



ევროკავშირი
საქართველოსთვის


Project funded by the European Union



MUNICIPAL ASSESSMENT REPORT

BORJOMI

August 2020



This publication has been produced with the assistance of the European Union (EU) and the United Nations Development Programme (UNDP). Its contents are the sole responsibility of the authors and do not necessarily reflect the views of the EU and UNDP.

ACKNOWLEDGEMENTS

We appreciate the contribution of Tengiz Lomitashvili, Giorgi Berulava, Elene Rusetskaya, Maia Guntsadze, Ana Katakidze, Nino Mirzikashvili, Gia Kakachia, Mariam Shotadze, Vakhtang Asanidze, Revaz Sakvarelidze who devoted their time and energy to developing the Report.

We also acknowledge collaboration with the Government agencies, Local Action Groups (LAGs) and the local governments of Keda, Khulo, Borjomi, Akhalkalaki, Tetrtskaro, Kazbegi, Lagodekhi and Dedoplistskaro municipalities.

TABLE OF CONTENT

Table of Content..... 3

List of Acronyms..... 6

1. Introduction..... 9

Project Background..... 9

Methodology And Approach..... 9

Organization of the Document..... 10

Symbols And Indexing Used In The Report..... 11

2. General Context..... 13

Location and Geography..... 13

Population, Demography..... 13

Demography Profile by Gender 14

Natural Resources..... 14

Density Profile of The Municipality 15

3. Priority 1 (P1) – Economy And Multi-Sector Development..... 17

Regional Context..... 17

Overview Of General Structure Of Business Sector..... 18

Composition and Past Dynamics of Business Sector..... 18

Key Sectors 20

Mapping of Projects and Initiatives Supporting Local Economy..... 21

Insights Into Sector Dynamics And Competitiveness 22

Comparative Advantages and Specialization of Municipality Business Sector 25

Allocation Effect and Policy Considerations..... 26

Labor Market..... 27

Workforce, Employment and Unemployment 27

The Main Problems of Human Capital Development..... 28

Institutional Setup of Labor Market and Employment Services..... 28

Access to VET and Non-formal Education 29

Key Success Factors, Needs And Challenges For Making Business..... 29

Key Determinants of Business Success..... 29

Municipality-Specific Findings - Business Needs and Challenges 30

Starting New Business..... 30

Structure and Profile 30

Financing..... 31

Existing Needs and Challenges..... 31

Expansion Plans and Perceived Assistance Needs..... 32

Potential Policy Consequences 32

Short-Term COVID-19- driven Needs 32

Impact on Self-employment and Informal Employment..... 34

Youth Dimension Of Local Economy 35

Economic Participation 35

Migration 36

Summary of Main Challenges and Needs..... 36

Gender Dimension of Local Economy..... 37

Women in Entrepreneurship 37

Summary of Main Challenges and Needs..... 39

Key Conclusions 39

P1 - Problem Tree (Economy and Multi-sector Development)..... 41

P1 - Proposed Intervention Actions (Economy and Multi-sector Development)..... 42

4. Priority 2 (P2) – Society	44
Social Dimension of Local Society.....	44
Composition of Income Sources	44
Mapping of Social Projection Programmes.....	45
Income Support Transfers (Main Types of Social Assistance).....	45
P2 - Problem Tree (Social Dimension of Local Society)	49
P2 - Proposed Intervention Actions (Social Dimension of Local Society)	50
Healthcare Dimension of Local Society	51
Main Demographic Indicators.....	51
Immunization Coverage and Selected Communicable Diseases.....	51
Non-Communicable Diseases	52
Organization and Governance	52
Financing Issues	53
Human Resources.....	54
Provision of Services and Access to Health Care	54
Rural Primary Health Care	55
P2 - Proposed Intervention Actions (Healthcare Dimension of Local Society).....	56
P2 - Proposed Intervention Actions (Healthcare Dimension of Local Society).....	57
Youth Dimension of Local Society	58
Education	58
Economic Empowerment of Youth	59
Civic/Society Engagement of Youth	60
Sports and Culture	60
Summary of Key Challenges and Needs	61
P2 - Problem Tree (Youth Dimension of Local Society).....	62
P2 - Proposed Intervention Actions (Youth Dimension of Local Society).....	63
Gender Dimension Of Local Society.....	64
Review of Social Status.....	64
Summary of Challenges and Needs	66
P2 - Problem Tree (Gender Dimension of Local Society).....	67
P2 - Proposed Intervention Actions (Gender Dimension of Local Society).....	68
5. Priority 3 (P3) – Environment	70
Geography and Natural Assets	70
Environmental Infrastructure and Services.....	80
Environmental Governance	85
Environmental pressures, impacts and key issues.....	85
Water Resources	85
Land Resources	89
Forest Resources.....	90
Biodiversity.....	93
P3 - Problem Tree (Environment).....	94
P3 - Proposed Intervention Actions (Environment).....	95
6. Cross-Cutting Priorities (P4)	97
Infrastructure.....	97
Some General Considerations in Terms of Infrastructure.....	97
Factual Description of The Municipality Infrastructure	98
Rural-Urban Linkages.....	99
Functional Regions Concept.....	99
Demographic Linkages.....	100
Economic Transactions and Innovation Activity	100
Market Potential and Role of Intermediary Cities	102

7. Annex	104
Interventions.....	104
P1 - (Economy and Multisector Development) - Interventions.....	104
P1 - (Economy and Multisector Development) - Results Framework.....	118
P2 - (Society) - (Social Dimension) - Interventions.....	119
P2 - (Society) - (Social Dimension) - Results Framework.....	123
P2 - (Society) - (Healthcare Dimension) - Interventions.....	124
P2 - (Society) - (Healthcare Dimension) - Results Framework.....	127
P2 - (Society) - (Youth Dimension) - Interventions.....	128
P2 - (Society) - (Youth Dimension) - Results Framework.....	132
P2 - (Society) - (Gender Dimension) - Interventions.....	133
P2 - (Society) - (Gender Dimension) - Results Framework.....	139
P3 - (Environment) - Interventions.....	140
P3 - (Environment) - Results Framework.....	143
List of References and Sources of Information.....	144
List of Consulted Key Stakeholders.....	146
Team of Experts.....	146
Methodology of SSA/Location Quotient.....	147
Potential Skills Demand-Supply Balance.....	149
Problems and Challenges.....	149
Required Vocations and Readiness of The Vocational Education System.....	150
Detailed Program of Proposed Trainings.....	151
Social Programs.....	153
Biodiversity of Borjomi-Kharagauli National Park and Ktsia-Tabatskuri Managed Reserve.....	154
Natural Hazard Profile of Borjomi Municipality.....	155

