MINISTRY OF ECONOMY
AND SUSTAINABLE DEVELOPMENT
OF GEORGIA

Scaling Carbon Markets in CAREC: Lessons, Opportunities, and Regional Cooperation

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Georgia's Path to Carbon Market Readiness

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- Participation in Article 6 and voluntary markets is a strategic priority
- Clean energy, industry decarbonization, and innovation at the core
- Strong regional cooperation through CAREC

Focus areas:

- Energy-intensive sectors
- Electricity market reform
- Green hydrogen development

Industry Emissions & the CBAM Challenge

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- High-emitting sectors: cement, steel, fertilizers
- Exposure to EU Carbon Border Adjustment Mechanism (CBAM)
- Fertilizers: significant Georgian export to the EU
- Dual challenge: emission intensity + export competitiveness

Turning Industrial Challenge into Opportunity

- Engagement with industry for emission reduction strategies

Key actions:

- Integrated NECP targets for industry
- CBAM awareness campaigns
- Net metering and net billing programs
- Energy audits & ISO-aligned management systems

International Projects Under Development

- 43 MW solar plant proposed under Joint Crediting Mechanism (JCM)
- Exploring methane emission reduction in the gas transmission network
- Future participation in carbon credit generation mechanisms

MRVA System - Enabling Market Access

- Led by Ministry of Environmental Protection and Agriculture
- Core enabler for tracking emissions and mitigation outcomes
- MRVA capacity-building for public and private sectors
- Essential for Article 6 compliance and credit issuance

Electricity: A Low-Carbon Foundation

- 70% of electricity from renewables (mainly hydropower)
- Strategic expansion of wind and solar generation
- Regional relevance for scalable emissions reduction

Key Electricity Reforms Underway

- Two competitive capacity auctions for renewables
- Transmission infrastructure upgrades
- Guarantees of Origin since 2023:
    - 35 entities, 2,649 MW capacity
- Transposition of EU Directives 2018/2001 & 2019/944

Electricity & Carbon Markets

- Clean electricity export potential
- Carbon markets can enable results-based finance
- Ensures climate benefits are measurable, verifiable, and financeable

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Green Hydrogen - Strategic Asset for Georgia

- Strong potential due to renewable base
- Target: domestic use and export (including Black Sea corridor)
- Supported by development partners

National Hydrogen Strategy & Roadmap

- Developed:
  - Green Hydrogen Strategy
  - Roadmap
  - Action Plan
- Key focus:
  - Electrolyzer siting with renewables
  - Transport & certification infrastructure
  - Carbon credit potential from avoided emissions

Building Georgia's Carbon Market Future

- Decarbonizing industry & preparing for CBAM
- Reforming the electricity market
- Scaling clean energy
- Investing in hydrogen innovation
- Building MRVA systems for credibility
- Aligning carbon market efforts with development and climate goals

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Thank You!

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