

**Georgia Rural Development Strategy (2017-2020)**

**2017 Action Plan**

**Annual Report**

Tbilisi, Georgia

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**Annual Report on Rural Development Strategy of Georgia  
2017 Action Plan**

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## Summary

Over the course of several years, the government of Georgia has taken significant steps in the development of the country's rural areas, yet the rural development program as a state policy was only formed in 2017. Accordingly, Georgia's government elaborated the rural development strategy for 2017-2020, as well as an action-plan for 2017, which signifies a step forward in bringing Georgia closer to the EU. Throughout the entire process, most notable is the support extended by the EU within the framework of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD).

The Rural Development Strategy of 2017-2020 considers the priorities of the Georgian government and each sectoral or multi-sectoral development areas related to the Rural Development Strategy. The Rural Development Strategy consists of three priority areas: (1) economy and competitiveness, (2) social conditions and lifestyles and (3) environmental protection and the sustainable management of natural resources. The action plan of 2017 was planned and carried out in compliance with the strategy, forming 47 activities and 70 indicators of Realization. The planned budget allocation for financing the activities within the strategy amounted to ₾3.7 million and \$9,000.

86% of performance indicators (70) envisaged by the action plan were executed to completion, 11% of them were partially executed, (11%) carried out and 3% of the indicators have not yet been met. Compared to the targeted indicators, 44 indicators (63%) of 32 realized activities were realized with a surplus and accordingly, this factor affected the budget expenditures as well. For the implementation of the action plan, ₾548,486,829 and \$10,677 was spent. Furthermore, it should be noted, that a part of the activities that were realized was financed by donor organizations. Therefore, the budgetary indicators are not completely formed of the allocations extended by the donors.

The given report has detailed information about the Performance of the Rural Development Strategy of Georgia, 2017-2020 2017 action plan.

**Main indicators of the 2017 action plan:**

Priority area	Objective	Number of activities	Budget planned	Budget expenditure
<b>1. Economy and competitiveness</b>	1.1. Improvement of the economic side of the farming business, restructuring, and modernization through diversification and development of the supply chain.	8	₵125,270,000	₵122,679,521
	1.2. Diversification of rural economy through a strengthening of the agriculture related value chain and development of sustainable non-agricultural direction	1	₵32,050,000	₵23,690,958.9
	1.3. Development of tourism and tourism products in rural areas based on the rural area and its unique cultural identity	6	₵3,325,000	₵3,342,227.8
<b>2. Social conditions and the lifestyle</b>	2.1. Increase awareness about innovation and entrepreneurship. Encourage partnership (especially among youth and women) by facilitating skill-development and employment	11	₵21,087,960	₵23,720,673.8
	2.2. Improvement of the basic rural infrastructure (including roads leading to cultural heritage destinations and related infrastructure) and expand the availability of high-quality public services including the	13	₵190,510,105 \$9,000	₵374,299,301 \$10,677

	information and communication technology.			
	2.3. Increasing the inclusion of the rural population (especially youth and women) in determining the local needs and in finding the ways of solving these needs	2	₵40,000	₵44,260
<b>3. Environmental protection and the sustainable management of natural resources</b>	3.1. Improvement in the management of water, forest and other resources in targeted rural areas	2	₵120,000	₵310,000
	3.2. Support the development of sustainable waste management systems in rural areas	2	₵210,000	₵60,000.0 + Donor funding
	3.3. Implementation of mitigation measures for the potential negative impacts caused by climate change. Risk assessment	2	₵100,000	₵339,886

## Priority Area: 1. Economy and competitiveness

Priority area refers to the economy and its competitiveness and consists of three aims and 15 activities. The aims mostly form the activities undertaken by the state for reviving the farmer enterprises and increases in their competitive potential. Efforts are also directed to the diversification of economic activities in rural areas and the enhancement of tourism.

The total budget for the priority areas amounts to ₾160,645,000.

**Objective 1.1 Improvement of the economic side of the farming business, restructuring, and modernization through diversification and development of the supply chain.**

1.1 For meeting these goals, 8 activities were carried out in the reporting period in total. Among these activities were the development and broadening of the scope of the new rural enterprises, increasing of their competitive potential, enhancing the primary production of various agricultural products and their processing/storing opportunities, as well as improving overall export potential. Efforts in the development of the rural infrastructure and support of the cooperative farming and enterprising have also been intensified. The Ministry of Environmental Protection and Agriculture of Georgia realized all the above activities together with all the agencies functioning within its structure.

1.1 The estimated budget distributed for meeting the above-mentioned aim amounted to ₾125,270,000.

### **Because of implementing the activities directed at meeting the set goals, during 2017:**

- ⇒ The state extended support to 261 entrepreneurs
- ⇒ 1,400 hectares of land were planted with perennial plants (fruit trees, tea, and others)
- ⇒ Melioration and drainage systems were rehabilitated throughout 440 hectares of land.
- ⇒ Export of local agrarian food products increased to 49%.

**For meeting the goals set by aim 1.1 the entire estimated budget was spent on the planned activities (₦125,270,000). To implement the planned activities, in 2017 the state made expenditures amounting to ₦122, 679, 521.**

- **Activity 1.1.1:** Facilitation of the opening of new enterprises and/or expansion of the existing ones within the agriculture sector through the preferential agro credit programme.

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organization (implementer):** The N(N)LE Agricultural Projects Management Agency (APMA).

**The aim of the activity:** The activity is directed at supporting the start-up process, as well as the enlargement/modernization and broadening of the scope of already existing enterprises. The implementation of the activity is carried out within the framework of the state discount agro-credit program. The aim of the program is the enhancement of the primary production of various agricultural products and their processing and storage by broadening access to financial opportunities.

### Realized activities

In 2017, many activities and changes were introduced for the sake of improving the program. In particular:

- ✓ Because of the Larisation (De-dollarisation) policy, a set of changes and amendments were introduced within the framework of the program. Amount of credits in dollars were limited and loans were allowed only in the national currency. Thus, by restricting the issuance of the loans in dollars, the process of delivering credits in Georgian lari was intensified. This also assisted in decreasing the currency exchange risks in cases where long-term loans in the national currency were necessary.
- ✓ The maximum fixed term for loans (7 years) was canceled. This is because the income from the activities financed through the credit money often proved to be insufficient for complete coverage of the loan within the seven-year period. Furthermore, the period for co-financing was shortened and was defined as no more than 66 months following the issuance of the loan or its first tranche. This is the period, which will make possible the first income generation even from a long-term project.
- ✓ The terms of the interest rates have also been changed, making it possible to issue credits with both fixed and flexible (creeping) interest rates. Based on the aims of the preferential Agro-project, to increase accessibility to a long-term credit resource, the flexible interest rate was set up, which will enable the commercial banks to issue long-term credits.
- ✓ The change was also carried out about secondary security (collateral). The secondary security will anyway be in force even if the first security is being only by the property, which will be either completely or partially financed by the borrowed amount.

The program was developed uninterrupted. Consultations concerning the borrowing procedures and opportunities were held with potential and standing beneficiaries, as well as with the representatives of the financial institutions in the form of direct communication, presentations, meetings, call centers, TV programs and other means of support.

Under the decree of the government of Georgia and in compliance with the amendments entered in the project, the agreements were made with both the financial institutions and the stakeholders of the process. For increasing awareness and accessibility to the program, visits were held across various regions of Georgia and the reports drafted about the new enterprises, as well as on refurbishing/extending the scope of the existing enterprises.

## **Indicators realization and budget expenditure**

The number of credits extended to beneficiaries within the reporting period amounted to 2,400 and the total volume of the credit resources equaled to ₾276,298,612 and \$4,356,223. Fifteen new enterprises came to be with investments amounting to \$12, 440, 947 in total. From the above volume of funding and within the framework of the program, credits amounting to \$4,437,947 were issued and the co-financing amounts extended by the beneficiaries equaled to \$8,003,000. 521 persons were employed in the newly-opened enterprises and among them, 75 people were offered seasonal jobs. During 2017, because of the implementation of Activity 1.1.1, financial assistance was extended to 169 enterprises (instead of 110 planned), some of which were set up and others received financial aid for modernization and refurbishment of already existing facilities.

The state's co-financing share was ₾48,480,249 instead of the preliminary amount of ₾47,000,000 that was planned.

<b>Activity 1.1.1: Facilitation of the opening of new enterprises and/or expansion of the existing ones within the agriculture sector through the preferential agro credit programme</b>	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia.	
<b>Partner organization (Realized):</b> The N(N)LE Agricultural Projects Management Agency (APMA).	
Planned:	Performance Indicator
Financial support will be provided to 110 new and existing enterprises for expansion /technological upgrade/ modernization	<b>Realized:</b> 169 new and existing enterprises for expansion /technological upgrade/ modernization supported
<b>Budget</b>	
<b>Estimated:</b> ₾47,000,000	<b>Executed:</b> ₾48,480,249
<b>Realized with a surplus</b>	

- Activity 1.1.2. Reduction of risks and improving the competitiveness of agro-production by providing agro-insurance

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organization (implementer):** N(N)LE Agricultural Projects Management Agency (APMA).

**The aim of the activity:** the activity is directed towards supporting the companies running in the agricultural sector and aims to reduce the risks caused by natural occurrences. The program envisages insurance for about 5 hectares of land plots (planted with crops and other horticulture) to protect them from the losses inflicted by hail, flood or frosts.

## **Realized activities:**

During 2017, the necessary agreements were made with the insurance companies and visits were carried out across the regions where the local population was provided with detailed information about the terms of the agro-insurance programs. The visits also aimed at reviewing the assessment process of the damages inflicted upon the regions. TV programs covered the activity. Documentary monitoring of the insurance policies was also carried out and financial resources were transferred for providing insurances bonuses. The amendments to be entered in the 2018 program for raising its effectiveness were also defined and consultations with the insurance companies were started.

## **Indicators realization and budget expenditure**

In total, 21, 394 insurance policies were delivered for protecting agricultural products and agrarian activities in 2017. The amount paid for insuring the harvest totaled ₾138,727,403 and the share of the bonuses paid by the agency came to ₾7,410,121.

In 2017, the volume of insured land amounted to 20, 717 hectares.

<b>Activity 1.1.2: Reduction of risks and improving the competitiveness of agro-production by providing agro-insurance</b>	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia.	
<b>Partner organization (implementer):</b> The N(N)LE Agricultural Projects Management Agency (APMA)	
Performance Indicator	
<b>Planned:</b> Insurance of plots of up to 5,000 Ha	<b>Realized:</b> 20,717 ha land plots insurance
Budget	
<b>Estimated:</b> ₾7,000,000	<b>Executed:</b> ₾7,108,100
Realized with a surplus	

- **Activity 1.1.3:** Facilitate the creation of new intensive/semi-intensive fruit gardens and high-quality nursery gardens within the framework of state program 'Plant the Future'.

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner Organization (implementer):** The N(N)LE Agricultural Projects Management Agency (APMA).

**The aim of the activity:** the activity is directed towards supporting the cultivation of the perennial plants and the construction of nurseries for growing young plants, which is under

implementation within the framework of the *Plant the Future* State Program. The program consists of two principal areas: 1) Financial support for the development of the perennial fruit gardens [orchards] and 2) Financial support for growing young trees of local production with a clean phytosanitary background.

### **Realized activities:**

During the reporting period, in cooperation with the local government, more than 20 visits were carried out across the regions for inspecting the gardens planted within the framework of the program, studying the existing problems and for the popularization of the program at large. Television media covered the process. Delivering information to the population was also ensured by the relevant TV programs.

Furthermore, as a form of technical support, the beneficiaries were offered workshops on the issue of primary standard (GLOBAL GAP), which were held in various regions. The beneficiaries were provided with the necessary finances to attend the training courses held by the Science Research Center (LEPL) on the theme of modern aspects of production in theory, as well as in practice (choice of the species, pruning and providing a form to the plants and protection of their integrity).

Amendments were added to the project, particularly as it regards plant nurseries. As a result, beneficiaries were given the opportunity to cultivate only one type of young perennial tree. In addition, the penal sanctions became stricter on the agency level. The sanctions will be used by the beneficiaries in the case a violation of the conditions of the co-financing agreement is uncovered.

For increasing the overall awareness and accessibility of the program, visits were carried out in the gardens planted within the framework of the program and the results of the inspections were publicized through various mass media facilities.

### **Indicators realization and budget expenditure**

The realized indicator formed the following: 1) planting the fruit gardens with perennial plants and 2) financial support to building the new nursery facilities throughout 2017:

1. For planting the fruit gardens with perennial plants, the agency reviewed and endorsed 306 applications. Co-financing extended by the agency amounted to ₷10,082,515 and instead of the estimated ₷7,000,000, the costs associated with the implementation of the entire activity came to ₷10,960,583.
2. Co-financing of the nursery facilities was not carried out in 2017, because the applications delivered to the agency did not follow the conditions stipulated in the program and eventually, this had an impact on the budget discharge, as well as the Performance of the indicators.

**Activity 1.1.3: Facilitate the creation of new intensive/semi-intensive fruit gardens and high-quality nursery gardens within the framework of state program 'Plant the Future'.**

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner Organization:** The N(N)LE Agricultural Projects Management Agency (APMA)

<b>Performance Indicators</b>	
<b>Planned:</b> a) 700 ha of new modern intensive and semi-intensive perennial garden plantation b) Plantation of two new nursery gardens	<b>Realized</b> a) 1,080.5 ha of new modern intensive and semi-intensive perennial garden planted b) New nursery facility for growing young trees has not been constructed.
<b>Budget</b>	
<b>Estimated:</b> ₾7,000,000	<b>Executed:</b> ₾10,960,589
<b>Realized partially</b> - Planting fruit gardens with perennial cultures were completed with a surplus. - New nursery facility for growing young trees has not been constructed.	

- **Activity 1.1.4:** Facilitation of Georgian tea production within the state program 'Georgian Tea'

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner Organization (implementer):** The N(N)LE Agricultural Projects Management Agency (APMA).

**The aim of the activity:** Growing the tea plantations and supporting local tea production via co-financing their rehabilitation. The activity was carried out within the framework of the state program on rehabilitation of the tea plantations.

**Realized activities:**

In 2017, visits were made to the Imereti, Guria and Samegrelo regions, as well as in the Adjara region. For rehabilitation of the tea plantations, several additional companies were selected. To popularize the program, TV programs were made about the stakeholders, the potential beneficiaries and about the general development of the program.

The program involved 18 beneficiaries and the total space of the tea plantations designed for rehabilitation totaled 347 hectares. The rehabilitation work undertaken in the plantations totaled ₾886,621 and the money obtained from co-financing reached ₾618, 588.

Some of the main hindering factors in the effective development of the plan were the failure to complete the rehabilitation work in compliance with the fixed agro-time limits and undue delays in registering unregistered plantations. Through daily communications with the

beneficiaries and by other consultation forms and assistance means, the target thresholds of performance indicator have been met.

### **Indicators realization and budget expenditure**

In 2017, 313 hectares of tea plantations were rehabilitated. For program development, the state expenditures amounted to ₾661,024, instead of the ₾400,000 planned.

<b>Activity 1.1.4: Facilitation of Georgian tea production within the state program 'Georgian Tea'</b>	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia.	
<b>Partner Organization (implementer):</b> The N(N)LE Agricultural Projects Management Agency (APMA)	
Performance Indicators	
<b>Planned:</b> Area of rehabilitated tea plantations estimated to be 180 Ha	<b>Realized:</b> 313 ha tea plantations rehabilitated
Budget	
<b>Estimated:</b> ₾400,000	<b>Executed:</b> ₾661,024
<u>Realized with a surplus</u>	

- **Activity 1.1.5:** Facilitation of Agro-processing and storage enterprise creation

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organization:** The N(N)LE Agricultural Projects Management Agency (APMA)

**The aim of the activity:** Enhancing the construction of the necessary facilities for storing and processing agricultural products by way of financial assistance. The activity was carried out within the framework of the state co-financing program designed for the development of the necessary facilities for storing and processing agricultural products.