LIST OF ACRONYMS

ARDA	Agriculture And Rural Development Agency
ASL	Above Sea Level
BOD	Biological Oxygen Demand
C&DW	Construction and Demolition Waste
CB	Child Benefit
CBO	Community-Bases Ogranizations
CC	Climate Change
CCA	Climate Change Adaptation
CEDAW	The Committee on the Elimination of Discrimination against Women
CENN	Caucasus Environmental NGO Network
CEO	Chief Executive Officer
COVID-19	Corona Virus Pandemic
CRD	Chronic Respiratory Diseases
CSOs	Civil Society Organizations
DCFTA	The Deep and Comprehensive Free Trade Agreement
DDR	Disaster Risk Management
DMO	Destination Management Organization
ENPARD	The European Neighbourhood Programme for Agriculture and Rural Development
EPF	Europe Foundation
EU	The European Union
FAO	The United Nations Food and Agriculture Organization
GEL	Georgian Lari
GFW	Global Forest Watch
GITA	Georgian Innovation Technology Agency
GNTA	Georgian National Tourism Agency
GoG	The Government of Georgia
HA	Hectares
HCV	Hepatitis C virus
HH	Household
HIV/AIDS	Human Immunodeficiency Virus Infection and Acquired Immune Deficiency Syndrome
HPP	Hydro Power Plant
IDPs	Internally Displaced Persons
IRDG	The EU Funded (ENPARD III) Project “Improving Rural Development in Georgia” (UNDP)
IT	Information Technology
IUCN	International Union for Conservation of Nature
JNP	Javakheti National Park
JPA	Javakheti Protected Areas
KV/MW/GW	Kilowatt/Megawatt/Gigawatt
kWh	Kilowatt- Hour
L/d	Liter Per Day
LAG	Local Action Group
LDS	Local Development Strategy
LEPL	Legal Entity of Public Law
LLC	Limited Liability Company
MAR	Municipality Assessment Report
MDF	Municipal Development Fund
MEPA	Ministry of Environmental Protection and Agriculture
MoH/MoLHSA	The Ministry Minister of IDPs From The Occupied Territories/labour/ Health/Aocial Affairs Of Georgia
MRDI	Ministry of Regional Development and Infrustructure
MSW	Municipal Solid Waste
NALAG	National Association of Local Authorities of Georgia
NCDC	National Center for Disease Control

NEA.....	National Environmental Agency
NEAP	National Environmental Action Plan
NEET	Not in Employment, Education or Training
NFA	National Forestry Agency
NGOs	Non-governmental Organizations
OECD	The Organisation for Economic Co-operation and Development
PA.....	Protected Area
PHC	Primary Healthcare
PWD.....	People with Disabilities
RCV	Refuse Collection Vehicles
RE&EE.....	Renewable Energy and Energy Efficiency
RS	Revenue Service (of Georgia)
SAGA	Georgian Civil Development Association
SDGs	Sustainable Development Goals
SESA	State Employment Support Agency
SLM.....	Sustainable Land Management
SS.....	Solid Sediments/Suspended Solid
SSA	Shift Share Analysis
SSA	Social Service Agency
SWMCG	Solid Waste Management Company of Georgia
TB	Tuberculosis
TOR.....	Terms of References
TSA.....	Targeted Social Assistance
UHC	The Universal Healthcare Program
UHCP.....	Universal Health Coverage Program
UNDP	The United Nations Development Program
UNESCO.....	The United Nations Educational, Scientific and Cultural Organization
UNICEF.....	The United Nations Children’s Fund
UNIDO.....	The United National Industrial Development Organization
USAID	The United States Agency for International Development
USD.....	The United States Dollar
UWSCG	The United Water Supply Company of Georgia LLC
VET	Vocational Education
WASH	Water, Sanitation and Hygiene
WFD	Water Framework Directive
WGI.....	Waste Generation Index
WHO	The World Health Organization
WR	Women’s Room
WWF	World Wildlife Fund
WWTP.....	Wastewater Treatment Plant
YB	Youth Bank

1 Introduction

Project Background

Methodology And Approach

Organization of the Document

Symbols And Indexing Used In The Report

1. INTRODUCTION

Project Background

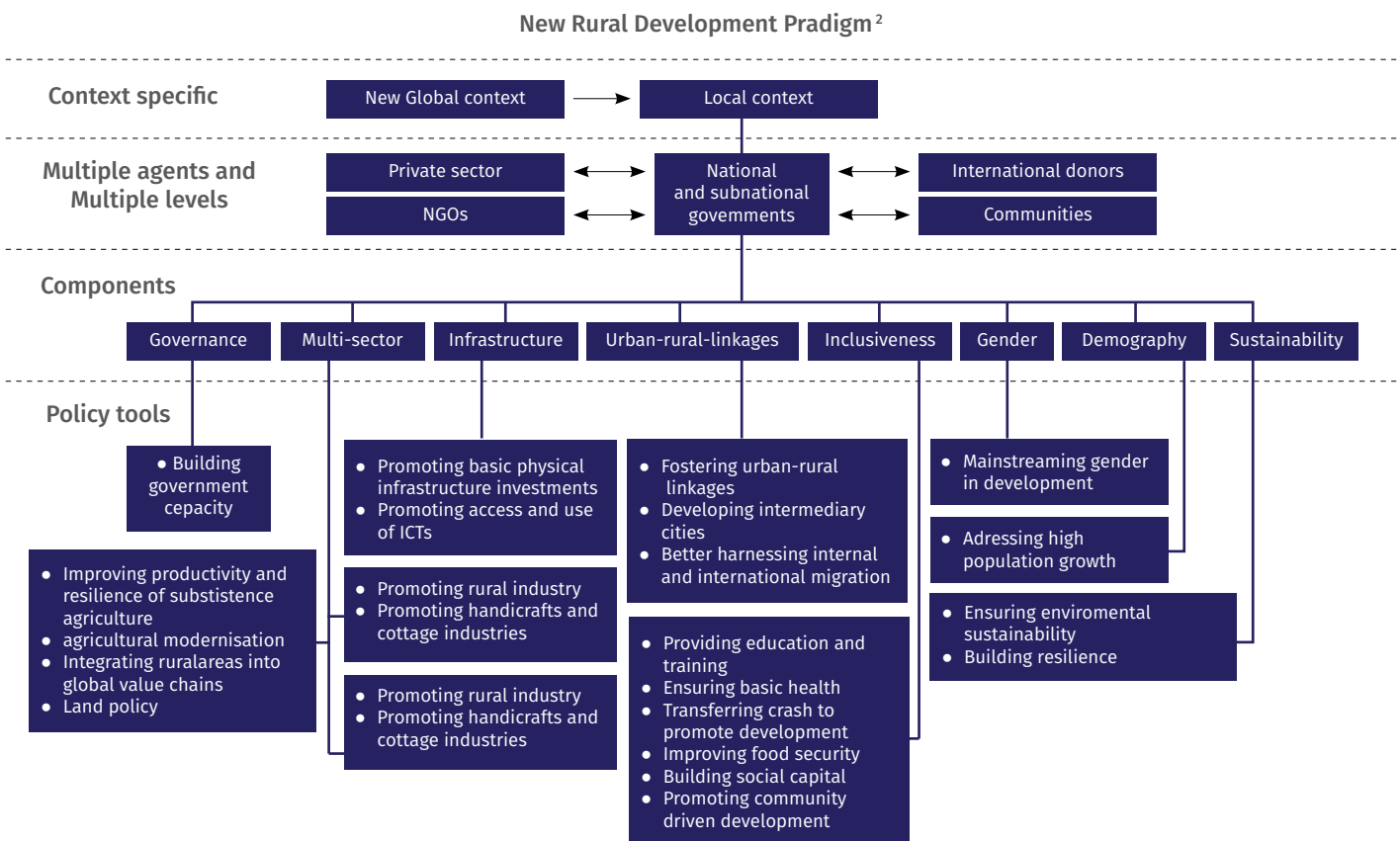
This Municipal Assessment Report (MAR, Report) is an initiative of the EU financed and UNDP implemented project “Improving Rural Development in Georgia” (IRDG). IRDG project operates in 8 municipalities of Georgia (Lagodekhi, Dedoplistskaro, Tetritskaro, Borjomi, Akhalkalaki, Kazbegi, Keda and Khulo). The project addresses the challenges of rural areas in Georgia by taking actions to achieve: (1) Improved governance for effective implementation of the Rural Development Strategy (2017-2020), it’s Action Plan and related programmes; (2) Improved rural economic diversification, employment and services; (3) Improved environment, sustainable management of natural resources and climate action.

