Integration assistance of CRED modelling results into climate policy actions in Georgia

Program title:	**"Policy Advice for Climate Resilient Economic Development"**
Program No:	2016.9017.1-004.00
Objective of the support:	To assist in the integration of CRED modelling results into climate policy actions in Georgia.
Duration of assignment:	15.09.2024 until 01.03.2025

1. Background

1.1 Brief information on CRED and its Activities in Georgia

GIZ, on behalf of the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), is executing the global programme "Policy Advice for Climate Resilient Economic Development" with a duration from 01/2019 to 06/2025.

Climate change is one of the greatest threats facing humanity, with far-reaching and devastating impacts on people, the environment, and the economy. Accelerating climate change adaptation is a human, environmental, and economic imperative. Planning and investing in systematic adaptation actions, and in the innovations that come with it, can unlock new opportunities, and provide a triple dividend: they avoid economic losses, support economic growth, and deliver additional social and environmental benefits.

Therefore, the Climate Resilient Economic Development (CRED) programme develops and disseminates methods and tools for Climate Economic Modelling. It enables partners to independently model the economic impacts of climate change and translate results into policy advice. Evidence-based adaptation actions can be incorporated into long-term economic, and adaptation planning, and thereby unlock climate-resilient economic development in the partner countries.

The CRED programme activities in Georgia are conducted in coordination with its partner institution, the Ministry of Economy and Sustainable Development of Georgia (MoESD). They are directed towards the following application areas focusing on climate adaptation:

• Developing methods and tools for modelling the economic impacts of climate change;
• Supporting the lead executing agencies and implementing partners to become independent users of macroeconomic models (capacity building through training and coaching);
• Supporting the lead executing agencies and relevant stakeholders in integrating the results in policy-making processes and adaptation planning.

Under the current programmatic activities in Georgia, a macroeconomic dynamic Input-Output model named e3.ge (e3.ge stands for Economy, Environment, and Energy - Georgia) has been

developed by MoESD and supported by CRED. The e3.ge model estimates economic values of the impacts of climate change and climate change adaptation measures at different macroeconomic sectoral levels in Georgia. The central role of the e3.ge model application is the macroeconomic and sectoral analysis of climate change and adaptation options. The model is run for different adaptation scenarios and measures identified for a specific sector, and the results can be used to compare each adaptation measure in terms of their macroeconomic impacts. Results from the scenario analysis can help determine which measures are likely to have a positive or negative macroeconomic impact in the long term and the least or the highest macroeconomic impacts (in terms of GDP, employment, and economy-wide effects). More information on e3.ge model and the modelling results for Georgia can be found here.

At the present stage, CRED is focusing on developing new and translating already set climate-informed macroeconomic modelling results into relevant development strategies and adaptation policies in Georgia.

1.2   Context

Georgia is already experiencing the effects of climate change. Impacts include degradation of glaciers, increased water scarcity and increased frequencies of extreme weather events. Climate trends in Georgia are expected to exacerbate natural disasters, including floods, heat waves, droughts, mudflows and landslides. The economic impacts are likely to amplify and will cause higher costs, affect key economic processes and endanger jobs, wealth and life of people.

One of the current challenges for mainstreaming adaptation into development planning is overall low understanding of the impacts of climate change in general and of the need to act. Hence, decision-makers do not demand technical and economic data related to economic, social and environmental impacts of climate change and possible activities. The existing data on climate impacts and adaptation is sporadically produced by national research institutions and international projects and is not used for long- and mid-term planning.

GIZ CRED project suggests modelling the macroeconomic impacts of climate risks and climate change adaptation measures to support policy processes in Georgia and enable climate-resilient economic development. Macro-economic modelling of climate risks generates insights into broader and inter-sectoral economic impacts of climate change. An important result that macroeconomic models can provide are estimations on the long-term economic effects of specific adaptation measures regarding key economic indices (employment, GDP). Climate economic modelling can help to translate complex relationships into numbers and figures providing general understanding of impacts on the economy.

The structure of the CRED project policy support component pursues two interlinked objectives as follows:

Objective 1:
- Serve demand for evidence to evaluate concrete policy proposals with outcomes resulting in concrete policy recommendations;
- Facilitating the integration of modelling results into the decision-making processes with a pilot case, to illustrate the relevance of using modelling results as part of the evidence base for policy processes.

Objective 2:
- Establish a more sustainable framework in which local institutions use the modelling results, i.e. a sustainable communication link between line ministries

