the local obligations under Georgia's Environmental Assessment Code. Specifically, the following outputs will need to comply with the applicable requirements for environmental impact assessment (EIA) and potentially also strategic environmental assessment (SEA):

- Output 1.1 Regular freight ferry / feeder transportation
- Output 3.5 Reinforced Waste Management & Recycling capacities

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project)

The CRA screening (carried out between October 2020 and May 2021) concluded that this action has no significant risk. The vast majority of the activities included in the Action are directly contributing to the global fight against climate change. Components 2, 3 and 4 are directly focused on protecting the environment and contributing to the global fight against climate change. Nevertheless actions proposed for waste management (esp. Output 3.5) would need to be checked to ensure that they incorporate relevant climate change mitigation and adaptation measures (e.g. methane capture, climate risk proofing of waste facilities in case of extreme rainfall events, etc.).

To this end, the EU Delegation (EUD) will determine the specific investment proposals and planning documents that will be produced within the Outputs 1.1, and 3.5. and consult Georgia's Ministry of Environmental Protection and Agriculture to determine the applicable EIA/SEA obligations and/or any specific environmental requirements. Following these consultations, the EUD will integrate the relevant environmental requirements into detailed plans for the action implementation (including blending operations) and ensure that the relevant environmental assessments comply with the EU EIA Directive as per Art 25.5 of the NDICI regulation. The action implementation will ensure that the projects being prepared and supported: i) duly consider environmentally sustainable alternatives and design options, and ii) include cost-effective environmental mitigation and enhancement measures where appropriate.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1.

Through improvement of transport modes and improvement of environmental conditions, the action will contribute to reinforcing gender equality and empowerment of women and girls. The programme will support access to safe and affordable transport options for women (and men) which is a key element for strengthening women's economic and social rights and empowering girls and women.

The programme will implement several activities related to the improvement of water supply and water quality. This will directly impact women in Georgia, who traditionally spend more time on household tasks such as cooking and cleaning. The programme has a clear direct focus on linking health issues and environment, it should among others tackle the issue of asbestos affecting women and children spending a lot of time in the households, but also target the issue of chemicals that are also too often used in households.

Human Rights

The action will directly contribute to protecting the right to life and the right to health. Activities included in the action are focused on improving air quality, access to quality water, limiting pollution affecting human health, and mitigating climate change which, especially among most vulnerable. The action will also contribute to developing safer and more sustainable transport modes, which will ultimately contribute to improving working conditions and improving the safety of citizens.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the action is not considered specifically relevant for the inclusion of persons with disabilities.

Democracy

The action will aim to reinforce democratic standards through engaging population and civil society in the preparation of the infrastructure investment projects to be supported through the action. The actions focused on environmental protection and climate change will be implemented in a fully transparent manner, engaging civil society representatives and beneficiary populations in the design and monitoring of the actions.

Conflict sensitivity, peace and resilience

Through the direct contribution to the protection of the environment and fighting climate change, the action will contribute to limiting conflict risks, which can originate from the scarcity of key resources such as water or bad management of waste. The programme will contribute to making the Georgian socio-economic model more resilient, therefore contributing to stability in the country.

Disaster Risk Reduction

Through promoting better management of key resources such as water, and limiting the negative environmental impacts of men activities (development of more sustainable transport, development of circular economy and better management of waste...), the programme will contribute to reducing the risks of natural disasters such as floods, droughts, landslides.

3.4 Risks and Lessons Learned

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1 - External environment	Weakening of the Government's commitment to reforms related to EU-Georgia agreements	L	H	Continued political and policy dialogue with the authorities, at all levels. Public communication on benefits of EU association. Support to the authorities on communication campaigns.

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
2 - Planning, process and systems	Lack of maturity of connectivity projects to be developed between Georgia and the EU	M	M	Intensive capacity and analytical support combined with strategic policy dialogue between the EU and GE authorities.
5 - Communication and information	Weaknesses of the Government to impose more sensitive reforms and face lobbies	M	M	Continued political and policy dialogue. Public communication on benefits of EU association. Support to the authorities on communication campaigns. Close cooperation between donors and partners to maintain pressure on key reforms.
2 - Planning, process and systems	Conflicting priorities between environmental, health and climate agenda and economic development/growth agenda	M	M	Strong engagement of the different Ministries including MoESD in the action, focus on green economic development and strong communication on transversal benefits of the action. Development of incentives for the private sector.
2 - Planning, process and systems	Overlap of ongoing activities in the transport and environmental sector and lack of coordination on the side of responsible state institutions	M	L	Flexible approach to implementation. Active parallel coordination of activities among donors and international partners.
3 - People and the organisation	High turnover of staff in public institutions and associated loss of institutional memory	H	M	Activities focusing on sustainable institution building. Stimulating activities for beneficiary staff.
3 - People and the organisation	Weakness of data collection limiting the capacity to properly implement and monitor reforms	M	L	Some activities will be focused on improvement of data collection in the sectors of environment, climate change and health
1 - External environment	Tensions in breakaway regions limiting the capacity to implement any actions in these regions	H	M	Actions targeted to the breakaway region will be prepared carefully following necessary policy dialog with the relevant authorities
3 - People and the organisation	Lack of public expenditure available for the sector of environment	H	M	Complementary support from the EU in infrastructure through blending with partner IFIs