The objective of the MARs is to identify the most relevant activities for the provision of direct rural support services by the IRDG project in target 8 municipalities and equip IRDG project with additional knowledge to advance/amend existing interventions.

Methodology And Approach

The distinguishing features of this MAR are: its *conceptual approach*, *multi-thematic team of experts* and comprehensive *research and analytic methods* used to assess the municipalities across all dimensions of important for rural development.

Conceptual Approach. The substantive part of the content draws upon the logic and framework, proposed by Rural Policy 3.0 and the New Rural Development Paradigm, defined by OECD.¹



Source: OECD, 2016.

1. Rural Policy 3.0. A Framework For Rural Development, OECD, 2018.; A New Rural Development Paradigm for the 21st Century - A Toolkit For Developing Countries, OECD, 2016.

2. A New Rural Development Paradigm for the 21st Century - A Toolkit For Developing Countries, OECD, 2016.

The framework of the paradigm in essence is a chain of thinking, based on the recent experience and important shifts in rural economic development. The paradigm, in a nutshell, can be summarised into the following: a) an end in itself is to *maximize the well-being* of the population of the rural areas, which comprises of different aspects of life (e.g., accessibility of services; safety; health; education; income); b) achieving maximization of well-being is possible through sustainable increases in *productivity and competitiveness*; c) the paradigm consists of *3 thematic areas (economy, society, environment)* and 8 components. These eight components have their general policy tools (to be customized according to the context).

The basic structure of the Report and its broad analytic framework follows the logic of thinking, described above, in order come up with the policy interventions, suitable and recommended by OECD for each area/component of the rural life, as seen by the paradigm. Other individual analytic tools and instruments are applied during the analysis of individual components.

Multidisciplinary Team of Experts. The Report was developed by the multidisciplinary team of experts, specialized in different themes of rural development conditioned by the overall conceptual approach and basic important thematic priorities. These included experts in local economic development, healthcare, social affairs, vocation education and labour relations, youth, gender and environmental issues. The list of the thematic experts is provided in Annex of this Report.

Research and Analytic Methodology. The *research methods* included both comprehensive desk study as well as collecting the primary information.

The desk study included collecting and reviewing existing reports about the target municipalities and their relevant contexts. This also included collecting the existing information about various aspects of the municipality from the local governments of the individual municipalities and relevant state bodies. Statistical information existing on national, regional and municipal levels was collected and analyzed to the detailed extent possible at the municipality levels.

Primary data collection included several key directions. First of all, this included analysis of the Rural Non-Farm Economy Needs Surveys, which were conducted in the framework of UNDP Georgia's "Improving Rural Development in Georgia" project under ENPARD III. The key objective of the survey was to reveal key constraints and opportunities in the area of economic diversification in target municipalities. The survey was comprised of two sub-researches: survey of population and the survey of existing non-farm enterprises.³

On top of this, primary data collection included interviews and workshops with the local key stakeholders: representatives of local and regional governments, LAGs and individual businesses. The interviews included the assessment of their general needs as well as the effects of the COVID-19 pandemic on different aspects of the local life (economy, society and environment). The list of people consulted is provided in Annex of this report.

Analytic methods included various relevant tools of regional economic and social and environmental analysis (e.g., Shift-share and Location Quotient Analysis, Multiple Regression Analysis in case of economy and so forth).

ORGANIZATION OF THE DOCUMENT







This Report consists of several Chapters. Chapter 1 – Introduction is this part. Chapter 2 - General Context provides the snapshot of demographic, geographic and other general characteristics of the municipality. Chapter 3 through Chapter 6 cover the *thematic priorities* – Economy, Society and Environment plus Cross-cutting priorities such as Infrastructure and Rural-Urban Linkages. Each of the thematic priorities includes analysis of the *current situation* as well as identifying the key problems through *problem tree framework* and the considerations summary of the possible interventions. Chapter 7 is Annex, which includes the detailed description of the each identified interventions, along with the corresponding *results framework*. other relevant materials which did not end up in the main body part of the Report.

3. The detailed methodology as well as the full analytic report of the study is provided in the Annex of this document.

SYMBOLS AND INDEXING USED IN THE REPORT

The report includes multiple thematic areas of focus, as well as their relevant interventions. To make navigating through the report easy, for simplicity purposes *conditional formatting* as well as specific *numbering or indexing system* is used to identify interventions according to their priority areas (i.e. Economy, Society, Environment) as well as their specific theme within the priority (e.g., Economy, Youth Issues and so forth). The table below shows the definition of the conditional coloring as well as indexing/coding system.

CONDITIONAL COLOR CODING

THEMATIC AREA	COLOR CODE USED
ECONOMY/MULTISECTOR DEVELOPMENT	
YOUTH ISSUES	
GENDER ISSUES	
HEALTHCARE	
SOCIAL ISSUES	
ENVIRONMENT	

Source: Authors of The Document.

INDEXING OF INTERVENTIONS

PRIORITY AREA	CODE	THEMATIC AREAS	CODE
ECONOMY/MULTISECTOR DEVELOPMENT	P1	ECONOMY/MULTISECTOR DEVELOPMENT	EC
SOCIETY	P2	YOUTH ISSUES	YU
ENVIRONMENT	P3	GENDER ISSUES	GE
		HEALTHCARE	HE
		SOCIAL ISSUES	SO
		ENVIRONMENT	EN
		URBAN-RURAL LINKAGES	UR

Source: Authors of The Document.

For instance, as an illustration, P1-GE01 code would indicate that this particular intervention related to gender issues and addresses the need of Priority 1 (Economy and Multi-sector Development) and is number one in the list of such interventions.