### **Realized activities**

In 2017, for improving the project, changes in the project's documentation was undertaken, which was endorsed by the government of Georgia. The reports were made and the process of opening the new facilities was broadly covered by the mass media. The certificates (awarded to the project's beneficiary enterprises) testifying the implementation of the international standards within the framework of the technical assistance extended to the agency, were published on the agency website, as well as within other social networks.

In 2017, financial aid was extended to the projects that followed the terms set out in the project. Training courses were held for the beneficiaries. Among them and within the frames

of the technical assistance, two training courses were held on management and food safety (GLOBAL GAP). The beneficiaries were assisted in the implementation of the HACCP and ISO2200 standards. The new enterprises, which started their operation within the frames of the project, took part in local and international exhibitions under the assistance of the state. In total, 29 new enterprises were set up in 18 municipalities.

#### **Indicators realization and budget expenditure**

In 2017, under the financial aid provided, 12 applications were endorsed for the sake of setting up the new enterprises and their further development. The total cost of the project amounted to ₾8,388,673 and \$4,352,032 respectively. The state's share of the co-financing effort totaled ₾2,310,308 and \$1,585,474 respectively.

Accordingly, instead of 6 new enterprises, financial aid was extended to help open 12 new enterprises. Furthermore, the estimated budget was partially executed and instead of the estimated ₾5,000,000, it totaled only ₾2,950,249.

<b>Activity 1.1.5: Facilitation of Agro-processing and storage enterprise creation</b>	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia.	
<b>Partner Organization (implementer):</b> The N(N)LE Agricultural Projects Management Agency (APMA)	
<b>Performance Indicator</b>	
<b>Planned:</b> Financial support will be provided for the creation of at least 6 enterprises	<b>Realized:</b> Creation of 12 enterprises supported
<b>Budget</b>	
<b>Estimated:</b> ₾5,000,000	<b>Executed:</b> ₾2,950,249
<b>Indicator realized with a surplus</b> <b>Budget executed partially</b>	

- **Activity 1.1.6:** Modernization/improvement of the amelioration systems located in rural areas in order to increase fertility

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organization (implementer):** the JSC Georgian Amelioration

**The aim of the Activity:** The improvement of irrigation and melioration infrastructure in rural areas.

#### **Realized activities**

In 2017, for improving the melioration and irrigation systems in Georgia's rural areas, much important work was carried out. Among them were the following:

- ✓ The rehabilitation of arterial canals and a set of water distribution points, as well as an inland irrigation network and all other related infrastructure
- ✓ Tiling/renovation of the canals and in the case of necessity, the arrangement of additional distribution canals and other hydro-technical facilities
- ✓ The construction of small-scale water pumping stations for the aim of providing irrigation water for the villages found across the border of the conflict areas
- ✓ Rehabilitation of existing pumping stations and then connecting them to the energy supply network
- ✓ An arrangement of new water-source facilities, the restoration of the existing electric mechanical systems and/or replacing them with entirely new equipment
- ✓ Rehabilitation work carried out about the collector (drainage) network in the melioration system zones
- ✓ The rehabilitation of main water collector canals and inland drainage networks
- ✓ Rehabilitation of the drainage system in the Kolkheti Valley

In 2017, in 6 regions of Georgia (Shida Kartli, Kvemo Kartli, Samtskhe-Javakheti, Mtskheta-Mtianeti, Kakheti and Imereti (19 municipalities in total), 42 projects were completed. These projects undertook the rehabilitation of irrigation canals, the repair of the water-source and pumping constructions, as well as the arrangement of the water distribution points and repair of the inland networks.

During the same period, to improve the drainage system, various cleaning and rehabilitation work was carried out in the Mtskheta-Mtianeti, Samegrelo-Zemo Svaneti Guria and Adjara regions (8 municipalities in total).

#### **Indicators realization and budget expenditure**

In 2017, work directed towards providing water supplies for the irrigation of 17,500 hectares of land was realized, instead of the 7,500 hectares that were preliminary planned. Instead of 130 hectares, about 440 hectares of the new meliorated land has been used. The volume of rehabilitated drained land amounts to 2,500 hectares instead of 1,600 hectares, as preliminarily planned. In the reporting period, the cleaning and repair of 2,042 km-long irrigation and drainage channels were also carried out, instead of the 800 km long channels that were preliminarily planned. Furthermore, instead of the estimated 70 km, pipelines of 29 km in length were repaired or replaced anew. Instead of the estimated ₾48,000,000, only ₾41,900,000 was spent on the above-mentioned work.

**Activity 1.1.6: Modernization/improvement of the amelioration systems located in rural areas in order to increase fertility**

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

<b>Partner organization (implementer):</b> The JSC Georgian Amelioration	
<b>Performance Indicators</b>	
<b>Planned:</b>	<b>Realized:</b>
<ol style="list-style-type: none"> <li>1. Improvement of water supply system to 7,500 Ha of ameliorated land</li> <li>2. New arable lands are adapted - 130 Ha</li> <li>3. Rehabilitated of dried land - 1,600 Ha</li> <li>4. Around 800 km of irrigation and drainage channels will be cleaned and improved</li> <li>5. 70 km of pipeline will be repaired and replaced</li> </ol>	<ol style="list-style-type: none"> <li>1. Water supply system to 17,500 ha of ameliorated land improved</li> <li>2. 440 ha new arable lands are adapted</li> <li>3. 2,500 ha dried land rehabilitated</li> <li>4. d) 2,042 km of irrigation and drainage channels cleaned and improved</li> <li>5. e) 29 km of pipeline repaired and replaced. Note: The indicator completed partially.</li> </ol>
<b>Budget</b>	
<b>Estimated:</b> ₾48,000,000	<b>Executed:</b> ₾41,900,000
<b>Realized with a surplus</b>	
<p>-First, second, third and fourth indicators are realized in surplus, the fifth indicator is Realized only in part.</p> <p>- The budget executed partially.</p>	

- **Activity 1.1.7:** Facilitate the export of Georgian Agro products through promotional means.

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organization (implementer):** the LEPL National Wine Agency

**The aim of the activity:** Enhancing the export growth of Georgian agricultural products by way of their popularization across international markets.

#### **Realized activities**

In 2017, the Ministry of Environmental Protection and Agriculture of Georgia, as well as the LEPL National Wine Agency carried out important activities to popularize and enhance the growth and export potential of Georgian agricultural products.

Under the management of the Ministry of Environmental Protection and Agriculture of Georgia, the manufacturers of agricultural products were given the opportunity to take part in various local and international exhibitions among others, to increase awareness about Georgian products by way of its popularization and promotion. The activities that were carried out are as follows:

- ✓ Local companies took part in the “Green Weekly” event in Berlin, Germany, “Gulf Food 2017” in Dubai, United Arab Emirates, “Caspian Argo 2017” in Baku, Azerbaijan and Istanbul (Turkey), “Belagro 2017” in Minsk, Belarus, in Riga (Latvia) and in 7 more internationally-organized events (exhibitions, sales and degustation), where Georgian agricultural products and alcoholic drinks and other Georgian-produced beverages were showed on full scale.
- ✓ Furthermore, in April of 2017, international “Tbilisi Tea Festival” was held with the participation of both local and foreign tea producers.
- ✓ In May 2017, within the framework of the festivities dedicated to Georgia’s Independence Day, various agrarian products manufactured and financed within the frames of the various state programs were presented at various exhibitions promoting Georgian honey and honey products, varieties of wine and cheeses, fruit preserves and juices, olives and mushrooms.
- ✓ In November of 2017, the Cheese Festival was held with the participation of all 50 manufacturing companies presenting several types of cheeses. During the festival, wine and honey-producing companies also presented their product.

Within the framework of the above-mentioned events, bilateral meetings and negotiations were held between the representatives of Georgian and foreign companies about the export opportunities of local Georgian product. Among them:

- ✓ During the “Green Weekly” event, bilateral meetings were arranged among the Ministers of Agriculture of various countries.
- ✓ Within the framework of the “Gulf Food 2017” event, Georgian blackberry was exported abroad, occupying a due place in the renowned network of LULU hypermarkets.
- ✓ During the “Belagro 2017” exhibition, negotiations got underway on the issue of future cooperation with the company GIUAN and the talks are ongoing.
- ✓ The issue of setting up a choice center for improving cattle breeds was discussed with the authorities of the “Бельплемжив” Enterprise and with this in view, representatives of the company visited Georgia in the format of a working visit. In the current period, the negotiations on finding the location of the future center and discussions centering on the issues related to the project are ongoing.
- ✓ During the “Riga Food 2017” exhibition, a Georgian cooperative “Ska” negotiated with the representatives of the Arab Cooperative and received an offer on the export of 150 tons of Georgian honey.

According to the 2017 data, the export of Georgian agro-food products has increased to many export markets; among them are Germany (52.3%)<sup>1</sup> United Arab Emirates (40%), Belarus (36%), Latvia (43%) and Azerbaijan (a 300% increase times).

In 2017, for increasing the popularization and export opportunities for Georgian wine and under the assistance of the (LEPL) National Wine Company, Georgian wines and wine companies were represented at 22 international exhibitions in 11 countries of the world.

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<sup>1</sup> Note: hazelnuts are considered neither in their primary condition nor in their processed form.

More than 200 activities were carried out worldwide at various exhibitions, wine-tasting events, presentations, seminars and meetings held in the USA, China, Hong Kong, Singapore, France, Netherlands, Great Britain, Germany, the Baltic countries, Japan, Poland, Belgium, and Sweden.

**It should be particularly emphasized, that in the French town of Bordeaux, which has widely been acknowledged to be one of the world centers of viticulture (wine civilization, Cite des Civilisations Du Vin), the exhibition entitled “Georgia - Cradle of Wine” lasted for about four months. The exhibition opened on July 31 and on September 14, a Georgian kvevri (ceramic vessel for storing wine) was installed in the center of the main entrance as a permanent exhibition piece. This fact alluded to the decision of UNESCO on placing the Georgian traditional wine-making methods on the list of world heritage of immaterial cultural monuments.**

Based on the analysis, the following strategic and priority markets were selected: China, the USA, Poland, Japan, the Baltic countries, and the United Kingdom of Great Britain.

Except for active participation in international events, under the management of the National Wine Agency, in 2017 many wine professionals visited Georgia and tasted Georgian wine on the spot and they also learned a lot about the Georgian vinicultural traditions. Guests from the International Vine and Wine Organization (OIV), from the USA, Japan, the Netherlands, China, and Great Britain were among the visitors. Representatives from various professional mass media facilities also frequented Georgia.

An unprecedented indicator of wine export was recognized in 2017: 76.7 million bottles (0.75 liters) of wine were exported to 53 countries, which is 54% higher compared to a similar indicator of 2016 with the revenue amounting to \$170 million (49% higher compared to 2016). Throughout this period, 250 companies undertook wine export. In total, the income generated from the export of wine, brandy, chacha (Georgian vodka), unbottled brandy, wine materials and spirits for making brandy reached \$283.8 million USD (46% higher compared to similar indicators of 2016).

### **Indicators realization and budget expenditure**

Throughout 2017, under the assistance of the Ministry of Environmental Protection and Agriculture of Georgia and the National Wine Agency, Georgian wine and agro-food production were presented at 30 international events, instead of the 10 that were initially planned. In 2017, wine exports amounted to \$283.8 million USD, which is 46% higher compared to similar indicators of 2016.

Instead of the estimated budget of ₩6,000,000 distributed for participation in the above-mentioned events, ₩7,888,979 was spent with ₩6,890,000 distributed by the National Wine

Agency and ₾991,979,000 invested by the Ministry of Environmental Protection and Agriculture of Georgia.

<b>Activity 1.1.7: Facilitate the export of Georgian Agro products through promotional means</b>	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia.	
<b>Partner Organization (implementer):</b> The National Wine Agency (LEPL)	
<b>Performance Indicators</b>	
<b>Planned:</b> Participate in at least 10 international exhibitions to increase Georgian wine and Agro-product awareness.	<b>Realized:</b> 30 international exhibitions to increase Georgian wine and Agro-product awareness conducted (the wine export has been increased by 49% in 2017 against to 2016)
<b>Budget</b>	
<b>Estimated:</b> ₾6,000,000	<b>Executed:</b> ₾7,881,979
<b><u>Realized with a surplus</u></b>	

- **Activity 1.1.8:** Facilitate the establishment of co-operatives via the support of Agro co-operatives in order to promote entrepreneurship in rural areas

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner Organization (implementer):** the LEPL Agricultural Cooperatives Development Agency

**The aim of the activity:** The enhancement of enterprise in rural areas. The increase of agricultural production and competitiveness by extending financial support and other types of a technical aide to the enterprises in cooperation. The activity was realized within the framework of state programs designed for supporting honey-making, dairy production, and winery cooperation.

#### **Realized activities**

In 2017, many activities were realized aimed at the development of honey making, dairy production and winery areas by way of the enhancement of cooperative enterprise in rural areas.

- Support of cooperative enterprise in the fields of winery and milk production.

**The state program for supporting cooperative enterprise in the field of winery and milk production.**

The aim of the program is to support the development of cooperative enterprising and by joint activities, to enhance wine production and stimulate the construction of new facilities equipped with modern technologies for the treatment and processing grapes. These activities will assist in the growth of the competitive potential of wine as a final product.

In the Kakheti region, specifically the Telavi and Kvareli municipalities, three processing facilities were opened within the framework of the state program for supporting cooperative enterprising in the field of wine production. More than 60 stakeholders were involved in joint activities that took place among three cooperative enterprises supported by the state program. The size of the vineyards at the disposal of those cooperatives exceeded 70 hectares.

Each stakeholder participating in the 'State Program for Supporting Wine Producing Cooperative Enterprises' received all the necessary equipment for the primary processing of 100 tons of grapes. The cooperation on their behalf ensured the construction of the buildings for the required facilities. Involvement in the State Program gave the members of the cooperatives opportunity to generate income not only from the realization of the grapes but from the realization of wine as well. The program was first realized in 2017.

#### State Support Program for the milk-producing cooperatives in rural areas

The program aims to assist delivery/processing enterprises that are equipped with modern technologies for processing raw milk, increase the quality of milk and dairy products, as well as improving the breed of their cattle. The cooperative enterprises will be given the opportunity to receive milk under full observance of the acknowledged standards. This will enable them to deliver milk jointly to the processing plants and receive milk from the stakeholder cooperators. They will produce dairy products, which will enhance income generation for them within the framework of the production cycle.

In 2017, 10 rural cooperatives consisting of 167 stakeholders (with 2,297 cows in their possession) were provided equipment of various capacity that can be used for receiving and processing milk. They were also equipped with field laboratory facilities for controlling the quality of fresh milk. Participants of the program also received the necessary equipment for improving the breed of their cattle and the tools for artificial insemination to increase their productivity.

The State Program imposed an obligation upon the participating cooperatives whereby they must construct the proper buildings for finding the tools and equipment that were delivered to them within the frames of capital investment.

It is worth mentioning the fact that the support program for the milk-producing cooperatives existed in earlier years as well. Therefore, income generated by the cooperating enterprises was well-known and the demand for the program was growing in 2017 too. In total, from

2016-2017, 19 rural cooperative enterprises were financed in eight municipalities of the country.

#### The State Programme for Supporting Bee farms of Agricultural Cooperatives

This program is aimed at improving the material and technical provision of bee farms located on the agricultural cooperatives, as well as increasing both the quantity and quality of honey and other bee products.

In 2017, 4,592 hives (wooden and phenolpolitrol) were delivered to 67 bee farms belonging to agricultural cooperatives, unifying 799 partners. In addition, 286 partners of 25 agricultural cooperatives received 55,000-liter volume containers for storing honey, 21 honey extractors were transferred to 21 cooperatives and 22 honeycomb blades to 22 cooperatives.

It should be mentioned that since the program for supporting bee cooperatives had been continued in previous years and public awareness of its benefits was high, demand for the program was also high. In total, 231 agricultural cooperatives were funded in 42 municipalities in 2016 – 2017.