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures

Lessons Learned:

The programme will build up on the **results and achievements** of recent EU and other donor-funded projects and initiatives in the sectors of transport, environment and climate, health in Georgia, in particular the following projects:

Transport

- Technical Assistance for Georgia Transport Connectivity;
- Support to the implementation of the EU-Georgia Association Agreement in the field of maritime transport;
- Indicative trans-European Transport Network (TEN-T) Investment Action Plan;
- E5P projects implemented in Georgia in the field of Transport.

Environment & Climate

- European Neighbourhood Programme for Agriculture and Rural Development in Georgia (ENPARD III & IV) and its activities supporting climate-change mitigation;
- Twinning Institutional Strengthening of Environmental Health System of Georgia (2017-2019);
- Technical assistance Support to the implementation of the Environmental provisions of the EU-Georgia Association Agreement (2019-2020);
- Support to reform in the Waste Management sector (2019-2020);
- EU Water Initiative Plus for the Eastern Partnership Countries (2016-2020);
- Khashuri Water Supply and Sanitation;
- EMBLAS (Environmental Monitoring in the Black Sea) project;
- SEIS (Shared Environmental Information System) projects;
- Capacity Building for Sound Management of Chemicals (2018-2021, CzDA);
- Integrated Solid Waste Management in the Southern Caucasus (2013-2021, KfW-EU);
- EU4 Environment;
- EU4 Climate.

Health

- Twinning Institutional Strengthening of Environmental Health System of Georgia (2017-2019);
- Twinning Support in Implementation of Health Impact Assessment Practice in Georgia.

Lessons Learned

- Projects that produce tangible and sustainable results for citizens and provide adequate visibility for the EU facilitate strategic communication on EU policies and support;
- Sustained policy dialogue must accompany assistance programmes to ensure actions match political priorities and obligations;
- Given regional disparities in Georgia at all levels, external support should focus across the country including in regions outside Tbilisi in order to enact sustainable change;
- The importance of developing access to quality data in the sector in order to develop the most appropriate

policies and ensure the necessary reporting requirements both nationally and internationally;

- The necessity to communicate properly to the population and explain the benefits of the ongoing reform process in order to avoid potential opposition which could result from a misunderstanding of the reforms. The need to engage populations through stakeholder's engagement and activities focused on the promotion of change behaviour;
- Incentives directly benefiting the people and the private sector are important in order to maximise the impact of the policies;
- When it comes to provision of equipment, it is necessary to ensure parallel capacity building and training in order to ensure that the equipment will be properly used on the long-term. Beneficiary institutions should also dedicate sufficient funds to the staffing of the responsible institutions and to the maintenance of the equipment;

Sectorial policy reforms should take place in correlation with the implementation of infrastructure projects in the sectors. Policy reforms permit to ensure the sustainability of the investments and ease the preparation of new projects in the sector.

3.5 The Intervention Logic

The underlying intervention logic for this action is that Georgia must reinforce its connectivity potential while at the same greening its model of development with a view to better protect its natural resources and the health of its citizens.

Outcome 1: Sustainable infrastructure for better connectivity.

Currently, Georgia's transport connection to the EU remains limited and internal connections can be further improved. The following outputs will permit to reinforce the connectivity potential of the country, realise and prepare investments, which will be made in line with the most environmentally friendly standards.

- Investment in regular freight ferry / feeder transportation will be brought to maturity and ready for investment;
- Assessment of Energy and Environmental Impact of Georgian Ports will be made and investment needs identified;
- The reform of intercity passenger transportation will be put in operation.

The component directly contributes to the fulfilment of Flagship 2 of the Economic and Investment Plan (EIP) for the Eastern Partnership (EaP), focusing on improving physical connections between Georgia and the EU across the Black Sea.

As a complementary action, the installation of two cable car lines will be co-funded in Tbilisi to increase green transport modes in the city.