2 General Context

Location and Geography

Population, Demography

Natural Resources

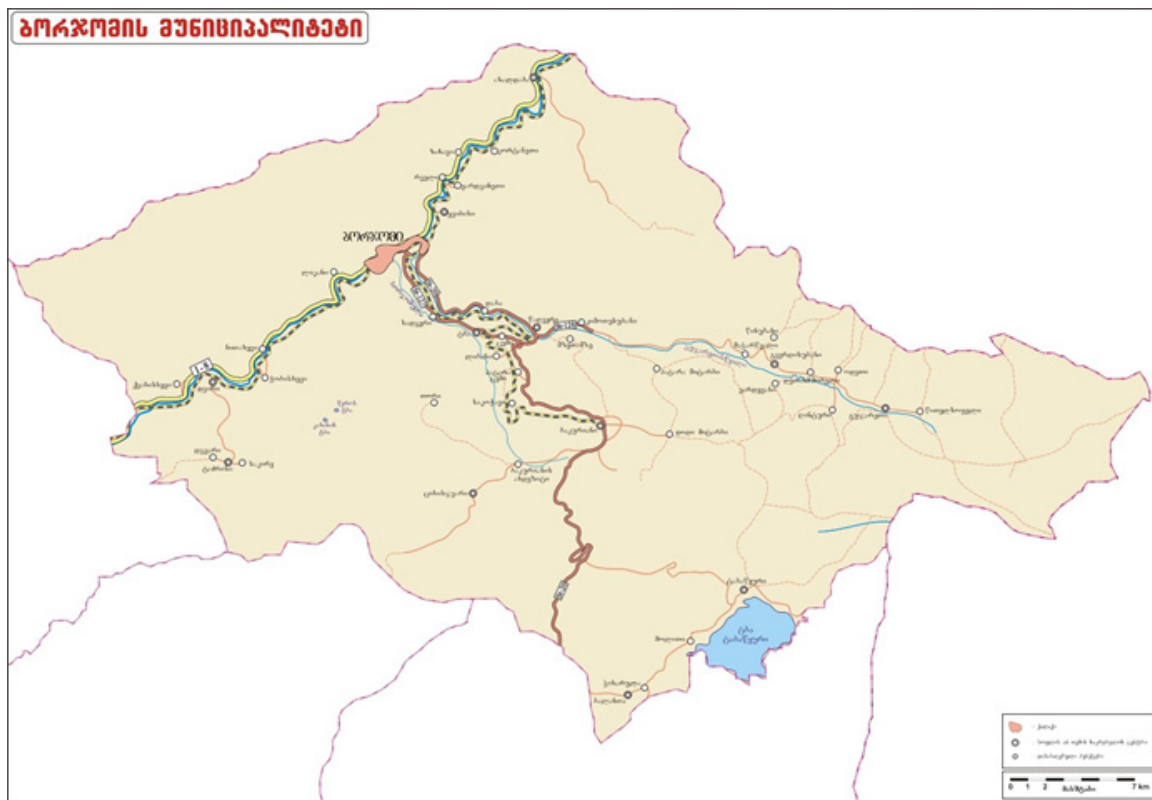
Density Profile of The Municipality

2. GENERAL CONTEXT

LOCATION AND GEOGRAPHY

Borjomi municipality is a part of Samtskhe-Javakheti region, located in the south of Georgia. It is situated within the Meskheti and Trialeti mountain ranges of the Lesser Caucasus Mountains and covers an area of approximately 1,189 km. The altitude of Borjomi municipality varies by more than 1,500 metres with the main town, Borjomi located at 800-950 metres above sea level and the mountain ranges reaching up to 2,500 metres above sea level. Its geographical location includes three different climatic zones, with regards to temperature and precipitation – the humid colchic zone, the moderate central Caucasian zone and the dry continental Caucasian zone. The distance from the municipality to the regional center Akhaltsikhe is 50 km and to the national capital Tbilisi it is 157 km.

MAP OF THE MUNICIPALITY



Source: Local Municipality.

Administrative units: 11 units - Borjomi town, 1 borough (Bakuriani) and 9 communities Akhaldaba, Tsagveri, Balanta, Dviri, Kvibisi, Tabatskuri, Tadzrisi, Tba and Tsikhisjvari.

POPULATION, DEMOGRAPHY

25,000 persons are living in Borjomi municipality, decreased by 10% in the last 10 years.⁴ 14400 of total residents (45%) live in Borjomi city.⁵ 23% of population receive state pensions.⁶ 6% of population receive Targeted Social Assistance (TSA).⁷ Age structure: 18.2% 0-14 years; 14.3% 15-24 years; 34.2% 25-54 years; 9.5% 55-64 years and in the age group > 65 years 24.0%. Ethnic composition: Georgians 84%, Armenians 12%, Greek 4%. Workforce: 65% of population.⁸

4. Geostat, 2020

5. Borjomi Local Development Strategy 2020-2024

6. Borjomi Local Development Strategy 2020-2024

7. Borjomi Local Development Strategy 2020-2024

8. Borjomi Local Development Strategy 2020-2024

Reasons for this decline of population is linked to migration to the capital Tbilisi and towards foreign countries, due to limited education opportunities and the high unemployment in the municipality. In these countries the migrants often work in small enterprises, in households or as seasonal workers. It is estimated that the significant losses of population in Borjomi municipality have not fundamentally changed the relation between the urban and rural population of the municipality.

From the census in 2002 it can be seen that the age distribution in the population in Borjomi corresponds very closely to the national distribution: 21.2% of the inhabitants are in the age group 0- 14 years (Georgia: 17.6%), 14.3% in the age group 15-24 years (Georgia: 14.0%), 40.2% in the age group 25-54 years (Georgia: 40.9%), 9.5% in the age group 55-64 years (Georgia: 12.2%) and in the age group > 65 years 15.0% (Georgia: 15.3%).

As for the proportion of men and women in the municipality it is balanced until the age of 24 years, however in the following age groups the percentage of men in the municipality decreases with rising age. For example, in the 45-54 years age group men only constitute 43% of the total population. One of the reasons for this is higher number of men migrating to seek work elsewhere in Georgia or abroad to send remittances to their family.

Borjomi is also characterized by ethnic diversity. Within the municipality there are twice the number of ethnic Armenians (12%) than on average in Georgia and around 4% of the population are ethnic Greeks. Ethnic minorities are particularly concentrated in specific villages and areas with the Greek minority living in Borjomi town and the village of Tsikisjvari and the Armenians living in Borjomi town and the high mountainous southern area of Borjomi bordering Akhalkalaki. Moreover, in the region Samtskhe-Javakheti there are 2,448 internally displaced people from South Ossetia registered with most of them living in Borjomi municipality mainly in the town and in Bakuriani and Bakurianis Andeziti.