##### ➤ Implementation of international standards in cooperatives

In 2017, only preparatory work had been carried out with regard to the implementation of international standards as they relate to food production (ISO, Global Gap, HACCP) among agricultural cooperatives. As such, a memorandum of cooperation in the field of technical assistance was signed between the Agricultural Cooperative Development Agency and USAID – REAP. The decree of the government has been prepared and adopted, according to which, the implementation of particular activities will begin in 2018.

#### **Indicators realization and budget expenditure**

During 2017, instead of planned 10 cooperatives, 13 (including 10 Dairy producer and 3 viticulture cooperatives) agricultural cooperatives were provided with grapes/dairy storing-processing equipment; instead of 28 bee cooperatives, 67 ones were equipped with necessary types of equipment; no international standards (ISO, Global Gap, HACCP) were established in the cooperatives, only preparatory works were carried out

The Aim of implementing the above-mentioned activities – particularly of two of them (equipping grapes/dairy reception-processing and bee cooperatives) – ₾2,737,331 was spent instead of the estimated budget of ₾4,870,000 for all activities.

**Activity 1.1.8: Facilitate the establishment of co-operatives via the support of Agro co-operatives in order to promote entrepreneurship in rural areas**

**Responsible authority:** The Ministry of Environmental and Agriculture of Georgia

<b>Partner organization (implementer):</b> the LEPL Agricultural Cooperatives Development Agency	
<b>Performance Indicators</b>	
<b>Planned:</b> a) Up to approximately 10 cooperatives are equipped with grape and/or milk receiving-manufacturing equipment b) Approximately 28 cooperatives are equipped with honey and bee products production equipment (hives, strainers, tanks, honeycomb cutter) c) International standards will be implemented (ISO, Global Gap, HACCP) in approximately 7 cooperatives	<b>Realized:</b> a) 13 cooperatives are equipped with grape and/or milk receiving-manufacturing equipment b) 67 cooperatives are equipped with honey and bee products production equipment (hives, strainers, tanks, honeycomb cutter) c) international standards (ISO, Global Gap, HACCP) are not Realized in the cooperatives. However, preparatory work was realized.
<b>Budget</b>	
<b>Estimated:</b> ₾4,870,000.0	<b>Executed:</b> ₾2,737,331
<b>Almost realized</b> - The first and second indicators were excessively realized, the third indicator has not been realized - The budget has been partially executed	

Objective 1.2. Diversification of rural economy through a strengthening of the agriculture-related value chain and development of sustainable non-agricultural direction

1.2 for the purpose of meeting the objective – diversification of rural economy through a strengthening of the agriculture-related value chain and development of sustainable non-agricultural direction, one activity was realized which covered the development of industrial production and the promotion of micro and small entrepreneurship within the framework of the state programme ‘Produce in Georgia’.

The budget for the activity to be realized within the framework of the objective was set at ₾32,050,000 in total.

**As a result of the realized activity to achieve the objective in 2017, the following was supported:**

- ⇒ 174 medium companies within the non-agricultural area resulted in the employment of more than 7,600 people
- ⇒ 3,489 micro and small entrepreneurs;
- ⇒ Capacity-building of more than 5,694 people

**1.2 estimated budget for the activities planned for achieving the objective - 32,050,000.0 GEL, is mostly executed. In 2017, the state spent - 23,690,958.9 for implementation of the activity.**

- **Activity 1.2.1:** Support industrial, micro and small size entrepreneurs via the 'Produce in Georgia' state program.

**Responsible authority:** the LEPL Entrepreneurship Development Agency

**Partner organizations (implementers):** the Ministry of Economy and Sustainable Development of Georgia; the LEPL National Agency of State Property; the LEPL-Agricultural Project Management Agency.

**The aim of the activity:** The diversification of the rural economy and income sources respectively by promoting non-agricultural entrepreneurship through the establishment of new enterprises and the expansion and re-equipment of existing enterprises, as well as the provision of financial and technical assistance towards the development of micro and small entrepreneurship.

### **Realized activities**

Over the course of 2017 and within the framework of the component – access to finances – of the state programme Produce in Georgia, the LEPL Entrepreneurship Development Agency signed agreements with 64 beneficiary companies on co-funding credit and leasing interests in various areas, including furniture, mineral waters, the production of construction materials, the printing industry and others in the Imereti, Mtskheta – Mtianeti, Samtskhe Javakheti, Samegrelo Zemo Svaneti and the Kvemo Kartli regions. The total investment came to ₾395 million and a number of employed exceeded 7,600. Within the framework of Produce in Georgia (the promotion of micro and small entrepreneurship), 2,109 business projects (3,498 beneficiaries) were funded and 5,694 were retrained.

With regard to the access to finances component of the state programme Produce in Georgia, the peculiarity of the programme is taken into consideration, according to which the agency co-finances the beneficiary over the course of two years upon signing an agreement. Despite the engagement of 64 companies in the programme during 2017, the agency co-founded 174 beneficiary companies (contracted in 2015-2016), the same applied to employment, the indicator of which is higher than 9000.

### **Indicators realization and budget expenditure**

In 2017, the Produce in Georgia programme provided the following:

- ✓ 174 companies, including 64 new companies, received financial support within the framework of the industrial production component. A total volume of the investment

was ₾395 million instead of ₾320. It should be mentioned that the budget was planned to take into consideration the issuance of a commercial loan in the amount of ₾320 million. However, the instability of the exchange rate had a negative impact on the total volume of commercial loans taken by beneficiary companies. The number of people employed in current projects was 7,639, among them in new projects more than 2,100 people were employed.

- ✓ Within the framework of the development of micro and small entrepreneurship, financial support was provided to 3,498 beneficiaries, with the number of business projects reaching 2,109.

For the purpose of implementing above-mentioned projects, ₾23,690,958 was spent instead of the estimated budget of ₾32,050,000.

<b>Activity 1.2.1: Support industrial, micro and small size entrepreneurs via the 'Produce in Georgia' state program</b>	
<b>Responsible authority: the LEPL Entrepreneurship Development Agency</b>	
<b>Partner organizations:</b> the Ministry of Economy and Sustainable Development of Georgia; the LEPL National Agency of State Property; the LEPL-Agricultural Project Management Agency.	
<b>Performance Indicators</b>	
<b>Planned:</b>	<b>Realized:</b>
a) Number of projects: up to 150 (amount of total investment: GEL 320 million) b) Number of jobs created: up to 8,000 c) Number of micro and small enterprises (beneficiaries) created in the region: up to 1,300 d) Number of trained beneficiaries: up to 3,000	a) 174 projects implemented (amount of total investment: GEL 395 million) b) 7639 jobs created c) 3,498 beneficiaries created micro and small enterprises in the region, including 2,109 from new projects d) 5694 beneficiaries trained
<b>Budget</b>	
<b>Estimated:</b> ₾32,050,000	<b>Executed:</b> ₾23,690,958
<b>Indicators realized with a surplus</b> <b>A budget was partially executed</b>	

Objective 1.3. Rural tourism: development of tourism and tourism products in rural areas based on the rural area and its unique cultural identity

1.3 For the purpose of meeting the objective, six activities were realized in different areas, including the development of hotels, the promotion of internal tourism, in particular, the development of small tourist infrastructure and tourist products; as well as the promotion of wine tourism and the improvement of tourist service skills.

**As a result of the activities realized in order to achieve these objectives, in 2017 the state supported the following:**

- ⇒ Construction – the development of 34 hotels of which, more than 1,100 people were employed
- ⇒ Retraining of 1,318 representatives and improving the professional skills of the employees of the companies operating within the tourism sector

**1.3 the estimated budget for the implementation of the activities planned for meeting the objective was ₾3,325,000. Over the course of 2017, the state spent ₾3,342,227 for the implementation of the activities.**

- **Activity 1.3.1:** Facilitate hotel development through the hotel industry support component via the 'Produce in Georgia' state program

**Responsible authority:** the LEPL Entrepreneurship Development Agency

**Partner organization (implementer):** the Ministry of Economy and Sustainable Development of Georgia

**The aim of the activity:** To promote rural tourism by providing financial and technical assistance towards the development of tourist infrastructure – in particular of hotels.

### **Realized activities**

In 2017, and within the framework of the component of promoting the hotel industry as part of the state programme “Produce in Georgia”, agreements were signed with 22 new companies operating in the regions of (Mtskheta-Mtianeti, Samtskhe-Javakheti, Kakheti, Samegrelo Zemo Svaneti, Imereti and Guria), with the aim of developing the hotels in compliance with the standards provided by the project. The number of people employed in the new projects was 750 and the number of rooms compiled came to 697.

Additionally, a peculiarity of the programme has to be recognized, that the agency co-finances the beneficiary during two years after signing the agreement. Consequently, within the framework of the hotel promotion component, in total, 34 beneficiaries were funded in 2017 (a portion of them were contracted in 2015 – 2016). The volume of total investments came to ₾96 million, while the employment indicator was 1,100 (among them 579 people were employed in new projects).

### **Indicators realization and budget expenditure**

In 2017, and within the framework of hotel industry support component of the state programme “Produce in Georgia”, financial support was provided to 34 companies instead of 30, including contracts signed regarding the construction and/or development of 22 new hotels. The total volume of investments came to ₾96 million, instead of the proposed ₾40

million. 1,100 people were funded instead of 800. The total number of rooms among the hotels that received support came to 1,021.

The budget provided for promoting the development of the hotel industry totaled ₾1,679,375 instead of the Estimated ₾1,500,000.

<b>Activity 1.3.1: Facilitate hotel development through the hotel industry support component via the 'Produce in Georgia' state program</b>	
<b>Responsible authority:</b> the LEPL Entrepreneurship Development Agency	
<b>Partner organization (implementer):</b> the Ministry of Economy and Sustainable Development of Georgia	
<b>Performance indicators</b>	
<b>Planned:</b> a) Number of projects: up to 30 (amount of total investment: up to GEL 40 million b) Number of jobs created: up to 800 c) Number of new rooms: up to 700	<b>Realized:</b> a) 34 projects implemented (amount of total investment: up to GEL 96 million) b) 1100 jobs created c) 1021 new rooms
<b>Budget</b>	
<b>Estimated:</b> ₾1,500,000	<b>Executed:</b> ₾1,679,375.
<b>Realized with a surplus</b>	

- **Activity 1.3.2:** Encourage internal/domestic tourism

**Responsible authority:** the LEPL Georgian National Tourism Administration

**Partner organization (implementer):** the Ministry of Economy and Sustainable Development of Georgia

**The aim of the activity:** To promote internal tourism in rural areas, by arranging different events and advertising tourist sites and products.

#### **Realized activities**

During the course of 2017, and for the Aim of promoting rural tourism, in particular, internal tourism, the Georgian National Tourism Administration (GNTA) lent their support to various events, facilitating rising public interest and awareness towards internal tourism, as well as tourist products, including:

- ✓ Within the framework of “Meet Georgia”, seven press tours were carried out in the Mtskheta-Mtianeti, Imereti, Samtskhe-Javakheti, Kazbegi, Tusheti, Pankisi and Racha regions. Within the framework of this tour, journalists prepared stories promoting the tourism potential of the country, as well as internal tourism. After broadcasting the stories, an increase in the number of visitors became obvious in the respective

regions. This success was also proven by the fact that after certain tours, the owners of the hotels and representatives of regional municipalities applied to us to initiate cooperation. The cost of press tours came to ₾42,000.

- ✓ The project 'Discount Week' was realized in various regions of Georgia, with each region offering tourist discounts for one week. The aim of the programme was to promote each region and encourage internal tourism during non-seasonal periods. In 2017, two phases of Discount Week were conducted in Kakheti and Adjara, providing two press tours. The project assisted the hotels participating in a discount week in attracting visitors. The cost of the project came to ₾14,000.
- ✓ In addition, 19 press tours were carried out for which stories promoting Georgia's tourism potential and internal tourism were prepared. The cost of press tours totaled ₾55,000.
- ✓ For the purpose of increasing internal tourist flows to the regions and promoting the development of new tourism sites and products, 16 events were conducted, with a total budget of 487,700.0 GEL.

#### **Indicators realization and budget expenditure**

Over the course of 2017, for purpose of promoting internal tourism all over Georgia, 44 different events were held, including press tours for promoting internal tourism and different events for facilitating the development of new and existing tourist sites and products. The budget for the activities realized within the framework of the events totaled ₾598,700 instead of estimated ₾450,000.

<b>Activity 1.3.2: Encourage internal/domestic tourism</b>	
<b>Responsible agency:</b> the LEPL – National Tourism Administration of Georgia	
<b>Partner organization:</b> the Ministry of Economy and Sustainable Development of Georgia	
<b>Performance indicators</b>	
<b>Planned:</b> At least 15 events accomplished throughout Georgia	<b>Realized:</b> 44 events accomplished throughout Georgia
<b>Budget</b>	
<b>Estimated:</b> ₾450,000	<b>Executed:</b> ₾598,700
<b><u>Realized with a surplus</u></b>	

- **Activity 1.3.3:** Small tourism infrastructure development

**Responsible authority:** the LEPL National Tourism Administration of Georgia

**Partner organization:** the Ministry of Economy and Sustainable Development of Georgia

**The aim of the activity:** With the aim of promoting tourism and ensuring the safe movement of tourists/visitors, the development of tourism routes and respective information infrastructure.

## **Realized activities**

In 2017, the National Tourism Administration of Georgia (GNTA) realized several activities. Within the framework of the development of small tourist infrastructure, mountain hiking trails were marked in two regions – Racha –Lechkhumi – Kvemo Svaneti and Samegrelo Zemo-Svaneti. Within the framework of the project, in Racha Lechkhumi and Kvemo Svaneti, 18 trails were marked, 21 information boards were installed and in total, 290 kilometers were marked. The total cost came to ₾134,000. In Samegrelo, 9 trails were marked, 10 information boards were installed and in total, 248 kilometers were marked. The total cost of which came to ₾94,700.

The trails included in the network-establishing project connected the villages in various regions, as well as attractive tourist sites. The implementation of the project facilitated and promoted the development of local services and improved future prospects for the residents. In addition, the conditions for safe movement of the hikers on the trails were ensured. Brochures were also provided regarding new products, in an effort to support interested persons and encourage the demand for various services.

## **Indicators realization and budget expenditure**

During the course of 2017, for the Aim of developing small tourist infrastructure, 31 information boards were installed instead of 40 and 27 tourist routes were marked instead of 40. The total length of the marked routes reached 538 kilometers. It should be taken into consideration that in the course of the work that was undertaken, some trails were consolidated and grouped into networks. For greater efficiency, the number of information boards on single trails was changed respectively. Within the framework of the project, the funds spent on the implementation of the planned activities came to a total of ₾342,700 instead of the estimated ₾670,000.

<b>Activity 1.3.3: Small tourism infrastructure development</b>	
<b>Responsible agency:</b> The LEPL Georgian National Tourism Administration	
<b>Partner organization:</b> the Ministry of Economy and Sustainable Development of Georgia	
<b>Performance indicators</b>	
<b>Planned:</b> a) 40 installed notice-boards b) 30 tourist routes designated with signs	<b>Realized:</b> a) 31 notice-boards installed b) 27 tourist routes designated with signs (overall length of tourist routes designated with signs is 538 km) arranged
<b>Budget</b>	
<b>Estimated:</b> ₾670,000	<b>Executed:</b> ₾228,700
<b>Realized partially</b>	

- **Activity 1.3.4:** Development of tourism products in order to increase tourism in rural areas

**Responsible authority:** the LEPL Georgian National Tourism Administration

**Partner organization:** the Ministry of Economy and Sustainable Development of Georgia

**The aim of the activity:** Branding and the promotion of tourist products to facilitate increased rural tourism.

### **Realized activities**

During the course of 2017, brochures describing five new tourist products were printed for promoting rural tourism

1. German heritage in Georgia (in the German language 3,000 units)
2. Catalog of school tours of Shida Kartli (in the Georgian language 1,000 units)
3. Wine road brochure for Shida Kartli (in the English language – 1,500 units, in the Russian language – 1,500 units)
4. Catalog of cultural heritage sites of Shida Kartli (in the English and Russian languages)
5. Updated map of Wine Way (in English and the Russian languages).