This component will combine the preparation of key sustainable connectivity investments to be supported at a later stage through EFSD+ and direct funding of such investments (cable-car lines).

Outcome 2: Better air and water quality for citizens' health

The Georgian population is unfortunately faced with numerous diseases, which result from poor management of natural resources and pollution. The following outputs will permit to better protect the health of Georgian citizens through increasing the capacities in environmental protection and fight against pollution.

- Air quality monitoring capacities and capacities to limit air pollution will be reinforced through the provision of key equipment, capacity building and implementation of relevant air quality policies;

- Capacities to monitor water quality and reinforce the management of water as a resource will be reinforced through the provision of key equipment, capacity building and implementation of relevant water quality policies;
- Capacities of Georgian authorities in fighting other environmental health issues such as asbestos, lead poisoning will be reinforced through support in development of the relevant national programmes/plans.

This component will combine the provision of necessary equipment, capacity building and implementation support which will permit to reinforce the effectiveness of environmental health policies in Georgia. The action will contribute to the implementation of Flagship 5 of the EIP for the EaP, aiming at improving air quality in Georgia.

Outcome 3: Green and Circular Economy

Too much waste is being produced in Georgia, and this waste is currently being poorly managed and treated. The following outputs will permit to accelerate the transformation of the Georgian economy, to make it more circular and more competitive.

- Knowledge on Circular Economy principles will be reinforced through awareness raising and development of relevant tools and documentation;
- The circular economy policy framework will be further finalised in order to become more effective;
- Access to finance for circular economy initiatives will be eased through support to the relevant institutions and development of the necessary incentives and stimulus;
- Circular economy will be implemented in practise through the extension of successful initiatives and organisation of a national call for proposals for actors engaging in circular economy.

This component will combine awareness raising, legislative support, access to finance and direct support in implementation, which will permit to accelerate the transformation of the Georgian economy into a more circular model.

Outcome 4: Fight against climate change and behavioural change

Georgia has a role to play in the global fight against climate change. The country must have the capacities to fulfil its international commitments, and an important element of that success lies in the capacity of the population to take an active role in the process. The following outputs will support Georgia in implementing its international climate commitments and in engaging its population in that process.

- Priority actions of the NDCs and the climate action plan will be directly supported;
- Communication campaigns, educational and outreach actions on environment and climate will be organised to engage the Georgian population in changing its behaviour towards the protection of the environment.

This component will combine direct technical and advisory support to the implementation of climate actions, and change-behaviour activities and campaigns to engage the population in that process.

3.6 Indicative Logical Framework Matrix

Results	Results chain : Main expected results (maximum 10)	Indicators : (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To improve environmental conditions through better protection of natural resources and of the health of citizens, and the development of sustainable connectivity infrastructure that will improve the quality of life of Georgian citizens while at the same time reinforcing the competitiveness of the Georgian economy.	<p>1- Degree of physical connection of Georgia to the EU market</p> <p>2 State of fulfilment of national environmental action programme (NEAP) and National Environment and Health Action Plan (NEHAP)</p> <p>3 - Degree of penetration of Green and Circular economy on the Georgian market</p> <p>4 - Level of implementation of the NDCs and of the Climate Action Plans</p>				<p>- Connectivity and sustainable development remain key priorities for the Government of Georgia</p> <p>- The GoG provides full support to the implementation of the actions included in the AD</p>

<p>Outcome 1</p>	<p>1. Sustainable infrastructure developed for better connectivity</p>	<p>1.1 - State of advancement of regular ferry/feeder transportation between Georgia and the EU</p> <p>2021: 1 direct regular ferry/feeder service between Georgia and the EU</p> <p>2025: at least 2 direct regular ferry/feeder services between Georgia and the EU</p> <p>1.2. Port Energy Efficiency and OPS assessment realised and development of Management plans</p> <p>2021: No Georgian Ports have had Energy Efficiency and OPS assessment</p> <p>2024: All the Georgian Ports have had an Energy Efficiency assessment</p> <p>1.3. Domestic intercity passenger transportation reform implemented</p> <p>2021: Reform under preparation</p> <p>2025: Reform finalised and implemented</p>	<p>MoESD</p> <p>Maritime Transport Agency (MTA)</p> <p>MoESD</p>	
<p>Outcome 2</p>	<p>2. Better air and water quality for citizens' health provided</p>	<p>2.1 % of cities of intervention where background air quality meets standards</p> <p>2021: N/A</p> <p>2026: At least 80%</p> <p>2.2 Number of monitoring points for the measurement of groundwater (fresh drinking water) quality and quantity</p> <p>2021: 66 monitoring points</p> <p>2026 : 96 monitoring points</p>	<p>European Air Quality index</p> <p>GE Air Quality Portal National Environmental Agency</p> <p>National Environmental Agency</p>	