Demography Profile by Gender

The sex distribution of the population in the municipality is as follows: 48% men and 52% women. 40% of the population lives in rural areas and 60% in urban areas. In urban areas 46.5% are men, 53.5% are women; in rural areas, men – 49.5%, women – 50.5%.⁹ According to the data of December 2019, the total number of beneficiaries registered in the Social Service Agency from Borjomi municipality is 6,441 persons. 55% of them are women and 45% are men. 8% of the population of Borjomi municipality is receiving a subsistence allowance. Among the registered beneficiaries, 44% of men and 56% of women receive subsistence allowance. The main income of the households in the municipality is salaries (42.7%) and pension and targeted assistance (40.9%), women among pensioners make up 70.6% and men - 29.4%. The migration rate is 1.5% of the total population. 70% of migrants are women and 30% are men. 100% respondent women and 20% of men cite services as a main reason for migration.¹⁰

NATURAL RESOURCES

The municipality is rich in natural resources – in particular mineral waters, huge forest areas and bio- diversity rich pastures, lakes and water resources – and a large portion of the Borjomi-Kharagauli National Park (85,000 hectares) lies within its boundaries. The wide climatic and precipitation range within Borjomi finds its expression in a variety of flora and forest types across the municipality. The forest area covers approximately 63,200 ha, or 57%, of the whole territory and there are different types of forests, both mixed and coniferous, according to the climate types. One other important characteristic of this mountainous landscape are the meadows and pastures. The deterioration of pastures is a serious problem in Borjomi municipality as their productivity has decreased significantly over recent decades. An absence of rotation grazing has led to soil erosion and a decrease in the volume of fodder. Other analysis shows that 13.4% of Borjomi municipality area is unstable landscape, which indicates a significant threat. Such areas are located in the river valleys of subalpine and upper mountainous forest landscapes, adjacent to the settlements, particularly within the anthropogenic influence.

Water resources One of its main assets is curative mineral water and in the Borjomi Gorge there are a large number of springs. These mineral waters are used both as medical treatments and as drinking water across the whole of Georgia and abroad. For over one hundred years the bottling of mineral water is a major source of income for the municipality. Today Borjomi municipality represents one of the most important tourism centers in Georgia. Since the 19th century

9. Geostat, 2014 Census, Borjomi

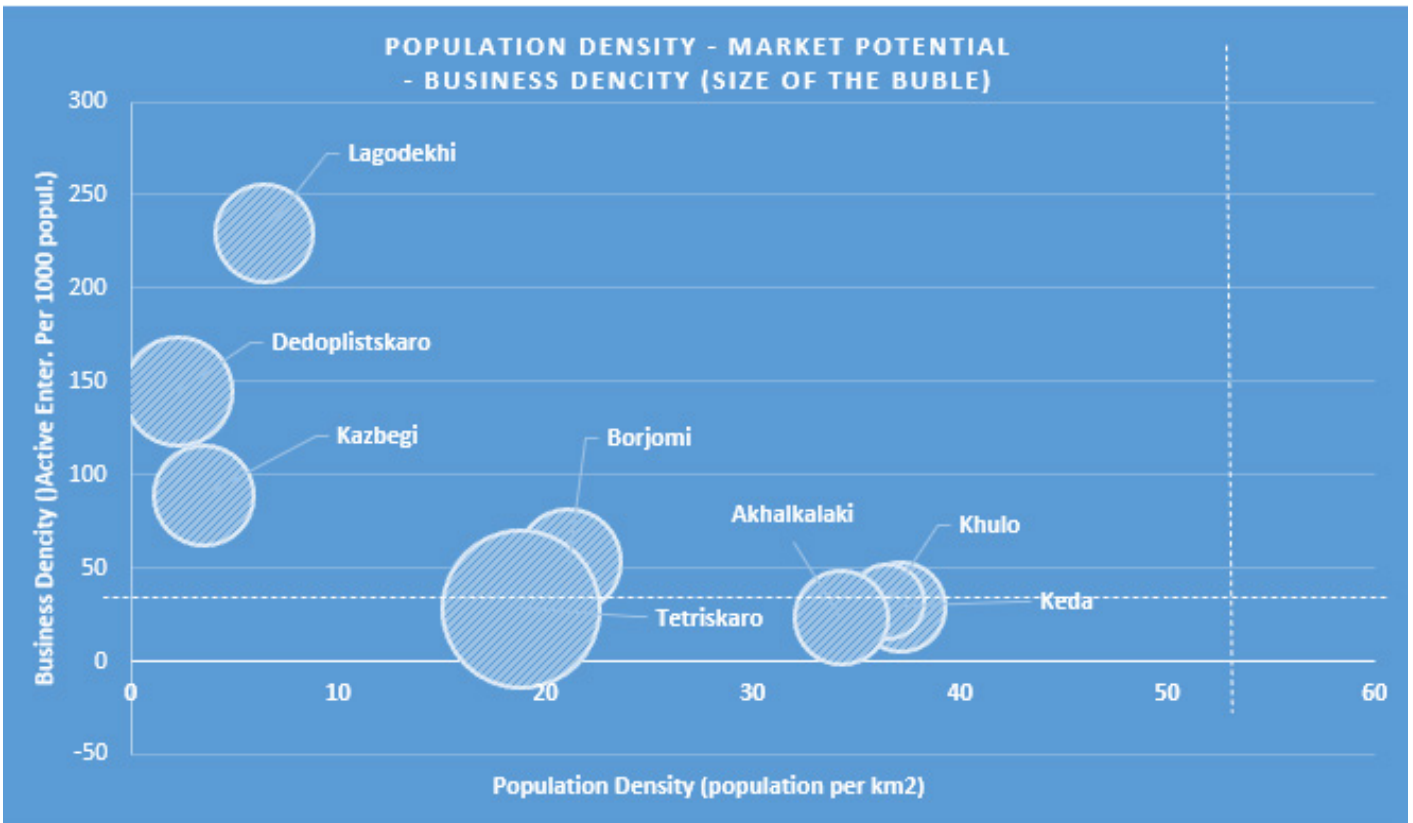
10. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

tourism has been a priority for the municipality with its health sanatoriums with recreation-curative facilities that make use of the natural spa waters, skiing infrastructure (located in the semi-town of Bakuriani) and numerous historical and cultural monuments in villages such as Akhaldaba, Tsemi, Kechkhobi and Tsagveri.

DENSITY PROFILE OF THE MUNICIPALITY

The analysis of the density indicators of the municipality shows that Borjomi belongs to the relatively average population density and low business density municipalities, with average market potential (distance to major agglomerations).¹¹

DENSITY AND MARKET POTENTIAL PROFILE OF THE MUNICIPALITY



Source: Authors' Calculations.

According to the profile, policy response should also be aimed at more towards facilitating creating new enterprises as well as facilitating rural-urban linkages.

11. Defined later in this report in the Rural-Urban Linkages chapter

3 PRIORITY 1 (P1)

Economy And Multi Sector Development

Regional Context

Overview of General Structure of Business Sector

Insights Into Sector Dynamics And Competitiveness

Labor Market

Key Success Factors, Needs And Challenges For Making Business

Short-Term COVID-19- driven Needs

Youth Dimension of Local Economy

Gender Dimension of Local Economy

Key Conclusions

3. PRIORITY 1 (P1) – ECONOMY AND MULTISECTOR DEVELOPMENT

This Chapter covers one of the three thematic priorities – Economy and Multi-Sector Development. It includes analysis of the current situation as well as identifying the key problems through problem tree framework and the considerations summary of the possible interventions.