The total budget of the project came to ₾7,731. The above-mentioned brochures were distributed to information centers, international exhibitions and through communication channels available for administrations all over the country.

In 2017, twenty hiking trails were identified in Kvemo Kartli and Shida Kartli. The trails were planned for several hours or one or two-day routes, taking into consideration level of difficulty. Marking projects were prepared and will be Realized in the future. The total cost of the project came to ₾114,000.

On the territory surrounding Gremi Monastery, the construction of picnic and resting infrastructure was also planned. However, due to the challenges associated with land ownership, the project failed.

### **Indicators realization and budget expenditure**

During the course of 2017, five tourist products were developed/updated, the budget expenditures totaled ₾121,731 instead of the Estimated ₾165,000. As mentioned above, the picnic and resting infrastructure were not developed due to problems related to land ownership.

**Activity 1.3.4: Development of tourism products in order to increase tourism in rural areas**

<b>Responsible authority:</b> the LEPL Georgian National Tourism Administration	
<b>Partner organization:</b> The Ministry of Economy and Sustainable Development of Georgia	
<b>Performance indicators</b>	
<b>Planned:</b> a) 5 new and updated tourism products b) At least 20 hiking trails are designed	<b>Realized:</b> a) 5 new and updated tourism products developed b) 20 hiking trails designed
<b>Budget</b>	
<b>Estimated:</b> ₾165,000	<b>Executed:</b> ₾121,731
<b>Indicators met</b> <b>A budget was partially executed</b>	

- **Activity 1.3.5:** Small infrastructure development via the Wine Route project for the facilitation of wine tourism development in rural areas

**Responsible authority:** the LEPL Georgian National Tourism Administration

**Partner organization:** The Ministry of Economy and Sustainable Development of Georgia

**The aim of the activity:** Raising awareness of family cellars and enterprises operating in the viticulture-winemakers sector, with the Aim of promoting rural wine tourism.

### **Realized activities**

The project “Wine Road”, realized all over the country, covering all small and medium entrepreneurs, who produce wine and host tourists. New cellars and enterprises were identified and assessed; inventory was made and the projects for the recommended sites were prepared. Branded signs, pointing in the correct area were provided for the cellars and enterprises engaged in the project. The “Wine Road” map was prepared with the contact details listed for all cellars. The “Wine Map” was distributed via information centers and communication channels – exhibition, network marketing and so on.

The project facilitated and promoted the supply-demand balance, stimulated wine tourism and the development of the service sector, by means of brochures and maps, road and information boards.

### **Indicators realization and budget expenditure**

During the course of 2017, for the purpose of promoting the development of wine tourism, in total, 224 information boards pointing to the “Wine Road” brand were provided to 124 cellars and enterprises.

However, more signs became necessary than was determined at the beginning, which caused the budget to increase to ₾413,721 instead of previously envisaged ₾300,000.

**Activity 1.3.5: Small infrastructure development via the Wine Route project for the facilitation of wine tourism development in rural areas**

**Responsible authority:** The LEPL Georgian National Tourism Administration

**Partner organization:** The Ministry of Economy and Sustainable Development of Georgia

Performance indicator	
<b>Planned:</b> At least 180 (road) signs are installed throughout Georgia	<b>Realized:</b> 224 (road) signs for 124 entities installed
Budget	
<b>Estimated</b> ₾300,000	<b>Executed:</b> ₾413,721
<u>Realized with a surplus</u>	

- **Activity 1.3.6:** Private sector skill development in terms of tourism services (retraining program).

**Responsible authority:** The LEPL Georgian National Tourism Administration

**Partner organization:** The Ministry of Economy and Sustainable Development of Georgia

**The aim of the activity:** Training individuals engaged in the tourism sector, for the Aim of improving tourist services in rural areas.

**Realized activities**

For the purpose of improving tourist services and the promotion of internal tourism, the GNTA provided training that aimed to improve specific skills required for wine cellars, family hotels, catering and the guide industries. The training helped local entrepreneurs in better formulating proposals and the stimulation of sales. The training was provided in accordance with the needs and demands of the private sector.

In 2017, training was carried out in following areas:

- ✓ Managing problematic situations in hotels
- ✓ Guide's skills
- ✓ Sales and marketing
- ✓ Management and operation of agro-tourist sites
- ✓ Basic language courses
- ✓ Training of wine guide
- ✓ Managerial skills
- ✓ Hotel services

**Indicators realization and budget expenditure**

In 2017, for the purpose of improving service-quality and the promotion of internal tourism, 14 training courses were realized all over Georgia, covering 8 of the above mentioned and 8 other topics. In total, 1,318 individuals engaged in the tourism sector were retrained. Due to the fact that the training courses were conducted in accordance with the needs and demands of the private sector, the number of training carried out in 2017 was more than planned. Consequently, an increase in the number of trained individuals caused an increase in the budget which reached ₾300,000 instead of the ₾240,000 that was forecasted.

<b>Activity 1.3.6: Private sector skill development in terms of tourism services (retraining program)</b>	
<b>Responsible authority:</b> The LEPL Georgian National Tourism Administration	
<b>Partner organization:</b> The Ministry of Economy and Sustainable Development of Georgia	
<b>Performance indicator</b>	
<b>Planned:</b> At least 700 representatives of the private sector are retrained	<b>Realized:</b> 1318 the private sector representatives retrained
<b>Budget</b>	
<b>Estimated:</b> ₾240,000	<b>Executed:</b> ₾300,000
<b><u>Realized with a surplus</u></b>	

## Priority 2: Social conditions and living standards

The priority of social status and living standard includes three objectives and 26 activities. The objectives basically cover the activities taken by the state for capacity-building and vocational education of the rural population, as well as the development of innovations and facilitating the improvement of basic infrastructure and services.

### **Objective 2.1. Skills and employment Increase awareness regarding innovation and entrepreneurship. Encourage partnership (especially among youth and women) by facilitating skill-development and employment**

For the purpose of fulfilling objective 2.1, during the course of the reporting period, in total 11 activities were realized, including the following activities to be fulfilled by the state: raising public awareness of innovations and modern technologies and their promotion, improving access to vocational education, expanding opportunities for employment and self-employment, retraining of the local population.

#### **As a result of the activities realized for the achievement of the objective in 2017:**

- ⇒ 3,014 individuals were trained and retrained
- ⇒ 8,793 individuals engaged in vocational education

The estimated budget for the implementation of the activities planned for reaching objective 2.1 came to ₾21,087,960. This figure exceeded the planned budget. In 2017 the state spent ₾398,019,974 on the implementation of these activities.

- **Activity 2.1.1:** Provision of general and specialized training via Innovation Centers in order to facilitate innovation development in rural areas

**Responsible authority:** The LEPL Georgia's Innovation and Technology Agency

**Partner organizations:** The World Bank, the private sector, USAID ZRDA; USAID G4G.

**The aim of the activity:** Improving opportunities for employment and competitiveness of the population through the raising of awareness about information and communication technologies and innovations.

### Realized activities

In 2017, with the help of the Georgian Innovations and Technologies Agency, training were provided to stakeholders all over Georgia, with the aim of identifying latent innovators within the local population. The training were carried out in technologic parks and innovation centers operating in the country. The aim of the training was also to raise interest among the public about innovations and technologies, strengthening the start-up ecosystem and improving competitiveness in this field. The training were carried out based on specially-developed training modules, which aimed to develop the skills that are in high demand in the labor market. The number of visitors to the country's technologic parks and innovation centers came to about 15,000 for the year.

### Indicators realization and budget expenditure

The number of people trained in 2017 was 1,500, while the total cost for the activity was ₾100,000.

<b>Activity 2.1.1: Provision of general and specialized training via Innovation Centers in order to facilitate innovation development in rural areas</b>	
<b>Responsible authority:</b>	The LEPL Georgia's Innovation and Technology Agency
<b>Partner organizations:</b>	The World Bank; the private sector; USAID ZRDA; USAID G4G.
<b>Performance indicator</b>	
<b>Planned:</b> Up to 1,500 trained beneficiaries	<b>Realized:</b> 1,500 beneficiaries trained
<b>Budget</b>	
<b>Estimated:</b> ₾100,000	<b>Executed:</b> ₾100,000

### **Fully realized and executed**

- **Activity 2.1.2:** Organizing promotional events for the popularization and development of innovation

**Responsible authority:** The LEPL Georgia's Innovation and Technology Agency.

**Partner organization:** The World Bank

**The aim of the activity:** The promotion of innovations and modern technologies for their further use

#### **Realized activities**

With the support of Georgia's Innovation and Technologies Agency, during the reporting period, various events aiming at the promotion of innovations and modern technologies were held. During the course of the year, about 10 different events were held all over Georgia, including workshops, trainings, marathons and competitions of creative ideas that focused on using modern technologies in business, the development of the management of the laboratories of industrial innovations, UX/UI design and quality assurance (QA), web programming, the study of office programmes, 3D modelling and so on.

Within the framework of these activities, courses for youths aged 10-16 years-old were conducted using "Lego Mindstorms EV3" robots, and in cooperation with Junior Laboratory (on the basis of the innovation centers of the regions). The training program "How to Start a Startup" was held in Zugdidi Technologic Park. Within the frames of the programme, the training were carried out in different areas, including: "Review of the Innovations and Technologies Industry", "First Steps to Create a Startup", and so on. During the final phase of the training program, the presentation of the best seven ideas was held at Tbilisi's Technologic Park (26 individuals participated in the project). International organizations like ELVA and Skill-Up participated in the events.

#### **Indicators realization and budget expenditure**

During the course of the year, 10 different events were held, including Olympiads, conferences, and competitions. The financial resources necessary for the implementation of the events came to ₾50,000.

**Activity 2.1.2: Organizing promotional events for the popularization and development of innovation**

**Responsible authority:** The LEPL Georgia's Innovation and Technology Agency

**Partner organization:** the World Bank

**Performance indicators**

<b>Planned:</b> Up to 10 conducted contests, Olympic contests, exhibitions, conferences	<b>Realized:</b> 10 contests, Olympic contests, exhibitions, conferences conducted
<b>Budget</b>	
<b>Estimated:</b> ₾50,000	<b>Executed:</b> ₾50,000
<b>Fully realized and executed</b>	

- **Activity 2.1.3:** Increase the accessibility of vocational education in municipalities and constituent villages

**Responsible authority:** The Ministry of Education and Science of Georgia

**The aim of the activity:** Improving access to vocational education.

### Realized activities

In 2017, work was actively undertaken for the Aim of improving access to vocational education. During the spring and autumn of 2017, almost 11 individuals were engaged in vocational education. By December 31, 2017, 8,793 vocational education students were registered in institutions operating in the regions. The increase in the number of beneficiaries was preconditioned by the progress achieved within the framework of the reforms – new locations, awareness-raising, quality improvement and so on.

In order to ensure geographic access to vocational education:

- ✓ Within the framework of the agreement concluded between the Ministry of Education and Science and M<sup>2</sup> Real Estate, a non-commercial organization Construction College was established in the Zestaponi municipality and rehabilitation got underway. Residents of the region had an opportunity to access for free a dual program in the construction field and/or short-term training/ retraining courses, for the Aim of further employment. The dormitory will also be provided at the college.
- ✓ The state college operating in Kobuleti, in partnership with a private construction company, expanded its scope and began implementing the programs in the Batumi Training Center, fully rehabilitated by the private sector. The new facility provides short-term courses in tourism, construction and other programs within the service sector.
- ✓ Four new locations (branches of existing colleges) were rehabilitated in Khobi, Tianeti, Stepantsminda, and Lagodekhi. On admission of autumn 2017, students were enrolled in the branches of Tianeti, Stepantsminda, and Lagodekhi.
- ✓ Preparatory work was started in establishing vocational education facilities in Kaspi, Khulo and the Chokhatauri municipalities. The Khobi branch will also participate in the admission process of 2018.

### Indicators realization and budget expenditure

The indicator for the number of individuals (students) engaged in vocational education for the activity 2.1.3. was defined 5% increase compared to baseline (7,580). By December 31, 2017, 8,793 students were engaged in vocational education in the regions (except Tbilisi). The number of individuals engaged in professional education has increased 16% compared to the baseline. The estimated budget of ₾11,115,000, which is mostly executed came to ₾10,172,064. Since the process for vocational programs can vary, the programs with a cost higher than the medium were taken for the estimate, which caused the difference between the estimated and the executed funds.

<b>Activity 2.1.3: Increase the accessibility of vocational education in municipalities and constituent villages</b>	
<b>Responsible authority:</b> The Ministry of Education and Science of Georgia	
<b>Performance indicators</b>	
<b>Planned:</b> Vocational education program beneficiaries (students) increased by 5% compared to baseline indicator of (7,580)	<b>Realized:</b> Vocational education program beneficiaries (students) increased by 16% compared to baseline indicator of (8,793)
<b>Budget</b>	
<b>Estimated:</b> ₾11,115,000	<b>Executed</b> ₾10,172,064
<b>Indicator realized</b>	
<b>Budget is mostly executed</b>	

- **Activity 2.1.4:** Orientation and preparatory courses for the students from the regions

**Responsible authority:** the Ministry of Education and Science of Georgia

**Partner organization:** the United Nations Development Programme (UNDP)

**The aim of the activity:** Professional development of school-aged students

#### **Realized activities**

In 2017, benchmarking and training courses were piloted with the support of the UNDP. The start of piloting was preceded by some preparatory work, in particular, the adaptation of about 20 modules in various areas including the training of school teachers and vocational colleges, as well as of the representatives of the administration and the preparation of a monitoring and evaluation system. Four public educational facilities were engaged in the piloting process, and in partnership with 8 public schools Realized the benchmarking and training courses. More than seventy students of grades 8 and 9 participated in the piloting process. The piloting was monitored and the report on the results was prepared.

Taking into consideration the experience of the piloting program, since the third quarter of 2017, the Ministry of Education and Science began implementing a subprogramme for the

development of labor skills for school students. Within the framework of the partnership between the schools and vocational education facilities, the projects focused on the development of professional skills of the students. More than 2,000 students spanning 109 schools located in regions, partook in the program.

### **Indicators realization and budget expenditure**

Offering to benchmark and training courses to school children of at least five schools (basic indicator – 0) in the regions was identified as an indicator for activity 2.1.4. With the help of the UNDP, four public educational facilities in partnership with eight public schools successfully piloted the benchmarking and training courses. After, as a result of the piloting, the state program was then realized. Within the framework of the state program, a subprogramme for developing the labor skills of school students was realized. The labor skills courses were implemented in more than 109 schools located in regions. The estimated budget was ₾224,300. Information about execution is not available. In the action plan, the Estimated budget covered just the budget of the donor program (UNDP), since the state program (subprogramme) should be realized taking into consideration the results of the piloting. Consequently, the Ministry of Education and Science of Georgia lacks the capacity to present precise information on the execution of the donor budget.

<b>Activity 2.1.4: Orientation and preparatory courses for the students from the regions</b>	
<b>Responsible authority:</b> the Ministry of Education and Science of Georgia	
<b>Partner organization:</b> the United Nations Development Programme (UNDP)	
<b>Performance indicators</b>	
<b>Planned:</b> Orientation and preparatory courses for students from regions are offered in at least five schools (baseline indicator 0)	<b>Realized:</b> Orientation and preparatory courses for students from regions are offered in 8 schools (2000 students of 109 schools from regions were involved in the program)
<b>Budget</b>	
<b>Estimated:</b> ₾224,300	<b>Executed:</b> <u>Information is not available</u>
<b>Indicator realized with a surplus</b> <b>No information on budget execution</b>	

- **Activity 2.1.5:** Initiate/introduce modular educational programs (dual approach) in agriculture in order to improve the quality of vocational education
- 

**Responsible authority:** the Ministry of Education and Science of Georgia

**Partner organizations:** the United Nations Development Programme (UNDP), GIZ

**The aim of the activity:** Improvement of vocational education

**Realized activities**

The dual approach implementation of four programs – horticulture, animal husbandry, viticulture, winemaking, and beekeeping is underway in the following educational facilities: Aisi Community College, Opizari Community College, Ilia Tsinamdzgvishvili Community College, Shota Meskhia Zugdidi State University and Erkvari Vocational College. The dual programs are also being Realized in the tourism area – culinary arts, restaurant services, and hotel services.