Outcome 3	3. Green and circular economy reinforced	3.1 Amount and % of EPR specific waste streams treated according to the national regulation 3.2 Number of companies having benefited of financial support from the program to develop their circular economy potential	2021: 0 % 2021:0	2026: 100% 2026:20	MEPA EU Delegation to Georgia	
Outcome 4	4. Fight against Climate change and behavioural change promoted	4.1 Level of achievement of NDCs 4.2 % of Georgians thinking that climate change is real and poses threats to humanity % of Georgians believing they can do nothing to tackle climate change ²⁷	2021: Submission to the UNFCCC 2020: 91% 2020: 36%	2026: Georgia on track to meet his 2030 objectives for reduction of GHG emissions ²⁸ 2026:98% 2026:10%	UNFCCC Surveys	
Output 1 related to Outcome 1	1.1 Start of regular ferry transportation across the Black Sea further advanced	1.1.1 Number of regular ferry/feeder services between Georgia and the EU	2021: 1	2025: 2	MoESD	
Output 2 related to Outcome 1	1.2 Port Energy Efficiency assessment realised and Management plans developed	1.2.1 Number of Georgian Ports having Energy Efficiency assessment	2021: 0	2024: All of them	Maritime Transport Agency (MTA)	
Output 3 related to Outcome 1		1.3.1 Rate of implementation of Domestic intercity passenger transportation reform	2021: Reform under preparation	2025: Reform finalised and implemented	MoESD	

²⁷ SurveyWhat Georgians know about climate change 2020 organised under EU4Climate:

²⁸ Georgia is fully committed to an unconditional limiting target of 35 % below 1990 level of its domestic total greenhouse gas emissions by 2030. Georgia is committed to a target of 50-57% of its total greenhouse gas emissions by 2030 compared to 1990, in case of international support.

	1.3 Domestic intercity passenger transportation reform implemented					
Output 1 related to Outcome 2	2.1 Reinforced capacity to regulate, monitor and analyse air quality	2.1.1 % of cities of intervention where background air quality meets standards	2021: N/A	2026: At least 80%	European Air Quality index GE Air Quality Portal National Environmental Agency	
Output 2 related to Outcome 2	2.2 Reinforced capacity to regulate, monitor and analyse water quality and quantity	2.2.1 Number of monitoring points for the measurement of groundwater (fresh drinking water) quality and quantity	2021: 66 monitoring points	2026: 96 monitoring points	National Environmental Agency	
Output 3 related to Outcome 2	2.3 Efficiency of healthcare system reinforced in tackling environmental health issues	2.3.1 National programs/plans for asbestos and asbestos containing articles management to ensure safety for human health and environment 2.3.2 National programs/plans for lead containing substances to ensure safety for human health and environment	2021: None 2021: None	2025: Drafted and under implementation 2025: Drafted and under implementation	Ministry of Internally Displaced Persons from the Occupied Territories, Health, Labour and Social Affairs of Georgia	
Output 1 related to Outcome 3	3.1 Increased knowledge of Circular economy methods and potential	3.1.1 Design guidance for specific economic sectors with a high-level circular potential	2021: 0	2025: At least 5 key sectors.	MoESD/ MEPA	

Output 2 related to Outcome 3	3.2 Circular economy and Extended Producer Responsibility (EPR) legislative framework further finalised and implemented in practise	3.2.1 Amount and % of EPR specific waste streams treated according to the national regulation	2021: 0	2026: 100%	MEPA	
Output 3 related to Outcome 3	3.3 Access to finance for Circular economy facilitated	3.3.1 Capacity of financial institutions to assess CE technology and projects and to diversify financial services for CE initiatives by enterprises and individuals	2021: NA	2025: Main Banks/ Financial Institutions have been trained	MoESD	
Output 4 related to Outcome 3	3.4 Successful initiatives in the field of Circular Economy reinforced and extended	3.4.1 Number of companies having benefited of financial support from the program to develop their circular economy potential	2021: 0	2026:20	EU Delegation to Georgia	
Output 5 related to Outcome 3	3.5 Reinforced Waste Management and Recycling capacities	3.5.1 Implementation of Municipal Waste Management plans	2021:0	2026: 5 Waste Management plans supported	MEPA	
Output 1 related to Outcome 4	4.1Enhanced capacity to implement the NDCs, to reduce national emissions and adapt to the impact of climate change, in line with the commitments undertaken in the framework of the Paris Agreement	4.1.1 Level of achievement of NDCs	2021: Submission to the UNFCCC	2026: Georgia on track to meet his 2030 objectives for reduction of GHG emissions	UNFCCC	

Output 2 related to Outcome 4	4.2 Population and private sector more aware and active in environmental protection, fight against climate change and green transition	4.2.1 % of Georgians thinking that climate change is real and poses threats to humanity	2020: 91%	2026:98%	Surveys	
		4.2.2 % of Georgians believing they can do nothing to tackle climate change	2020:36%	2026:10%		

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²⁹.