and institutions in charge of modelling (and as appropriate intermediaries, e.g. NGOs or think tanks providing evidence-based policy advice);
- Achieve outcomes with more strengthened networks between "model developers" and "model users" and strengthened capabilities to use modelling results as part of the evidence base for policy processes;
- Process structure to be based on existing institutions and frameworks ("Process for using E3 models" developed in first phase of CRED).
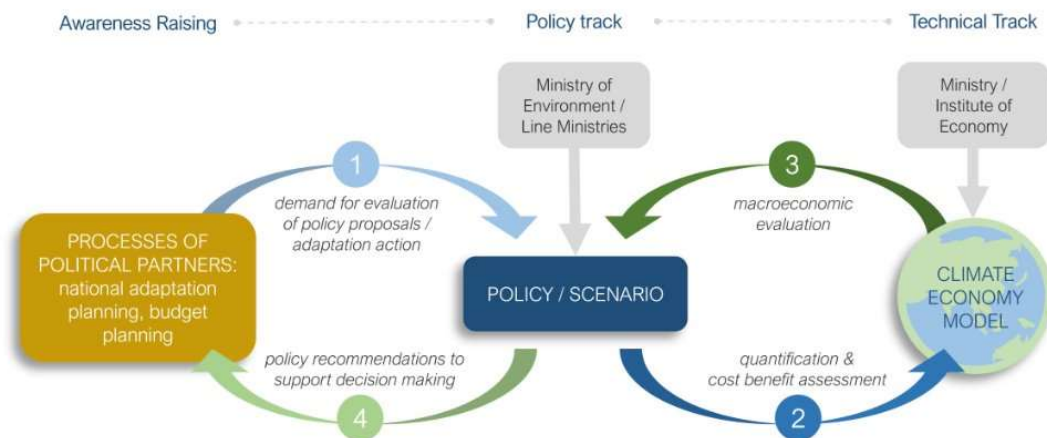

Fig. 1: The CRED stakeholder framework

2. Objective of the assignment:

The objective of the contract is to support policymakers and decision makers in Georgia to effectively integrate climate-sensitive macro-economic modelling results achieved with the CRED programme into their climate and economic development strategies/ plans and adaptation policies.

3. Methodology and tasks

Tasks:

- Support sectoral discussions and facilitate the integration of e3.ge modelling results into current and upcoming climate change and development planning, i.e., NDC, BTR, NAP, and sectoral plans, and engage relevant stakeholders.
- Provide advice on policy scenarios for modelling with e3.ge macroeconomic model for the economy sectors that are politically relevant.
- Provide advice on suitable policy entry points, scopes and formats for providing macroeconomic evidence for policy solutions/reforms in specific sectors within the context of climate change adaptation.

- Support communication and awareness raising activities of the project. This includes establishing links between potential users of the modelling results (sectorial research institutions, line ministries, NGOs, think tanks providing evidence-based policy advice) and economic modelers to strengthen the evidence base for policy processes.

The consultant will closely coordinate the work with GIZ and GIZ subcontractor - Berlin Economics project team.

4. Timeline and deliverables

Item	Tentative Timeframe
Analysis and concrete recommendations for effective policy entry points and integration of e3.ge policy scenarios for key sectors where such modelling is crucial for informed decision-making.	15.09.2024 – 30.09.2024
Coordination with MoESD, MEPA EIEC, MEPA CCD and relevant actors for integration of CRED macroeconomic evidence of policy solutions/reforms in the context of climate change adaptation with regards to ongoing process of development and finalization of Georgia NDC, BTR, NAP policies.	15.09.2024 – 14.02.2025
Draft report on recommendations on suitable scopes and formats for presenting and integration of the CRED approach and policy scenarios into the current climate and economic development strategies/ plans and adaptation policies.	21.10.2024
Final report on recommendations on suitable scopes and formats for presenting and integration of the CRED approach and policy scenarios into the current climate and economic development strategies/ plans and adaptation policies.	14.02.2025

The deliverables are to be submitted in English to the project team in Georgia.

5. Place and duration
The work takes place in Georgia with up to a total of 20 workdays from 15.09.2024 until 01.03.2025.

6. Required profile of the expert

1.1.1 General qualifications

Education: University Degree in Environmental Policy, Public Policy, Climate Studies, Law, or a related field.

Experience: Minimum of 5 years of professional experience in climate policy analysis, development, or related roles within climate change adaptation projects.
Demonstrated expertise in climate policy development, analysis, and integration into development planning.
Familiarity with legal frameworks and regulations related to climate change adaptation.
Understanding of climate change adaptation strategies, best practices, and their integration into policies.

Competencies Proven ability to engage with diverse stakeholders and build partnerships for policy development.
Proven ability to analyze data and translate findings into actionable recommendations.
Strong communication skills to effectively convey climate concepts to diverse audiences, both technical and non-technical.

1.1.3 Language Requirements: Fluency in both spoken and written Georgian and English.

7. Responsibilities of GIZ
- Providing relevant studies and literature as well as existing contacts;
- Providing feedbacks/comments on deliverable(s) submitted by the consultant(s);

8. Additional informational materials

CRED policy briefs for Georgia:

https://www.giz.de/en/downloads/giz2023-en-macromodel-inform-adaptation-planning-georgia.pdf

https://www.giz.de/en/downloads/giz2024-en-resilient-economic-growth-through-sectoral-adaptation-actions-in-georgia.pdf

https://www.giz.de/en/downloads/giz2021-en-georgia-sectoral-policy-brief-agriculture.pdf

https://www.giz.de/en/downloads/giz2021-en-georgia-sectoral-policy-brief-tourism-infrastructure.pdf

https://www.giz.de/en/downloads/giz2021_en_climate-hazards-analysis-georgia.pdf

https://www.giz.de/en/downloads/giz2022-en-macroeconomic-impacts-of-climate-change-and-adaptation-georgia.pdf