Before the program's preparatory work was realized, the dual programs were elaborated within the frames of the UNDP and GIZ projects and activities focused on the capacity-building of human resources (including employers) were carried out. In the course of the implementation process, individual consultations were held with college administration and teachers, as well as employers engaged in the dual programs. A six-day training program was prepared for the instructors of enterprises, which were attended by all instructors engaged in the piloting process.

#### **Indicators realization and budget expenditure**

Three programs realized with the dual approach in the agricultural area were identified as indicators for activity 2.1.5 (basic indicator – 0). Consequently, four dual programs have been Realized in the agricultural area and are still ongoing.

The preliminary Estimated budget was ₾1,494,900. Information regarding the execution of the budget, however, is not available, since the Estimated budget was developed within the framework of the donor projects (GIZ and UNDP), and the Ministry of Education and Science is not able to submit the respective documents.

<b>Activity 2.1.5: Initiate/introduce modular educational programs (dual approach) in agriculture in order to improve the quality of vocational education</b>	
<b>Responsible authority:</b> the Ministry of Education and Science of Georgia	
<b>Partner organizations:</b> the United Nations Development Programme (UNDP), GIZ	
<b>Performance indicator</b>	
<b>Planned:</b> 3 programs implemented in the agriculture sector on the dual approach basis (baseline indicator is 0)	<b>Realized:</b> 4 programs implemented in the agriculture sector on the dual approach basis
<b>Budget</b>	
<b>Estimated:</b> ₾224,300	<b>Executed:</b> No information available
<b>Indicator realized with a surplus</b>	
<b>No information available on the budget execution</b>	

- **Activity 2.1.6:** Provide the IDPs wishing to settle in the rural areas with accommodation in places where the land plots are available together with a housing

**Responsible authority:** the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia

**The aim of the activity:** The provision of residential houses for IDPs and the improvement of their livelihoods.

### **Realized activities**

The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia has been implementing a long-term IDP resettlement program entitled 'Village House' since 2014. This program is important because IDPs are personally involved in the search and identification of the residential housing that their ministry helps them buy. Thus, IDPs could have access to land that offers them long-term housing and in the case, they cultivate the land, they have an opportunity to improve their livelihood and receive added income and a chance to take part in ongoing agricultural programs. Because of their internal displacement, many IDP families who previously lived in rural areas had to settle in towns, thus they have the necessary skills and experience needed for agricultural work and can carry out agricultural activities.

The program was formed the following stages:

- Submission of applications by IDPs within the framework of the tender
- Evaluation of applications by the ministry and monitoring
- Review of applications by relevant commission
- Selection of a house by IDPs in the case of a positive decision
- Evaluation of house stability and its cost by the National Forensics Bureau of Levan Samkharauli
- Awarding of a document confirming ownership.

### **Indicators realization and budget expenditure**

The activity of the 2.1.6 indicator considered that 400 Internally Displaced Persons' households receive housing with a land plot. In 2017, the residents of 612 IDP families, including 189 IDPs, received new housing within the Rural House Program. During the development stage of the 2017 Action Plan, a complete indicator of this program was set (to transfer houses to 400 IDPs), although this was not the indicator for an acquisition of houses together with the land plot. Accordingly, the planned indicator for 2017 has been fully Realized. In assessing the performance of the activity, we should consider the principle of the abovementioned program: the IDPs are personally involved in house choice and it is up to the IDP households to become owners of the selected houses. Despite the will and readiness of the ministry to transfer houses along with the lands in rural areas, the IDPs may not agree to the proposal. Accordingly, it is difficult to pre-design the exact indicator of the residential houses to be handed over together with the land. The 2018-2020 Action Plan indicator has been developed from the earlier years' experience based on statistical data.

The estimated budget was ₾8,000,000 and it was executed with a surplus of ₾12,559,802 since instead of planned 400 beneficiaries, in total 611 IDPs households received help from the Program in 2017.

<b>Activity 2.1.6: Provide the IDPs wishing to settle in the rural areas with accommodation in places where the land plots are available together with a housing</b>	
<b>Responsible authority:</b> The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia	
<b>Performance Indicator</b>	
<b>Planned:</b> 400 IDP households receive housing with land plot	<b>Executed:</b> 611 IDP households received housing, including 189 IDP households with land plot
<b>Budget</b>	
<b>Estimated:</b> ₾8,000,000	<b>Executed:</b> ₾12,559,802
<b>Partially realized</b>	

- **Activity 2.1.7:** Provision of Georgian language courses at public centers of villages with densely-populated ethnical groups in order to facilitate their employment in future

**Responsible authority:** the LEPL Public Service Development Agency

**Partner organization:** The Training Center of the Ministry of Justice of Georgia

**The aim of the activity:** Promotion of rural population employment and self-employment.

#### Realized activities

Georgian language courses were delivered to the rural population. 76 villagers took part in the exercise, out of which 59 beneficiaries completed the course successfully.

#### Indicators realization and budget expenditure

The 2.1.7 indicator activity was defined as at least 30 rural residents successfully passing the Georgian language course. As a result, 59 rural residents passed the Georgian language course. The estimated budget was ₾7,760, which was executed with a surplus of ₾9,665.

<b>Activity 2.1.7: Provision of Georgian language courses at public centers of villages with densely-populated ethnical groups in order to facilitate their employment in future</b>	
<b>Responsible authority:</b> the LEPL Public Service Development Agency	
<b>Partner organization:</b> The Training Center of the Ministry of Justice of Georgia	
<b>Performance Indicator</b>	
<b>Planned:</b> At least 30 inhabitants of rural areas successfully complete Georgian language courses	<b>Realized:</b> 59 rural areas inhabitants completed Georgian language courses
<b>Budget</b>	

<b>Estimated:</b> ₾7,760	<b>Executed:</b> ₾9,665
<b>Indicator realized with a surplus</b> <b>Budget executed with a surplus</b>	

- **Activity 2.1.8:** Increase the opportunities for employment/self-employment of the rural population through vocational trainings-retraining and qualification growth of the job-seekers

**Responsible authority:** The Ministry of Labor, Health and Social Affairs of Georgia

**Partner organizations:** the LEPL Social Service Agency, the Ministry of Education and Science of Georgia

**The aim of the activity:** Promoting employment and self-employment of the rural population

#### **Realized activities**

In the regions/municipalities, 1,116 vouchers were issued and services were provided by 15 educational institutions. The program was Realized in 12 municipalities of Georgia, including Kobuleti, Ozurgeti, Poti, Tsalenjikha, Mestia, Zestaponi, Akhaltsikhe, Marneuli, Gori, Sagarejo, Gurjaani, and Telavi. The number of job seekers interested in the retraining program was a result of the number of vocational education institutions, activeness of the job-seekers, and the fact that the 2017 program was Realized in two stages.

#### **Indicators realization and budget expenditure**

Activity 2.1.8 indicator was designed to train at least 300 job-seekers in the regions of Georgia. As a result, 1,070 people were retrained. The budget was ₾30,000, which was executed with a surplus (₦739,542.78), as the number of job seekers willing to undergo retraining increased.

<b>Activity 2.1.8: Increase the opportunities for employment/self-employment of the rural population through vocational trainings-retraining and qualification growth of the job-seekers</b>	
<b>Responsible authority:</b> The Ministry of Labor, Health and Social Affairs of Georgia	
<b>Partner organizations:</b> the LEPL Social Service Agency, the Ministry of Education and Science of Georgia	
<b>Performance Indicator</b>	
<b>Planned:</b> At least 300 job-seekers are retrained in the regions of Georgia	<b>Realized:</b> 1070 job-seekers retrained
<b>Budget</b>	
<b>Estimated:</b> ₾30,000	<b>Executed:</b> ₾739,542.78
<b>Indicator realized with a surplus</b> <b>Budget executed with a surplus</b>	

- **Activity 2.1.9:** Facilitation of the employment of the rural population through the encouragement of professional development at the municipality level

**Responsible authority:** The Ministry of Labour, Health and Social Affairs of Georgia

**Partner organization:** The LEPL Social Service Agency

**The aim of the activity:** Promotion employment of the rural population through the promotion of professional development.

### Realized activities

Professional counseling and consultations provided by career planning specialists were delivered in six regions of Georgia in 2017, (Shida Kartli, Kvemo Kartli, Mtskheta-Mtianeti, Kakheti, Imereti, and Ajara). In total, the Social Service Agency provided consultations to 447 beneficiaries; increased awareness about professional counseling and offered career planning services.

### Indicators realization and budget expenditure

Activity 2.1.9 indicator was defined as professional consultations for at least 40 job-seekers in the four regions of Georgia and the provision of services related to career planning. As a result, 447 beneficiaries received professional consultations and career planning services in six regions at the municipal level. The estimated budget was ₾48,000, which was excitedly realized excessively, instead of totaling ₾72,000, due to the increased number of beneficiaries compared to the planned one.

Activity 2.1.9 Facilitation of the employment of the rural population through the encouragement of professional development at the municipality level	
<b>Responsible authority:</b> The Ministry of Labour, Health and Social Affairs of Georgia	
<b>Partner organization:</b> The LEPL Social Service Agency	
Performance Indicator	
<b>Planned:</b> At least 40 job-seekers from four regions of Georgia received consultations in their profession and services related to career planning	<b>Realized:</b> 447 job-seekers from six regions of Georgia received consultations in their profession and services related to career planning
Budget	
<b>Estimated:</b> ₾48,000	<b>Executed:</b> ₾72,000
<u>Indicator realized with a surplus</u>	
<u>Budget executed with a surplus</u>	

- **Activity 2.1.10:** Facilitate vulnerable, low competitive groups via the development of cooperation with the interested parties

**Responsible authority:** The Ministry of Labour, Health and Social Affairs of Georgia

**Partner organization:** The LEPL Social Service Agency

**The aim of the activity:** Promotion of vulnerable, low-income groups

### **Realized activities**

Consultants conducted about 70 information and work meetings with employers, NGOs and representatives of local self-government throughout Georgia. 15 Employers were involved in the subsidizing component. The awareness and activeness of both employers and job seekers have been increased.

### **Indicators realization and budget expenditure**

Activity 2.1.10 indicator was to design subsidized salaries for vulnerable and low-income groups to promote their employment and provide adequate services for at least 10 people with disabilities and requiring special educational needs. With the result achieved, the subsidization was designed and in regional centers of six regions, 24 people with disabilities and requiring special educational needs were involved in the subsidizing component. The planned budget was ₾3,000, which was realized in excess and amounted to ₾17,600, as the number of beneficiaries was increased compared to what was planned.

<b>Activity 2.1.10: Facilitate vulnerable, low competitive groups via the development of cooperation with the interested parties</b>	
<b>Responsible authority:</b> The Ministry of Labour, Health and Social Affairs of Georgia	
<b>Partner organization:</b> The LEPL Social Service Agency	
<b>Indicators of Implementation</b>	
<b>Planned:</b> a) salary subsidize system is developed for the vulnerable and low competitive groups of people b) at least 10 people with disabilities and students with special needs receive adequate services	<b>Realized:</b> a) a salary subsidize system is developed for the vulnerable and low competitive groups of people b) 24 people with disabilities and students with special needs received adequate services
<b>Budget</b>	
<b>Estimated:</b> ₾3,000	<b>Executed:</b> ₾17,600
<b><u>Indicator realized with a surplus</u></b> <b><u>Budget realized with a surplus</u></b>	

- **Activity 2.1.11:** Organize job fairs to facilitate the employment in rural population

**Responsible authority:** The Ministry of Labour, Health and Social Affairs of Georgia

**Partner organization:** The LEPL Social Service Agency

**The aim of the activity:** Promotion of Employment of Rural Population

### **Realized activities**

In 2017, five employment forums were held in the regions with the co-participation of the Employment Programs Department. On average 500-550 job-seekers participated in each forum. Together with the GPI company, job forums took place in the regions of Zugdidi and Poti, where around 900 job seekers took part. Also, the Department of Employment Programs supported GWP in Rustavi in the organizational format of the forum in which about 500 job seekers participated.

In addition, the Employment Forum for Persons with Disabilities was held in Telavi. Around 55 people with disabilities participated in the event in Telavi. The number of forums conducted and the activity of partner organizations led to an increase in job seekers and persons employed indicators.

### **Indicators realization and budget expenditure**

An indicator of the activity 2.1.11 planned to organize at least one job fair annually, where the target number of participants were defined at least 150 job seekers. As a result, five employment forums were held in the regions and 500-550 job seekers on average participated in each forum. The proposed budget was ₾15,000, which was not spent by the state. Partnership organizations provided full funding for the forums held in the regions, so the agency did not have any financial expenditures.

<b>Activity 2.1.11: Organize job fairs to facilitate the employment in rural population</b>	
<b>Responsible authority:</b> The Ministry of Labour, Health and Social Affairs of Georgia	
<b>Partner organization:</b> The LEPL Social Service Agency	
<b>Performance Indicator</b>	
<b>Planned:</b> a) at least one job fair is organized b) at least 150 job-seekers from the regions of Georgia participate in a job fair	<b>Realized:</b> a) 5 job fairs organized b) 500-550 job-seekers participated in a job fair
<b>Budget</b>	
<b>Estimated:</b> ₾15,000	<b>Executed:</b> ₾0
<b>Indicator realized with a surplus</b> <b>Financed by the Donor</b>	

Objective 2.2. Infrastructure and services Improvement of the basic rural infrastructure (including roads leading to cultural heritage destinations and related infrastructure) and expand the availability of high-quality public services including the information and communication technology

There were 13 activities carried out for meeting 2.2 objective in various fields, including the improvement of basic and social infrastructure needed for innovations in rural areas, and for increasing access to various public services.

The budget for activities under this objective was set at ₾190,510,105.

**As a result of the activities carried out for reaching the objectives and as a result of the activities realized by the state in 2017**

- ⇒ There were 4 properly equipped Innovation Centers functioning for supporting innovation development in the villages
- ⇒ There were properly equipped emergency services available in rural communities 24 hours a day
- ⇒ 620 km of local roads, 20 km drainage and 241 km water supply systems were paved/rehabilitated
- ⇒ 142 buildings/constructions were built/rehabilitated for social Aims; public and municipal services were improved.

The budget for executing activities under 2.2 objective was estimated to be ₾190,510,105, and it was executed with a surplus of \$9,000. In 2017, the state spent ₾374,299,301 and \$10,677 on these activities.

- **Activity 2.2.1:** Creation of Innovation Centers throughout Georgia for the development of innovation

**Responsible authority:** the LEPL Georgia's Innovation and Technology Agency

**Partner organization:** The World Bank

**The aim of the activity:** Increase access to the local population to innovations and modern technologies, through the development of the respective infrastructure – Innovations Centers.

**Realized activities**

One of the essential functions of the Innovation Center is to encourage the engagement of the populations found in villages, towns, and cities in various innovative activities. The Innovation Centers are equipped with various equipment, which is necessary for acquiring knowledge and skills in this field. Interested individuals, including start-ups, have an opportunity to create prototypes and develop ideas at the centers.

Negotiations over the creation of innovation centers were held with 12 municipalities in 2017, with the aim of setting up the relevant infrastructure. The project was Realized with the support of the World Bank. Consequently, there are requirements about technical or other specifications of the premises where the Innovation Centers are supposed to be housed.

10 innovation centers were projected to open in the regions in 2017. There were visits carried out to each location and research was conducted to establish if the existing infrastructure met the World Bank's requirements. Some buildings that were supposed to open innovation centers, did not meet the World Bank's requirements<sup>2</sup>.