4.3.1 Direct Management (Procurement)

Procurement will contribute to the achievement of the results included in outcomes 1 and 4 of the Action.

4.3.2 Indirect Management with a pillar-assessed entity³⁰

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Proven experience and technical competence in the respective area
- Be reputable and credible in the above-mentioned area of operations and among beneficiary institutions;
- The ability to deploy high level technical experts;
- Comparative advantage of the organisation for implementing its share of the Action in this particular thematic field (approach, expertise, experience of similar actions and/or of comparable country situations, expected remuneration, etc.);
- Organisation's approach in supporting the partner country to exercise effective leadership and ownership on policy implementation.

The implementation by this entity entails implementing activities under Better air and water quality for citizens' health objective (Outcome 2) and under Green and circular economy objective (Outcome 3)

4.3.3 Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances (one alternative second option)

An alternative option for implementing the actions described in 4.3.2 is procurement (direct management as per section 4.3.1), if the preferred modality (indirect management) cannot be implemented due to circumstances outside of the Commission's control.

²⁹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

³⁰ The signature of a contribution agreement with the chosen entity is subject to the completion of the necessary pillar assessments

An alternative option for implementing the actions described in 4.3.1 is indirect management, with the criteria defined in 4.3.2, if the preferred modality (direct management) cannot be implemented due to circumstances outside of the Commission’s control.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Objective 1: Sustainable infrastructure for better connectivity composed of	
Procurement (direct Management) – cf section 4.3.1	N.A.
Objective 2: Better air and water quality for citizens’ health composed of	
Indirect management with an entrusted entity – cf. section 4.3.2	10 000 000
Objective 3: Green and circular economy composed of	
Indirect management with an entrusted entity – cf. section 4.3.2	4 000 000
Objective 4: Fight against climate change and behavioural change composed of	
Procurement (direct Management) – cf section 4.3.1	N.A.
Procurement – total envelope under section 4.3.1	5 400 000
Evaluation – cf. section 5.2	100 000
Audit – cf. section 5.3	
Communication and visibility – cf. section 6	N/A
Totals	19 500 000

4.6 Organisational Set-up and Responsibilities

The Action will be directly managed by the European Commission through its Delegation in Georgia. All initiatives will be conducted with the support and engagement of the authorities, civil society and development partners ensuring that implementation environment, climate change and health policies are well coordinated. For all project components, a Steering Committee will be created in which relevant authorities, EU Delegation and civil society will be tasked to review and steer the proper implementation of projects' activities.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Implementing partners will be tasked to update monitoring data regarding implementation of the respective projects. Overall monitoring will be ensured by the EU Delegation in the framework of regular monitoring instrument, and also in the framework of these instruments to be established to ensure the proper monitoring of the implementation of the Green and Health Team Europe Initiative for Georgia.

5.2 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that some actions are pilots being tested and could be reproduced in a future programme.

The Commission shall inform the implementing partner at least one month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 COMMUNICATION AND VISIBILITY

Communication and visibility is a contractual obligation for all entities implementing EU-funded external actions to advertise the European Union's support for their work to the relevant audiences.

All implementing partners and contractors must comply with the instructions given in the [Communication and Visibility Requirements of 2018](#) (as updated by the communication and visibility requirements in force under the current programming period 2021 - 2027), notably with regard to the use of the EU emblem and the elaboration of a dedicated communication and visibility plan, to be completed for every action at the start of implementation.

These requirements (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. Additional Visibility Guidelines developed by the Commission (European Neighbourhood Policy and Enlargement Negotiations) and the Delegation to Georgia will be strictly adhered to.

These obligations apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, contractors, grant beneficiaries or entrusted entities. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

Communication and visibility measures may be funded from the amounts allocated to the action. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds.

Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and concerned EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before work starts. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees

Furthermore, implementing organisations shall coordinate all communication activities with the regional communication initiatives funded by the European Commission to the extent possible. All communication strategies developed as part of this action shall ensure they are in line with the priorities and objectives of regional communication initiatives supported by the European Commission and in line with the EU Delegation's communication strategy under the "EU4Georgia" umbrella initiative.