According to OECD, in case of remote rural areas (to which this municipality belong), growth comes from building upon areas of absolute and comparative advantage, improving connectivity to export markets, matching skills to areas of comparative advantage and improving the provision of essential services. It also states that a key objective of rural policy should be to increase competitiveness and productivity of rural economy in order to enhance the social, economic and environmental well-being of rural areas.¹² Hence, the major objective of this Chapter is to reveal the areas where productivity and competitiveness of the sectors of economy have been performing well or underperforming, compared to other sectors, other regions and municipalities from our target group. The Chapter also provides findings about the necessities of the local economy and non-farm business sector.

REGIONAL CONTEXT

Several studies have been accomplished recently related to the clusters in the regions, including this region. For Samtskhe-Javakheti, various value chains have been explored before in the region such as: Onion, Honey, Trout, Potato. The regional development strategy identified several priority sectors (both in agriculture, as well as in non-agriculture sectors).

STRATEGIC SECTORS FOR THE REGION BY LOCAL GOVERNMENT

RIMARY AGRICULTURE/AGRO PROCESSING	MANUFACTURING
<ul style="list-style-type: none"> ● Cereals ● Vegetable processing ● Peanuts ● Bio-potatoes ● Production and processing honey 	<ul style="list-style-type: none"> ● NA

Source: Samtskhe-Javakheti Regional Development Strategy 2014-2021.

Besides, the study by UNIDO identified several potential or emerging clusters in the region.

IDENTIFIED EXISTING AND EMERGING CLUSTERS IN THE REGION¹³

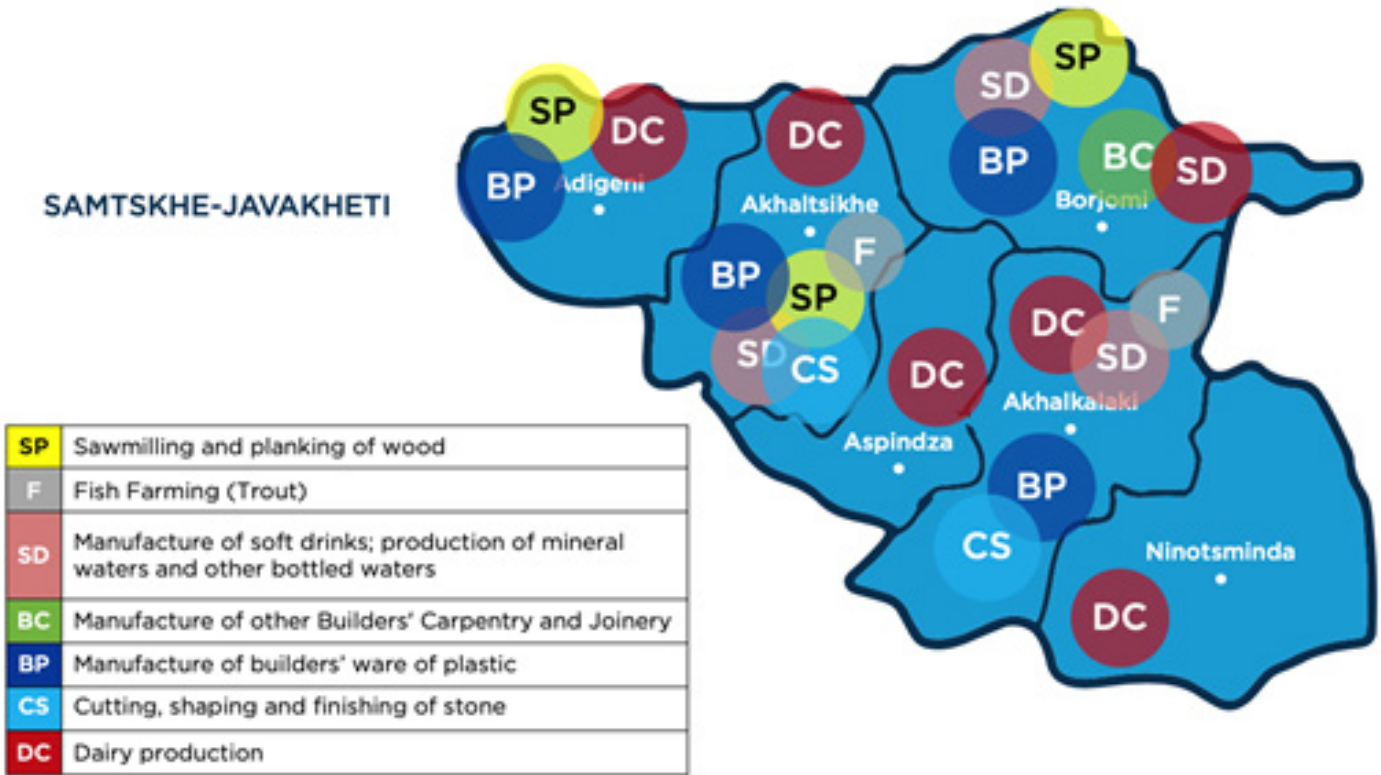
RIMARY AGRICULTURE/AGRO PROCESSING	MANUFACTURING
<ul style="list-style-type: none"> ● Dairy production ● Fish Farming (Trout) 	<ul style="list-style-type: none"> ● Cutting, shaping and finishing of stone ● Sawmilling and planking of wood ● Manuf. of soft drinks; mineral waters, other waters ● Manufacture of builders' ware of plastic ● Manufacture of other Builders' Carpentry/Joinery

Source: UNIDO, 2020.

12. Rural Policy 3.0 – OECD Policy Note

13. Mapping Emerging and Potential Clusters in Georgia, UNIDO, 2020

IDENTIFIED EXISTING AND EMERGING CLUSTERS IN THE REGION¹⁷



Source: UNIDO, 2020.

There are several identified non-farm industry clusters in the region, which are represented in Borjomi municipality as well. These are Manufacturing of soft drinks/water, Manufacturing of builders' carpentry, Manufacture of builders' ware of plastic, Sawmilling and planking of wood.

OVERVIEW OF GENERAL STRUCTURE OF BUSINESS SECTOR

Composition and Past Dynamics of Business Sector

According to Geostat, there are 1,175 active enterprises registered in the municipality. About 10% of them operate outside the municipality and the place of actual operation is not known for 30% of the enterprises. In terms of the size, 98% of the enterprises are small. There are 2 large and only 14 medium-sized companies.