Hence, there were four Innovation Centers functioning in 2017 in the Samegrelo, Imereti and Mtskheta-Mtianeti regions – in Zugdidi, Bagdadi, Chavenporti, and Kharagauli.

At this stage, the negotiations went ahead with municipalities. Activities for finding and evaluating the relevant infrastructure were carried out in 12 municipalities.

#### **Indicators realization and budget expenditure**

There were four equipped Innovation Centers functioning in the regions in 2017. With the aim of implementing this activity and due to the above-mentioned reasons, ₾131,220 was spent instead of the estimated ₾1,200,000.

<b>Activity 2.2.1: Creation of Innovation Centers throughout Georgia for the development of innovation</b>	
<b>Responsible Authority:</b> The LEPL Georgia's Innovation and Technology Agency	
<b>Partner organization:</b> The World Bank	
Planned:	Realized:
10 equipped and operational innovation centers in towns and villages	4 innovation centers in towns and villages equipped and operational. Note: Indicator partially completed
<b>Budget</b>	
<b>Estimated:</b> ₾1,200,000	<b>Executed:</b> ₾131,220
<b><u>Indicator and budget were partially realized</u></b>	

- **Activity 2.2.2.** Provide rural populations with high-quality primary healthcare services including a) improving the medical services of the village doctor - Target: 2.0 visits per beneficiary in 2017. (2015 indicator is 1.7 visits per beneficiary) b) Improving the provision of emergency services in rural areas.

**Responsible authority:** The Ministry of Labour, Health and Social Affairs of Georgia.

**Partner organizations:** the LEPL Social Service Agency; the LEPL Medical Emergency Center (regional).

<sup>2</sup> Note: spatial and sustainability indicators

**The aim of the activity:** Provide high-quality primary healthcare services in rural areas.

### Realized activities

b) Within the framework of the component, the emergency team responded to calls without interruptions in all the villages throughout the country for 24 hours (from 87 locations). During the year, emergency medical services were provided to 738,510 patients. With the Aim of improving the quality of medical services offered to the rural population, the emergency teams were trained according to various modules. Namely, training was provided to 238 doctors (course on emergency medical doctors); 652 nurses (course on emergency nurses); 542 drivers (primary medical service); 263 doctors (stabilizing and transporting the trauma patients).

### Indicators realization and budget expenditure

Indicators for the 2.2.2. Activity was: a) Increased number of visits per beneficiary from 1.7 to 2.0; b) Emergency services available in every rural community across the country 24 hours a day (from 87 locations).

- ✓ a) Information on the indicator implementation will be available in June 2018 (Decree #01-2/n dated January 18, 2016, of the Minister of Labour, Health and Social Affairs of Georgia "On the Regulation for Keeping and Providing Medical Statistics Information").
- ✓ B) Within the framework of the indicator, 206 emergency medical teams responded to calls in 2017 without interruptions in all the villages of Georgia for 24 hours (From 87 locations). Over the course of a year, medical service was provided to 738,510 patients.

The estimated budget was for the (a) component: ₾26,000,000 and for the (b) component: ₾27,266,000, which in fact was partially Realized regarding (a) component: ₾25,041,227 and for the (b) component ₾30,866,230. The initial budget of (b) was ₾22,751,000, which increased to ₾31,645,400, due to the reorganization of the LEPL Emergency Medical Center and the establishment of the LEPL Emergency Coordination and Response Center.

**Activity 2.2.2. Provide rural populations with high-quality primary healthcare services including a) improving the medical services of the village doctor - Target: 2.0 visits per beneficiary in 2017. (2015 indicator is 1.7 visits per beneficiary) b) Improving the provision of emergency services in rural areas.**

**Responsible Authority:** The Ministry of Labour, Health and Social Affairs of Georgia

**Partner Organization:** the LEPL Social Service Agency; the LEPL Medical Emergency Center (regional).

Performance Indicator	
<b>Planned:</b> a) Increase in the number of visits per beneficiary from 1.7 to 2.0	<b>Realized:</b> a) the number of visits per beneficiary increased from 1.7 to 2.0

b) Emergency services available in every rural community across the country 24 hours a day (from 87 locations)	b) Emergency services available in every rural community across the country 24 hours a day (from 87 locations - 738510 patients)
<b>Budget</b>	
<b>Estimated:</b> For the (a) component: ₾26,000,000 and for the (b) component: ₾27,266,000	<b>Executed:</b>
<u>At this stage, there is no information on the implementation of (a) indicator</u> <u>(b) indicator met</u> <u>Budget executed partially</u>	

- **Activity 2.2.3:** Improvement of road infrastructure in rural areas

**Responsible Authority:** Municipalities.

**Partner Organization:** The Ministry of Regional Development and Infrastructure of Georgia.

**The aim of the Activity:** Improvement of transport infrastructure and movement for the rural population.

#### **Realized activities**

This activity was Realized within the framework of the funding of municipal and regional projects allocated from the Regional Fund<sup>3</sup>. The projects, which are financed from the state budget (the fund), are selected by the municipalities (in the case of municipal projects) and governors (in the case of regional projects), after consulting with the local communities.

The project is financed if it meets the terms and criteria established by the respective legislation. The Ministry of Regional Development and Infrastructure review the projects, and if the criteria are met, they are submitted for review by the Government Commission of the Regional Development of Georgia (hereinafter the Commission). If approved by the Commission and after going through statutory procedures, the projects are sent to the Government of Georgia for a final decision. If the Government of Georgia makes a positive decision for funding, the municipalities realize the projects.

In 2017, the Ministry of Regional Development and Infrastructure of Georgia reviewed the municipality projects about the building and rehabilitation of road infrastructure, with the Aim of setting up their relevance to the statutory criteria. After the positive recommendation by the Commission, and by the government decision, the building-rehabilitation work was performed on 260 km local roads.

#### **Indicators realization and budget expenditure**

In 2017, sections of local motorways totaling 620 km were paved and rehabilitated. The Executed budget spent for the work was ₾133,000,000 instead of ₾50,000,000.

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<sup>3</sup> Regulatory legislation: Resolution of the Government of Georgia: N44; 29.01.2018; N23; 07.02.2013

<b>Activity 2.2.3: Improvement of road infrastructure in rural areas</b>	
<b>Responsible Authority:</b> Municipalities	
<b>Partner Organization:</b> The Ministry of Regional Development and Infrastructure of Georgia	
<b>Performance Indicators</b>	
<b>Planned:</b> 250 km of local roads are paved or rehabilitated.	<b>Realized:</b> 620 km of local roads are paved or rehabilitated.
<b>Budget</b>	
<b>Estimated:</b> ₾50,000,000	<b>Executed:</b> ₾133,000,000
<b>Indicator realized with a surplus</b>	
<b>Budget executed with a surplus</b>	

- **Activity 2.2.4:** Facilitate pre-school education in rural areas

**Responsible authority:** Municipalities

**Partner Organization:** The Ministry of Regional Development and Infrastructure of Georgia

**The aim of the Activity:** Facilitate pre-school education in rural areas through building kindergartens.

#### **Realized activities**

This activity was realized within the framework of the financing of municipal and regional projects allocated from the fund for regions (please see the details in activity 2.2.3.)

In 2017, the Ministry of Regional Development and Infrastructure of Georgia Realized the relevant activities in connection to the review of project proposals on the building/rehabilitation of kindergartens by municipalities. Based on the positive opinion of the Commission and the approval of the government, the municipalities built and rehabilitated the kindergartens by the established regulations. In total, there were 83 kindergartens built/rehabilitated during the reporting period.

#### **Indicators realization and budget expenditure**

There were 83 kindergartens built/rehabilitated in 2017, instead of 70. ₾9,800,000 was spent for the rehabilitation of kindergartens, instead of ₾10,000,000.

*Comment: The Executed implementation was not finished about 20 projects with the value of ₾5,800,000. The incomplete performance of the activity during the reporting period was caused by the duration of the project drafting and bidding procedures.*

<b>Activity 2.2.4: Facilitate pre-school education in rural areas</b>	
<b>Responsible authority:</b> Municipalities	
<b>Partner Organization:</b> The Ministry of Regional Development and Infrastructure of Georgia	

Performance Indicator	
<b>Planned:</b> Up to 70 constructed or rehabilitated kindergartens are established	<b>Realized:</b> 83 kindergartens constructed or rehabilitated
Budget	
<b>Estimated:</b> ₾10,000,000	<b>Executed:</b> ₾9,800,000
<b>Mostly Realized</b>	

- **Activity 2.2.5:** Facilitation of sports and culture in rural areas

**Responsible authority:** Municipalities.

**Partner Organization:** The Ministry of Regional Development and Infrastructure of Georgia.

**The aim of the Activity:** The facilitation of sports and cultural development in rural areas through the development of the relevant social infrastructure.

#### Realized activities

This activity was realized within the framework of financing for the municipal and regional projects allocated from the Regional Fund (please see the details in Activity 2.2.3.).

In 2017, the Ministry of Regional Development and Infrastructure carried out the respective work for reviewing the project proposals of municipalities about the construction/rehabilitation of sports and culture sites. Based on the positive opinion of the Commission and pursuant to the government's decision, the municipalities built and rehabilitated the sports and culture sites in accordance with established procedure. In total, there were 59 sport and culture sites built/rehabilitated during the reporting period.

#### Indicators realization and budget expenditure

Instead of 25, there were 59 sports and culture sites built and rehabilitated in 2017. Instead of the ₾5,000,000 that was earmarked for these activities, ₾8,300,000 was spent.

Activity 2.2.5: Facilitation of sports and culture in rural areas	
<b>Responsible authority:</b> Municipalities	
<b>Partner organization:</b> The Ministry of Regional Development and Infrastructure of Georgia	
Indicators of Implementation	
<b>Planned:</b> Up to 25 constructed/rehabilitated sports and cultural facilities are established	<b>Realized:</b> 59 sports and cultural facilities constructed/rehabilitated
Budget	
<b>Estimated:</b> ₾5,000,000	<b>Executed:</b> ₾8,300,000
<u>Realized with a surplus</u>	

- **Activity 2.2.6:** Prevention and liquidation of the disastrous effects of flooding and deluge.

**Responsible authority:** Municipalities

**Partner organization:** The Ministry of Regional Development and Infrastructure of Georgia.

**The aim of the activity:** Prevention of the adverse consequences resulting from natural disasters in rural areas by improving the functioning of flood control canals.

### Realized activities

This activity was realized within the framework of financing of municipal and regional projects allocated from the Regional Fund (please see the details in Activity 2.2.3.)

The Ministry of Regional Development and Infrastructure carried out the relevant work during 2017 for reviewing project proposals on arranging and rehabilitating flood control channels by the municipalities. Based on the positive opinion of the Commission and the government decision, the municipalities carried out this work by the established procedure for arranging and rehabilitating the flood control channels. In total, 20 km of flood control channels were rehabilitated and arranged during the reporting period.

### Indicators realization and budget expenditure

Flood control channels with a total length of 20 km were arranged and rehabilitated in 2017. ₾2,700,000 was spent for these works, instead of the ₾2,000,000 that was projected.

Activity 2.2.6: Prevention and liquidation of the disastrous effects of flooding and deluge	
<b>Responsible authority:</b> Municipalities	
<b>Partner organization:</b> The Ministry of Regional Development and Infrastructure of Georgia	
<b>Performance Indicator</b>	
<b>Planned:</b> Up to 20 km of draining systems installed/rehabilitated	<b>Realized:</b> 20 km of draining systems installed/rehabilitated
<b>Budget</b>	
<b>Estimated:</b> ₾2,000,000	<b>Executed:</b> ₾2,700,000
<b>Indicator met</b>	
<b>Budget executed with a surplus</b>	

- **Activity 2.2.7:** Water supply system rehabilitation in rural areas

**Responsible authority:** Municipalities.

**Partner organization:** The Ministry of Regional Development and Infrastructure of Georgia.

**The aim of the Activity:** The construction and rehabilitation of water supply systems and treatment facilities with the Aim of improving the water supply to rural areas.

### Realized activities

This activity was realized within the framework of the financing of municipal and regional projects allocated from the Regional Fund (please see the details in Activity 2.2.3.).

In 2017, the Ministry of Regional Development and Infrastructure of Georgia reviewed the proposals written and submitted by the municipalities, evaluated their relevance to the statutory requirements and then delivered the shortlisted projects to the Government Commission on Regional Development of Georgia for their opinion. Following the approval of the Commission and based on the decision of the government, the municipalities built and rehabilitated water supply systems and water towers in rural areas in 2017.

### Indicators realization and budget expenditure

In total, 241 km of water supply systems were built and rehabilitated in 2017, instead of 300 km. In addition, 11 treatment facilities/water towers were built and rehabilitated.

*Comment: The Executed implementation was not completed in the case of 14 projects with a value of ₾4,100,000 – an additional water supply network of 137 km and 9 water towers. Incomplete implementation of this activity during the reporting period is caused by the duration of project drafting and bidding procedure, as well as the complexity of the construction work and absence of information on the location of underground communications.*

Activity 2.2.7: Water supply system rehabilitation in rural areas	
<b>Responsible authority:</b> Municipalities	
<b>Partner organization:</b> The Ministry of Regional Development and Infrastructure of Georgia	
<b>Performance Indicator</b>	
<b>Planned:</b> a) Up to 300km water supply system constructed/rehabilitated b) Up to 20 water treatment plants built/rehabilitated	<b>Realized:</b> a) 241 km water supply system constructed/rehabilitated b) 11 water treatment plants built/rehabilitated  Note: both indicators completed partially
<b>Budget</b>	
<b>Estimated:</b> ₾12,000,000	<b>Executed:</b> ₾10,100,000
<b>Mostly realized</b>	

- **Activity 2.2.8:** Provide a gas supply to the regions, including the rural population

**Responsible authority:** The Ministry of Economy and Sustainable Development of Georgia.

**Partner organizations:** the JSC Socar Georgia Gas; the JSC Georgian Gas Transportation Company

**The aim of the activity:** Provide natural gas to the population to improve utility services in rural areas.

### Realized activities

In 2017, the company JSC SOCAR Georgia Gas, and the state company – JSC Georgian Gas Transportation Company carried out the work to supply gas to the population. Socar Georgia Gas spent ₾133.4 million for this work and access to natural gas was improved for 76,000 subscribers. The Georgian Gas Transportation Company spent ₾17,246 million undergoing gas supply work in 2017, resulting in improving access to natural gas for 11,160 subscribers.

### Indicators realization and budget expenditure

Instead of the estimated 35,000 subscribers, now 87,160 subscribers have increased their access to natural gas in rural areas in 2017.

₦17,246,000 was spent from the state budget for gas supply work, instead of the ₦20,000,000 projected. As for the Socar Georgia Gas Company, it spent ₦133,400,000 instead of the estimated ₦35,310,000 that was projected. In total, both the budget and indicators were Realized excessively. The state continues to provide gas supply work in 2018, and the spending of part of the estimated 2017 budget (20 million GEL) will continue in 2018.

Activity 2.2.8: Provide a gas supply to the regions, including the rural population	
<b>Responsible authority:</b> The Ministry of Economy and Sustainable Development of Georgia.	
<b>Partner organizations:</b> the JSC Socar Georgia Gas; the JSC Georgian Gas Transportation Company.	
Performance Indicators	
<b>Planned:</b> a) Gasification work conducted b) 35,000 new potential customers will be added	<b>Realized:</b> a) Gasification works conducted b) 87,160 customers added
Budget	
<b>Estimated:</b> ₦20,000,000 (state budget) ₦35,310,000 (private investment)	<b>Executed:</b> ₦17,246,000 (state budget) ₦133,400,000 (private investment)
<u>The indicator realized with a surplus</u> <u>Budget:</u> <u>The state budget is mostly executed</u> <u>The private budget executed with a surplus</u>	

- **Activity 2.2.9.** Increase accessibility of public services for the rural population by providing additional service centers

**Responsible authority:** the LEPL – Public Service Development Agency.

**Partner organizations:** Municipalities; the LEPL National Agency of Public Registry; the LEPL National Archives of Georgia; the LEPL Notary Chamber of Georgia; the LEPL Social Service Agency; the LTD Mechanization, the Legal Aid Service; the Liberty Bank; the Magticom Ltd.