ACTIVE ENTERPRISES IN THE MUNICIPALITY

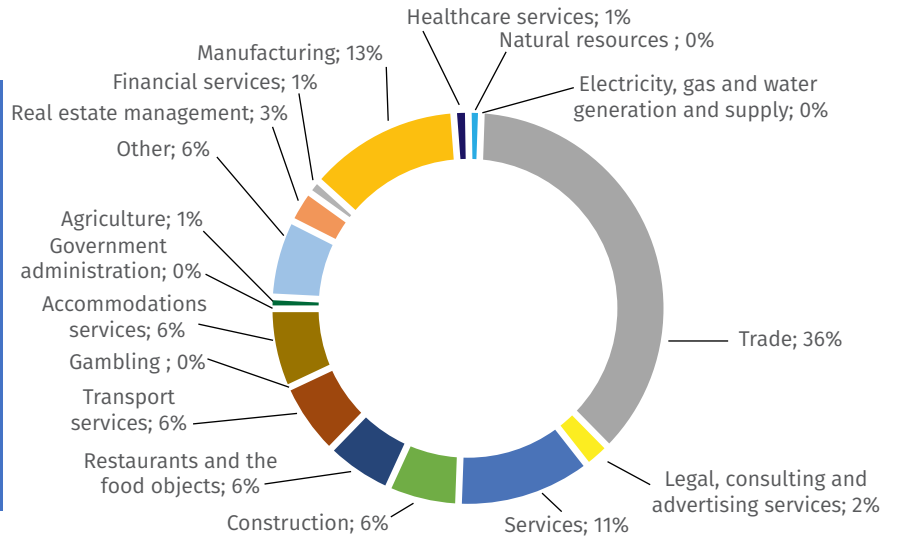
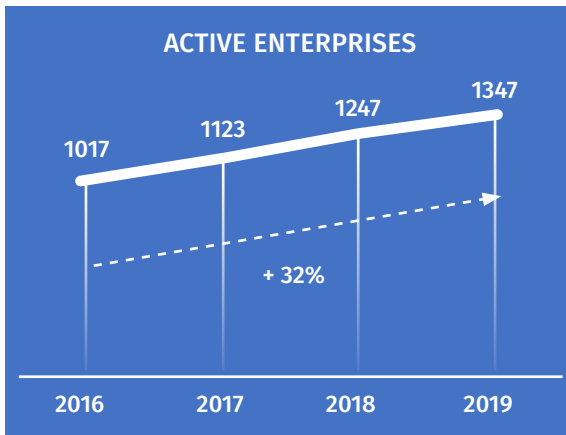
Actual Address	Small	Medium	Large	Size Unkown	Grand Total	% of Total
Borjomi	700	12	2	2	716	61%
Outside Borjomi	112	0	0	0	112	10%
Unknown	339	2	0	6	347	30%
Grand Total	1151	14	2	8	1175	100%
% of Total	98.0%	1.2%	0.2%	0.7%	100.0%	100%

Source: Geostat.

According to Revenue Service, by 2019, there were 1,247 active registered taxpaying enterprises in the municipality and the number has grown up in the past four years, from about 1,017 in 2016 - about 3% growth (one of the fastest growth cases among the target municipalities).

14. Mapping Emerging and Potential Clusters in Georgia, UNIDO, 2020

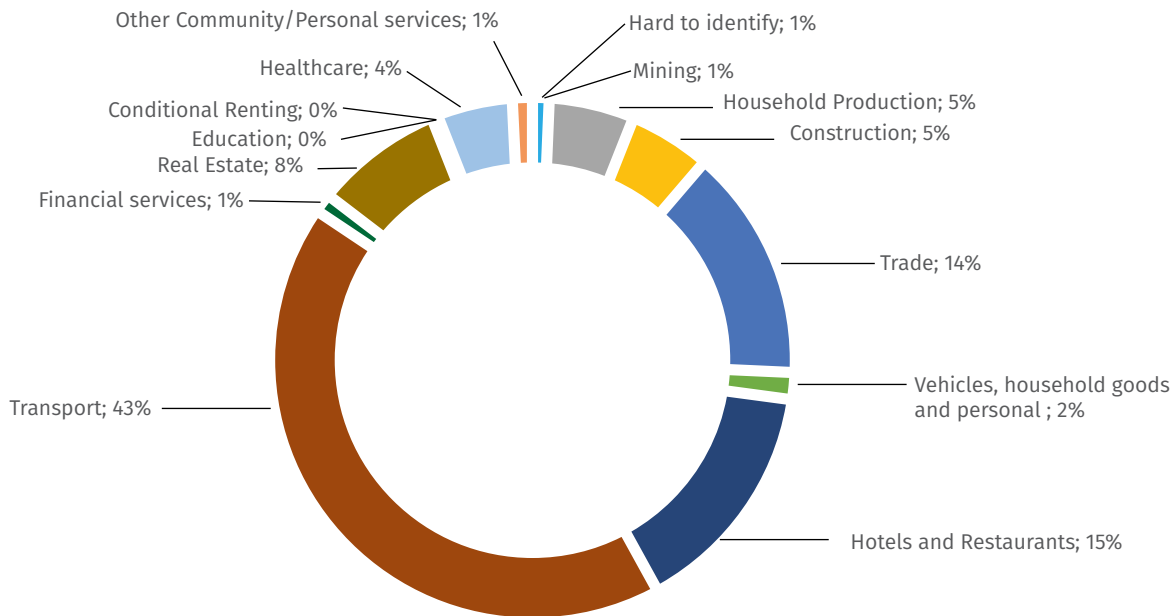
DYNAMICS AND SECTORAL BREAKDOWN OF ACTIVE ENTERPRISES IN THE MUNICIPALITY



Source: Revenue Service.

Big majority of the registered enterprises are in Trade (36%), followed by Manufacturing (13%) and Services (11%). In terms of employment, the leading sectors are Transports (43%), Hotels and Restaurants (15%) Trade (14%), Real Estate (8%), Construction (5%).

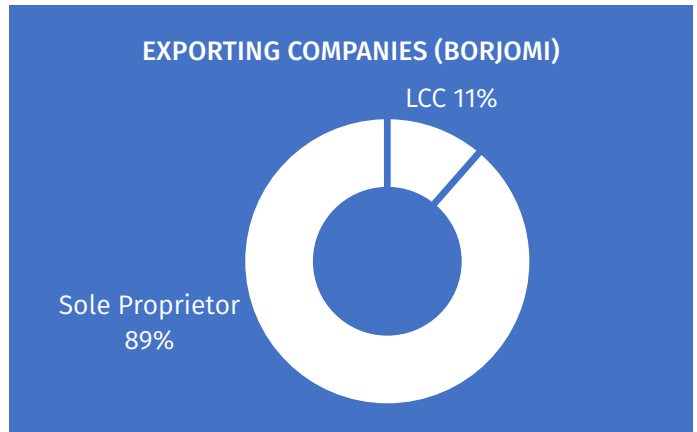
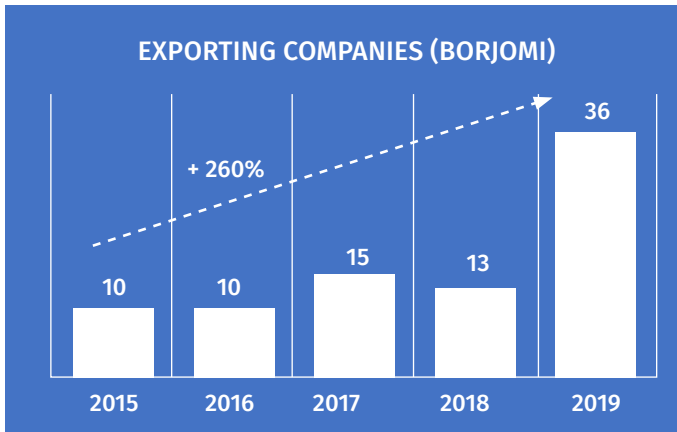
EMPLOYMENT IN BUSINESS SECTOR IN MUNICIPALITY



Source: Analysis of The Business Survey.