**The aim of the activity:** Increase the accessibility of public services for the rural population

### Realized activities

As of 2017, 51 community centers are fully operational. There were 7 public community centers opened in the same year in the following settlements: 1. Kokhnari (Chokhatauri Municipality), 2. Gldani (Tbilisi), 3. Zeindari (Vani Municipality), 4. Bakuriani (Borjomi Municipality), 5. Meore Svir (Zestaponi Municipality), 6. Pasanauri (Dusheti Municipality), and 7. Jgali (Tsalenjikha Municipality).

### Indicators realization and budget expenditure

The following indicators were set for Activity 2.2.9: more community centers are built - 48 centers run across Georgia (3 are based in libraries); more than 200 public services are available via public centers; at least an additional 15,000 citizens from rural areas have access to public services through community centers.

Additional community centers were built and in total, there are 51 community centers operational throughout Georgia (among them four are based in libraries); more than 200 public services are available for the local population, and an additional 27,000 people within the country's rural population have access to public services through community centers.

The estimated budget was ₾1,110,600, which was in fact Realized over the target of ₾2,905,230.11.

Activity 2.2.9. Increase accessibility of public services for the rural population by providing additional service centers	
<b>Responsible authority:</b> the LEPL Public Service Development Agency	
<b>Partner organizations:</b> Municipalities; the LEPL National Agency of Public Registry; the LEPL National Archives of Georgia; the LEPL Notary Chamber of Georgia; the LEPL Social Service Agency; the LTD Mechanization, the Legal Aid Service; the Liberty Bank; the Magticom Ltd.	
Performance Indicators	
<b>Planned:</b> a) Additional public centers are built and 48 centers run across Georgia (three are based in libraries) b) More than 200 public services are accessible via public centers c) At least an additional 15,000 citizens from rural areas have access to public services through public centers	<b>Realized:</b> a) Additional public centers are built and 51 centers run across Georgia (4 are based in libraries) b) More than 200 public services are accessible via public centers c) Additional 27,000 citizens from rural areas accessed to public services through public centers
Budget	
<b>Estimated:</b> ₾1,110,600	<b>Executed:</b> ₾2,905,230.11
Indicators realized with a surplus	

### **Budget executed with a surplus**

- **Activity 2.2.10.** Improvement of municipal services for the rural population and the establishment of Municipality Management Systems (MMS) for this purpose

**Responsible authority:** the LEPL Public Service Development Agency

**Partner organizations:** the LEPL Data Exchange Agency, the LEPL National Agency of Public Registry; the LEPL Smart Logic, the LEPL Training Center of Justice of Georgia, the LEPL Financial-Analytical Service (Ministry of Finance); the German Society for International Cooperation (GIZ).

**The aim of the activity:** Improve the service of municipal services

#### **Realized activities**

Support the establishment of e-governance at the local government level – the system was operational in 50 municipalities by the end of 2017, and during that year the municipal management system was launched in 12 municipalities. Launching the system enabled the local government to provide its services effectively to the population, through municipal centers and community centers. With the Aim of evaluating the effectiveness of the municipal management system, there were surveys held in 2017 at local government bodies, which found the satisfaction level of the local population and revealed the quality of services provided by the municipality before and after the e-governance implementation. From 2015 up to today, user satisfaction as it regards municipal service provision increased by 12%. According to the data of 2017, the satisfaction level is at 92%.

#### **Indicators realization and budget expenditure**

Activity 2.2.10. had the following indicator: to introduce and launch the municipality management system in 7 more municipalities; in total, to have the municipality management system operational in 50 municipalities through many services. As a result, the municipality management system was introduced and launched in 12 additional municipalities, and in total, the system is operational in 50 municipalities.

The estimated budget was ₾134,900, which in fact was realized over the target of ₾271,044.

### **Activity 2.2.10. Improvement of municipal services for the rural population and the establishment of Municipality Management Systems (MMS) for this purpose**

**Responsible authority:** the LEPL Public Service Development Agency

**Partner organizations:** the LEPL Data Exchange Agency, the LEPL National Agency of Public Registry; the LEPL Smart Logic, the LEPL Training Center of Justice, the LEPL Financial-Analytical Service (Ministry of Finance); the German Society for International Cooperation (GIZ).

**Performance Indicator**

<b>Planned:</b> a) Additional Municipality Management Systems (MMS) established and operational in 7 Municipalities b) In 50 municipalities overall, MMS system is operational with various services	<b>Realized:</b> a) Additional Municipality Management Systems (MMS) established and operational in 12 Municipalities b) In 50 municipalities overall, MMS system is operational with various services.
<b>Budget</b>	
<b>Estimated:</b> ₾134,000	<b>Executed:</b> ₾271,044
<b>Indicator realized with a surplus</b>	
<b>Budget executed with a surplus</b>	

- **Activity 2.2.11.** Increase accessibility to modern public libraries and public services for the rural population - modernization of additional public libraries using the concept of public centers

**Responsible authority:** the LEPL – Public Service Development Agency.

**Partner organizations:** Municipalities, the Georgian Association of Libraries, the National Parliamentary Library of Georgia.

**The aim of the activity:** Increase accessibility to modern public libraries and public services for the rural population.

### Realized activities

As of 2017, 4 of 51 community centers were based in the library. There were two such community centers opened in Bakuriani (Borjomi Municipality) and Pasanauri (Dusheti Municipality) during that year.

### Indicators realization and budget expenditure

The indicator for Activity 2.2.11 was: two additional modern public libraries running using the concept of a community center; at least 15 employees of public libraries were to be trained in various towns and villages. As a result, two additional modern public libraries were opened based on the concept of the community center, and 26 staff of public libraries were trained in various villages and towns.

The estimated budget was ₾315,605 and \$9,000, which in fact was over realized: ₾315,605 and \$10,677 was spent. The amount showed within the budget implementation is the budget amount of the project, which started in 2016 and was completed in June of 2017. Correspondingly, some part of this money was used in 2016.

### Activity 2.2.11. Increase accessibility to modern public libraries and public services for the rural population - modernization of additional public libraries using the concept of public centers

**Responsible authority:** the LEPL Public Service Development Agency.

**Partner organization:** Municipalities, the Georgian Association of Libraries, the National Parliamentary Library of Georgia.

Performance Indicators	
Planned:	Realized:
a) Two additional modern public libraries operate using the public center concept b) At least 15 employees of public libraries are retrained in various towns and villages	a) Two additional modern public libraries operate using the public center concept b) 26 employees of public libraries retrained in various towns and villages
Budget	
Estimated: ₾315,605 and \$9,000	Executed: ₾315,605 and \$10,677
<u>Indicator realized with a surplus</u> <u>Budget executed with a surplus</u>	

- **Activity 2.2.12.** Ensuring accessibility to notary services in municipal centers where such services were not accessible in 2016 inter alia not accessible for village populations in the vicinity/neighborhood of such centers)

**Responsible authority:** the LEPL - Notary Chamber of Georgia

**Partner organization:** The Ministry of Justice of Georgia

**The aim of the activity:** Enhance access to notary services

#### Realized activities

Since 2016, within the framework of the notary reform, there were 19 notaries appointed in the municipalities where notary services were not available before. During the reporting period, in those municipalities which did not have access to notary services, 19 well-equipped notary offices were made operational, where citizens could receive unimpeded notary and related services.

By the amendments made to the Law of Georgia on Notary, namely, based on paragraph 2<sup>1</sup> of Article 11, "Newly appointed notary within first 3 years shall perform a notarial activity in mountainous areas or such settlement, where notary services are not duly available. Decree of the Minister of Justice of Georgia approves a list of those settlements (including those in mountainous areas), where the notary services are not properly available". As for financial support, by the requirements of Paragraph 2<sup>3</sup> of Article 11 of the Law of Georgia on Notary, throughout the entire period of performing a notarial activity in a respective settlement, a notary shall be provided by financial aid by the Notary Chamber of Georgia. The assistance is disbursed from the budget of the Notary Chamber of Georgia, which is formed only with its own revenue of the chamber and is not financed from the State Budget.

#### Indicators realization and budget expenditure

The indicator of Activity 2.2.12 was to have 15 properly equipped notary services. As a result, during the reporting period, 19 well-equipped notary offices are now operational in the municipalities where such services were not available before, where citizens can now receive unimpeded notary and related services.

Instead of the estimated budget of ₾100,000, instead, 108,144 was spent for carrying out this activity.

<b>Activity 2.2.12. Ensuring accessibility to notary services in municipal centers where such services were not accessible in 2016 inter alia not accessible for village populations in the vicinity/neighborhood of such centers)</b>	
<b>Responsible authority:</b> the LEPL Notary Chamber of Georgia	
<b>Partner organization:</b> The Ministry of Justice of Georgia	
<b>Performance Indicator</b>	
<b>Planned:</b> 15 well-equipped notary bureaus are established in rural areas	<b>Realized:</b> 19 well-equipped notary bureaus established in rural areas
<b>Budget</b>	
<b>Estimated:</b> ₾100,000	<b>Executed:</b> ₾108,144
<b><u>Indicator realized with a surplus</u></b>	
<b><u>Budget executed with a surplus</u></b>	

- **Activity 2.2.13.** Increase taxpayers' accessibility to the Revenue Service (RS) in regions, where RS does not have representation, via mobile service center "RSCAR" (providing all needed services).

**Responsible authority:** the LEPL Revenue Service

**Partner organization:** The Ministry of Finance of Georgia

**The aim of the activity:** Increase access to tax services for the rural population via mobile services.

#### **Realized activities**

By introducing the RS CAR service, the Revenue Service offers its services to users via a new, simple, fast and comfortable facility – the so-called RS CAR (mobile service center). This is a special minivan equipped with all the necessary technical facilities, which enables thousands of taxpayers to receive services in locations that are convenient to them.

The RS CAR provides services to those living in the mountainous districts and to others where no service center/field office is present. This saves the time and energy of a taxpayer. In 2017, many services were provided to the local population via RS CAR, among them:

- ✓ Consultations on the application of the Tax Code of Georgia and respective normative acts
- ✓ Accept and respond to the authorization applications filed with the Aim of using the webpage of the Revenue Service
- ✓ Assign/annul the taxpayer status for a micro/small business and a fixed taxpayer
- ✓ Receive applications to assign/suspend/end the status of a high-mountain settlement enterprise

- ✓ Issue certificates within the framework of the Revenue Service, about tax arrears, taxpayer's registration, VAT registration and on revenues
- ✓ Problematic issues were studied with the Aim of finding a proper response to them.

### **Indicators realization and budget expenditure**

7,739 taxpayers could receive services via RS CAR in the regions in 2017. For implementing this activity, ₾114,000 was spent instead of the estimated budget of ₾73,000.

<b>Activity 2.2.13: Increase taxpayers' access to the services of Revenue Service (RS) in those regions where the RS has no field offices, providing all needed services to taxpayers via the mobile service center RSCAR.</b>	
<b>Responsible authority:</b> the LEPL Revenue Service	
<b>Partner organization:</b> The Ministry of Finance of Georgia	
<b>Performance Indicator</b>	
<b>Planned:</b> In 2017, on average, 6,500 taxpayers will receive service in 33 regions	<b>Realized:</b> In 2017, 7,739 taxpayers served in towns and villages.
<b>Budget</b>	
<b>Estimated:</b> ₾73,000	<b>Executed:</b> ₾114,600
<b><u>Indicator realized with a surplus</u></b>	
<b><u>Budget executed with a surplus</u></b>	

Objective 2.3. Local population inclusion Increasing the inclusion of the rural population (especially youth and women) in determining the local needs and in finding the ways of solving these needs.

There were two activities realized to meet the objective 2.3, for supporting the more active participation of women and their engagement, and raising awareness of the rural population on legal migration and migrant rights.

2.3 The budget for implementing the activities for reaching this objective was estimated at ₾40,000.

#### **As a result of the activities carried out for reaching the objective during 2017:**

- ⇒ More active participation of women and their engagement in public life was promoted in rural areas. In addition, the awareness of the rural population was raised on legal migration and migrant rights, which also facilitated their active participation for protecting the rights of migrants.
- ⇒ Awareness of more than 550 people was raised on gender equality and women's rights.
- ⇒ Awareness of the rural population increased on legal migration and migrant rights, which also supports them to become more active for protecting the migrant rights.

2.3 The estimated budget for the activities under this objective was ₾40,000 and it is executed with a surplus, and now totals ₾44,260.3 GEL (minus the budget for Activity 2.3.2.)

- **Activity 2.3.1.** Facilitation of women's activity and inclusion via the use of public centers.

**Responsible authority:** the LEPL Public Service Development Agency.

**Partner organizations:** The Ministry of Justice of Georgia; the Women's Information Center; the LEPL Training Center of Justice of Georgia; other NGOs.

**The aim of the activity:** Promote women's active participation and engagement

#### Realized activities

With the purpose of promoting more active participation and engagement of women, the LEPL Public Service Development Agency organized activities in 11 villages in 2017. In total, there were 11 activities arranged. In addition, the LEPL Training Center of Justice of Georgia arranged training courses in 46 villages and towns of Georgia for nine months in 2017, which were attended by 484 people (424 women and 60 men). With the financial support of UN Women, the LEPL Training Center of Justice of Georgia conducted a two-day training course for representatives of all the municipalities in Guria and Kvemo Kartli (in total – ten). The topic of the training course was Issues of Gender Equality and Violence Against Women for Local Governments. In total, 66 people attended the course (40 women and 26 men).

#### Indicators realization and budget expenditure

There were 11 activities arranged in 2017 about women's rights and gender equality. The estimated budget was ₾15,000, which in fact was executed excessively and totaled ₾44,260.

Activity 2.3.1. Facilitation of women's activity and inclusion via the use of public centers.	
<b>Responsible authority:</b> the LEPL Public Service Development Agency	
<b>Partner organization:</b> The Ministry of Justice of Georgia; the Women's Information Center; the LEPL Training Center of Justice of Georgia; other NGOs.	
<b>Performance Indicator</b>	
<b>Planned:</b> At least 6 events related to women's rights and gender equality are conducted.	<b>Realized:</b> 1 1 events related to women's rights and gender equality conducted
<b>Budget</b>	
<b>Estimated:</b> ₾15,000	<b>Executed:</b> ₾44,260.3
<b>Indicator and budget were realized with a surplus</b>	

- **Activity 2.3.2.** Increase the awareness of the rural population on legal migration and the rights of migrants (on the basis of public centers).

**Responsible authority:** the LEPL Public Service Development Agency.

**Partner organizations:** the NGOs specialized on migration issues; the LEPL Training Center of Justice of Georgia.

**The aim of the activity:** Raise awareness of the rural population on issues related to legal migration and the rights of migrants

### Realized activities

There were 47 information meetings organized in connection with the legal migration and migrant rights.

### Indicators realization and budget expenditure

Instead of 10 information meetings, there were 47 meetings held on legal migration and migrant rights in 2017. Awareness meetings were supported by the agency with its internal resources.

Activity 2.3.2. Increase the awareness of the rural population on legal migration and the rights of migrants (on the basis of public centers).	
<b>Responsible authority:</b> the LEPL Public Service Development Agency	
<b>Partner organization:</b> the NGOs specialized on migration issues; the LEPL Training Center of Justice of Georgia.	
Performance Indicator	
<b>Planned:</b> At least 10 informational meetings are conducted	<b>Realized:</b> 47 informational meetings conducted
Budget	
<b>Estimated:</b> ₾25,000	<b>Executed:</b>
<b>Indicator realized with a surplus</b>	
<b>There is no information about the execution of the budget</b>	

## Priority Area 3: Environment and the Sustainable Management of Natural Resources

The priority area on the environment and the sustainable management of natural resources includes 3 objectives and 6 activities. The objectives are focused on the improved management of water, forest and other natural resources, support to the development of an effective system of solid waste management and activities to be realized by the state for mitigating the adverse consequences of climate change.

The total budget of the priority area was ₾430,000. As of December 31, 2017, the Executed execution was ₾709,886.8 (minus the programs that were fully funded by the donors.) There is no information available about the execution of their budgets.

Objective 3.1. Water, wood and other resources. Improvement in the management of water, forest and other resources in targeted rural areas

There were 2 activities realized during the reporting period with the aim of implementing objective 3.1, among them, an activity ensuring sustainable forest usage and an introduction of the best system of forest classification, also in the sustainable usage of natural pastures.

The estimated budget for implementing the activities under the objective 3.1 was set to be ₾120,000.

**As a result of the activities realized for meeting the objective in 2017:**

- ⇒ A new Code on Forests was drafted
- ⇒ Pasture management plans were developed

**The estimated budget for the activities under objective 3.1. was ₾120,000, which was executed excessively, not considering the donor funding for activity 3.1.2. During 2017, the state spent ₾310,000 for implementing this activity.**

- **Activity 3.1.1.** Elaboration and implementation of the optimal forest classification system for the sustainable usage of forest resources (including by the rural population)

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organizations:** the LEPL National Forestry Agency; the World Bank; the Society of International Cooperation of Germany (GIZ).

**The aim of the activity:** The gradual implementation of modern European standards with the aim of the sustainable usage of forests in Georgia.

**Realized activities**

There was a new Forest Code drafted with the Aim of ensuring the sustainable management of forests. During the drafting process, there were meetings with representatives of structural units of the Ministry of Environment Protection and Agriculture of Georgia and other stakeholders. The draft was sent to the ministries for their comments and recommendations. The received comments and the comments were incorporated into the document. There were additional consultations with state agencies. A session of the Coordination Commission on Drafting the Forest Code was held in June, which made final changes to the draft.

There was a sub legislative act drafted in 2016: "On the Procedure of Categorizing Forests and Forest Lands", which was evaluated in 2017 by Slovak and Hungarian experts within the framework of the twinning project for public agencies. The experts produced their primary recommendations for refining the draft.

**Indicators realization and budget expenditure**

There was a draft Forest Code of Georgia elaborated in 2017, which envisages the grounds for classifying forests (among these categories are: protected, recreational and economic forests).

The estimated budget for this activity was ₾20,000. A donor organization and the state fully financed the project did not have any expenditures.

<b>Activity 3.1.1. Elaboration and implementation of the best forest classification system for the sustainable usage of forest resources (including by the rural population)</b>	
<b>Performance Indicator</b>	
<b>Planned:</b> New Code of Forest determining the forest classification (including protected areas, recreation zones, protective and farm forests) rules are adopted	<b>Realized:</b> New Code of Forest determining the forest classification (including protected areas, recreation zones, protective and farm forests) rules adopted.
<b>Budget</b>	
<b>Estimated:</b> ₾20,000	<b>Executed:</b> Fully funded by a donor organization
<b>Indicator realized partially</b> <b>The donor organization fully finances the budget</b>	

- **Activity 3.1.2.** Provision of the sustainable use of biological resources of natural pastures

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia

**Partner organizations:** the LEPL Agency of Protected Areas; Municipalities, International Donor Organizations

**The aim of the activity:** To ensure the sustainable usage of biological resources of natural pastures

### **Realized activities**

The condition of pastures in the protected areas of Vashlovani, Tusheti, and Lagodekhi was assessed at the end of 2017. There are plans for the sustainable management of pastures elaborated and agreed on for the protected areas of Vashlovani and Lagodekhi, as well as the basics of the pasture management plans for the protected areas in Tusheti.

In addition, the soil and erosion risk maps were elaborated for the protected area of Tusheti, which will be used for drafting the pasture management plans for the area. The pasture management project will be agreed on within the framework of two protected areas. Currently, the following activities are taking place: a review of the draft pasture management

plan for the protected areas of Lagodekhi and Vashlovani, the geobotanical study of pastures in the protected areas in Tusheti, with pasture cadaster works.

### **Indicators realization and budget expenditure**

The indicator for Activity 3.1.2 was to assess the condition of pastures in the protected areas of Vashlovani, Lagodekhi, and Tusheti; the elaboration and approval of sustainable management plans for pastures (pilot) in the protected areas of Vashlovani, Lagodekhi and Tusheti.

The conditions of pastures in the protected areas of Lagodekhi (2,150 ha) and Vashlovani (16,552 ha) was assessed at the end of 2017. In addition, sustainable management plans for the pastures in protected areas of Vashlovani and Lagodekhi were elaborated and agreed to, together with the basics of pasture management plans for the protected areas of Tusheti. The estimated budget of this activity was ₾100,000, which was executed excessively, as ₾310,000 was spent.

<b>Activity 3.1.2. Provision of the sustainable use of biological resources of natural pastures</b>	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia	
<b>Partner organizations:</b> the LEPL Agency of Protected Areas; Municipalities, International Donor Organizations	
Indicators of Implementation	
<b>Planned:</b> Sustainability of the Vashlovani, Lagodekhi and Tusheti Protected Areas is evaluated and sustainable management plan (pilot) of the Vashlovani, Lagodekhi, and Tusheti Protected Areas is elaborated and approved	<b>Realized:</b> Sustainability of the Vashlovani and Lagodekhi Protected Areas evaluated and sustainable management plan (pilot) of the Vashlovani and Lagodekhi Protected Areas elaborated and approved. Note: the indicator completed partially.
Budget	
<b>Estimated:</b> ₾100,000	<b>Executed:</b> ₾310,000
<b>Indicator realized partially</b> <b>Budget executed with a surplus</b>	

**Objective 3.2. Waste Management. Support the development of sustainable waste management systems in rural areas**

There were 2 activities realized for meeting objective 3.2 during the reporting period, which focused on the development of the municipal waste management plan, and the support to the use of bio-degradable waste in one municipality.

The estimated budget for implementing the activities under objective 3.2 was decided to be ₾210,000.

**As a result of the activities carried out for meeting this objective in 2017:**

- ⇒ Waste management plans were elaborated for 55 municipalities, and a pilot project was Realized for the use of bio-degradable waste.
- ⇒ A guideline was elaborated for waste management in the protected areas.

The estimated budget of activities planned for meeting objective 3.2 was ₾210,000, from which ₾60,000 was spent by the state for the activity 3.2.2, and activity 3.2.1 was financed by the donor organization.

- **Activity 3.2.1.** Improvement of municipal waste management

**Responsible authority:** a) Municipalities - within the component of developing the first five-year plan for municipal waste management: municipalities. b) Ministry of Environmental Protection and Agriculture of Georgia - in the component of a pilot project of use of bio-degradable waste, Realized in at least one municipality.

**Partner organizations:** a) in the component of developing the municipal waste management plans: The Ministry of Environmental Protection and Agriculture of Georgia; Ministry of Regional Development and Infrastructure of Georgia; international organizations; b) in the component of supporting the use of bio-degradable waste: municipalities, NGOs, international organizations.

**The aim of the activity:** The improvement of Municipal Waste Management.

#### Realized activities

With the aim of developing the first five-year plans for municipal waste management (a) component, with the funding of the United States Agency for International Development (USAID), within the framework of the project of Caucasus Environmental NGO Network (CENN) – Waste Management Technologies in Regions, there were draft five-year plans of municipal waste management for every municipalities of Kakheti Region and Adjara Autonomous Republic. The guidelines drafted the plans, together with municipality representatives and because of public discussions. Additionally, within the framework of this project, the municipality waste management plans were drafted for the municipalities of the Shida Kartli region. Municipality representatives from the Mtskheta-Mtianeti region participated in the training.

Within the framework of the Integrated Solid Waste Management Project in Kutaisi, realized with the financial support of the German Development Bank (KfW), municipal waste management plans were elaborated for the municipalities of the Imereti, Racha-Lechkhumi, and Kvemo Svaneti regions.

The Greens Movement of Georgia/Friends of the Earth – Georgia Realized a project entitled “Building the Capacity of Civil Society at Municipalities and their Engagement in the Decision-Making Processes” in Guria region, with the financial support of the United Nations Development Programme in Georgia, Swiss Cooperation Office in South Caucasus (SCO), and Austrian Development Agency (ADC). Municipal waste management plans for the Guria region have already been elaborated within the framework of the project.

With the aim of supporting the bio-degradable waste (b) component, financed by the Global Environment Facility (GEF) and UNDP, and the Aim of producing biomass (briquettes) from forest waste and offering them to budget institutions and the population, a project titled “The Promotion of Biomass Production and Utilization in Georgia” was Realized. Within the framework of the project, there was a modern briquette-producing facility set up in the Akhmeta Municipality, supported by the Greens Movement of Georgia / Friends of the Earth – Georgia, and production of energy-efficient briquettes started. The LEPL National Nursery was selected to be the state agency to run the enterprise. About 30 tons of briquettes are produced. At the first stage, 5,500 kg briquettes were supplied to the kindergartens in the villages of Zemo Alvani and Kvemo Alvani in the Akhmeta Municipality. The Greens Movement in Georgia – Friend of the Earth, supplied 500 kg briquettes to the school of Zemo Keda village in the Dedoplistsxaro Municipality, and 300 kg – to a school in the village Arboshiki.

### **Indicators realization and budget expenditure**

During 2017: the first five-year plans for municipal waste management was drafted for 55 municipalities; a pilot project for the use of bio-degradable waste was realized in one municipality (Akhmeta) – a modern briquette enterprise was set up, which has produced about 30 tons of briquettes at the first stage.

The estimated budget was ₾50,000 for the (a) part and ₾100,000 for the (b) component, but it was not spent by the state, because the donor organization fully funded the projects.

<b>Activity 3.2.1. Improvement of municipal waste management</b>	
<b>Responsible authority:</b> municipalities (component ‘a’); the Ministry of Environmental Protection and Agriculture of Georgia (component ‘b’).	
<b>Partner organizations:</b> The Ministry of Environmental Protection and Agriculture of Georgia, the Ministry of Regional Development and Infrastructure of Georgia; international organizations (component ‘a’); municipalities, NGOs, international organizations (component ‘b’)	
<b>Performance Indicators</b>	
<b>Planned:</b> a) First five-year plans of municipal waste management are elaborated b) Biodegradable waste utilization pilot project is implemented at least in one municipality.	<b>Realized:</b> a) Municipal waste management five-year plans elaborated for 55 municipalities b) Biodegradable waste utilization pilot project implemented in the Akhmeta Municipality
<b>Budget</b>	
<b>Estimated:</b> ‘a’ component ₾50,000 ‘b’ component ₾100,000	<b>Executed:</b> Fully financed by the donor organizations
<b>Indicators realized</b> <b>Fully financed by the donor organization</b>	

- **Activity 3.2.2.** Improvement of waste management in the protected areas

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organizations:** the LEPL Agency of Protected Areas, NGOs, International Organizations.

**The aim of the activity:** Improvement of waste management in protected areas.

### Realized activities

Given the increasing number of visitors due to the active development of tourism in the protected areas of Georgia and its surroundings, the amount of waste has increased and devised a reasonable solution to address waste disposal is becoming a concern. Considering the above-mentioned, it was decided to develop a waste management guideline for the administrations of protected areas.

A guideline was elaborated to plan the waste management system in the protected areas, to develop a system design and to manage its implementation. The elaboration of the management document is underway for the Lagodekhi protected area.

### Indicators realization and budget expenditure

The guidelines for planning waste management in the protected areas was elaborated. As a result, guidelines have been developed for planning the waste management system in the protected area, for working out the system design and for the implementation of its management.

The estimated budget for the activity – ₾60,000 was executed in full.

Activity 3.2.2. Improvement of waste management in the protected areas	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia	
<b>Partner organization:</b> the LEPL Agency of Protected Areas; NGOs; International Organizations.	
<b>Performance Indicator</b>	
<b>Planned:</b> Guidelines for waste management in the protected areas is elaborated.	<b>Realized:</b> The protected areas' guidelines for waste management elaborated.
<b>Budget</b>	
<b>Estimated:</b> ₾60,000	<b>Executed:</b> ₾60,000
<b>Indicator realized and budget executed</b>	

Objective 3.3. Climate change. Implementation of mitigation measures for the potential negative impacts caused by climate change. Risk assessment

There were two activities realized with the aim of meeting objective 3.3: the improvement/development of the agro-meteorology system to prevent future natural disasters/catastrophes, and, to raise awareness of the local government on climate change in terms of the risks to bio-diversity and agriculture

The estimated budget for implementing the activities under objective 3.3 was ₾100,000.

**As a result of the activities realized for reaching the objective, in 2017:**

- ⇒ There were 5 automated meteorology stations bought and installed
- ⇒ Awareness of municipality representatives was raised about the potential threats caused by the climate change.

The estimated budget of ₾100,000 for the activities under objective 3.3 was executed excessively, totaling ₾339,886.75

- **Activity 3.3.1.** Improvement/development of Agro-meteorology to prevent future natural calamities/disasters.

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organizations:** the LEPL National Environment Agency; EU; international organizations.

**The aim of the activity:** Improve the agro-meteorology system.

#### **Realized activities**

During the reporting period, the meteorology observation network was expanded on the territory of Georgia. Five automated meteorology station units were bought, installed and set up, and their data are used for improving the weather Estimated quality, including the agro-meteorology Estimated that forms the country's territory.

A license was bought for accessing the radar of the Sakaeronavigatsia, which improved the effectiveness of warnings about expected natural hydrometeorology events, among them, unfavorable agro-meteorology conditions for agriculture.

Through the early agricultural frost warning system, which was introduced by the Turkish Meteorology Service, seven warnings were issued on Georgian territory warning of potential frost conditions.

#### **Indicators realization and budget expenditure**

Five meteorology station units were bought, installed and set up in 2017.

The estimated budget was ₾50,000, but ₾339,886.75 was spent on the purchase of the five units. The program was Realized with the support of the UN FAO. The budget was not verified at the initial stage.

**Activity 3.3.1. Improvement/development of Agro-meteorology in order to prevent future natural calamities/disasters**

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia

<b>Partner Organizations:</b> the LEPL National Environment Agency; EU; international organizations.	
<b>Performance Indicator</b>	
<b>Planned:</b> Number of reconstructed and operating Agro-meteorological stations	<b>Realized:</b> 5 Agro-meteorological stations reconstructed and operating
<b>Budget</b>	
<b>Estimated:</b> ₾50,000	<b>Executed:</b> ₾339,886.75
<b>Realized</b>	

- **Activity 3.3.2.** Increase the awareness of local government on climate change in terms of the risks to bio-diversity and agriculture

**Responsible authority:** The Ministry of Environmental Protection and Agriculture of Georgia.

**Partner organizations:** Municipalities; international donor organizations; NGOs.

**The aim of the activity:** Raise awareness of local government on climate change.

#### Realized activities

The program “Institutionalization of Activities for Climate Change Adaptation and Impact Mitigation in the Regions of Georgia” was realized with the aim of raising awareness of municipalities in the field of climate change. The program aimed at creating special commissions at all levels of local government that would oversee implementing the adaptation activities during the planning process.

The respective focal points were selected in all the municipalities of Georgia, and working groups were formed on the issues of the environment, climate change, and agriculture. The respective staff was trained on climate change, environment protection and adaptation.

#### Indicators realization and budget expenditure

There were 7 lecture courses held in 2017 for all municipality representatives. The estimated budget was ₾50,000 but the activity was fully financed by the donor organization.

<b>Activity 3.3.2. Increase the awareness of local government on climate change in terms of the risks to bio-diversity and agriculture</b>	
<b>Responsible authority:</b> The Ministry of Environmental Protection and Agriculture of Georgia	
<b>Partner organization:</b> Municipalities; international donor organizations; NGOs.	
<b>Performance Indicator</b>	
<b>Planned:</b> A number of seminars were conducted for local governments	<b>Realized:</b> 7 seminars were conducted for local governments
<b>Budget</b>	
<b>Estimated:</b> ₾50,000	<b>Executed:</b> Fully financed by the donor organizations
<b>Indicator realized</b> <b>Financed by the donor organization</b>	