Developing tradable sectors of economy is one of the major ways to get the municipality out of poverty. By 2019, 36 companies which were registered in the municipality exported their products. Most of them (89%) are small Sole Proprietors.

EXPORTING COMPANIES IN THE MUNICIPALITY



Source: Geostat.

Key Sectors

Having greater economic diversification in mind, despite past efforts, and despite the number of registered businesses, non-farm sector is relatively small.

Agriculture. Forestry and agriculture sectors are also main employers and sources of income in Borjomi municipality. The main feature of the agriculture in the municipality is limited arable resources so that large, open-field crops production opportunities are limited. Of a total of 42,376 hectares of agricultural land, only 4,090 ha are arable land and only 180 ha are under permanent crops. The remaining land is predominantly meadow and pastureland. The shortage of agricultural land is directly reflected through the small size of farms in ownership, most of them (73%) managing less than 1 hectare. The proportion of 1-3 ha farms in Borjomi municipality compared to other municipalities in the region is the lowest.

The main sources of income in agriculture are animal husbandry, milk production as well as some vegetable and crop production. Of these farmers approximately 80% of population are involved in small-scale, non-commercial agriculture. Outside of livestock the most important agricultural is potato with 6,710 tons being produced in 2014. Recently, however there has been a move to diversify agricultural production with berry production and products cultivated under greenhouse conditions. With the support of UNDP 60,000 strawberry saplings and 4,000 raspberry saplings were planted in the villages of Daba, Tsagveri, Timotesubani and Mzetamze and recently in Daba and Tba villages three commercial greenhouses have been constructed. Furthermore, there are now six fish farms in the municipality which produce annually 28.5 tons of fish. Another move to initiate commercial agricultural production has been the development of 15 cooperatives working in berry production, apiculture. With their products these cooperatives are primarily servicing the tourist industry in Borjomi as well as markets in the capital. Agricultural processing industries are almost non-existent in Borjomi as there is currently only one cheese processing factory operational and there some opportunities within for service providers as the business sector remains under-represented.¹⁵

Non-farm Sector (Manufacturing, Processing and Service Sectors). For over one hundred years the bottling of mineral water is a major source of income for the municipality. There is only one large employer within the municipality - IDS Borjomi mineral water bottling factories that employ approximately 200 persons. Other manufacturing business are mostly small companies. Other enterprises represented in the municipality are hotels and guesthouses, agriculture firms, construction, processing industry and retail trade. Smaller enterprises included construction businesses, retail outlets, bakeries and repair/maintenance companies.

Tourism. Borjomi has a long tradition of tourism and it represents one of the key sectors of the municipality. Historically, Borjomi had top resources for tourism development. Discovery of mineral water springs in 19th century gave the way to two centuries of the evolution of the resort at is it now. For years, the resort drew the attention of many, including high-rank officials of the Russian Empire and Soviet Union and it became their favorite second-home. Mineral waters,

15. Borjomi Local Development Strategy, 2016-2019, Borjomi LAG, 2016

natural heritage such as Borjomi-Kharagauli National Park, recreation-curative facilities and spa centers shaped the profile of Borjomi over decades as a recreational and spa destination. Later, developing skiing infrastructure in Bakuriani, added a completely new profile and became a winter destination for many. The municipality has rich natural and cultural heritage. During the last few years, tourism has been growing in the municipality, reflected in the growing numbers of visitors as well as growing supply of accommodation facilities. In 2019 the number of visitors in the municipality reached 563 thousand people, whereas estimated supply of beds is about 12 000.¹⁶

Currently there are three 5-star hotels, one 4-star and three 3-star hotels, with a multitude of smaller hotels and guesthouses, primarily in Borjomi town, Bakuriani, Tsagveri, Tsemi, Tba and Sadgeri. In addition, there are also other small-medium businesses that also benefits from the tourist trade including recreation-curative facilities, spa-centers, four sanatoriums and restaurants.

Recently, in May 2020 the municipality adopted a comprehensive planning document – Tourism Masterplan, which identifies key challenges (including the effects of the COVID-19 consequences) of the sector as well as the strategy to overcome them and is supposed to guide the developments of the sector in the short, medium and long run. According to the Borjomi municipality Tourism Masterplan, some of the identified challenges and needs of the tourism sector include the following.

KEY CHALLENGE	RATIONALE
LOW QUALITY OF ACCOMMODATION AND POOR CUSTOMER SERVICE	<ul style="list-style-type: none"> • Number of accommodation supply is fine • Quality of accommodation facilities below international standards • Low level of customer care
ABSENCE OF TOURISTIC EXPERIENCES	<ul style="list-style-type: none"> • Lots of attractions (e.g., Romanovs' Palace, Kukusha etc) • ...But limited options of active experiences for tourists
LACK OF BOOKABLE OPTIONS	<ul style="list-style-type: none"> • No central tourism website showing all experiences in Borjomi • Scarce online information about the status of tourist attractions • Hard to find qualified local guides • Limited offer bookable online (most of the attractions are not bookable) • Communication difficulties in languages other than Georgian
POOR CONNECTIVITY WITH THE KEY AIRPORTS AND POOR INTERNAL ROADS	<ul style="list-style-type: none"> • The access road is good and within 2-3 hh drive from the two international airports, but there is no direct connection with the airports

Source: Adapted from Borjomi Tourism Masterplan.

Mapping of Projects and Initiatives Supporting Local Economy

Several state and donor support programs have been implemented in the municipality to support development of local economy.

Among the donor-funded projects, the most important recent initiative is the project “A New Approach for Rural Development in Georgia”, which is financed by the European Union within the framework of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) in Georgia and is implemented since 2017 by Mercy Corps with a support of Angus Council from Scotland and Borjomi municipality Self-Government. The aim of the project is to successfully promote, support, develop and implement a community-driven rural development approach to social and economic development within Borjomi municipality.¹⁷

Borjomi Local Action Group (LAG) has been operating in the municipality since the start of the program. Under ENPARD I and II, Borjomi LAG financed up to 67 different initiatives and projects from local residents, of which a big majority was in off-farm activities, namely in Tourism.

PROJECTS FINANCED BY BORJOMI LAG

Agriculture	8
Culture and Sports	15
Environment	5
Tourism	20
Total	67

Source: Borjomi LAG.

16. Borjomi municipality Tourism Masterplan, UNDP, 2020.

17. <http://mercycorps.ge>

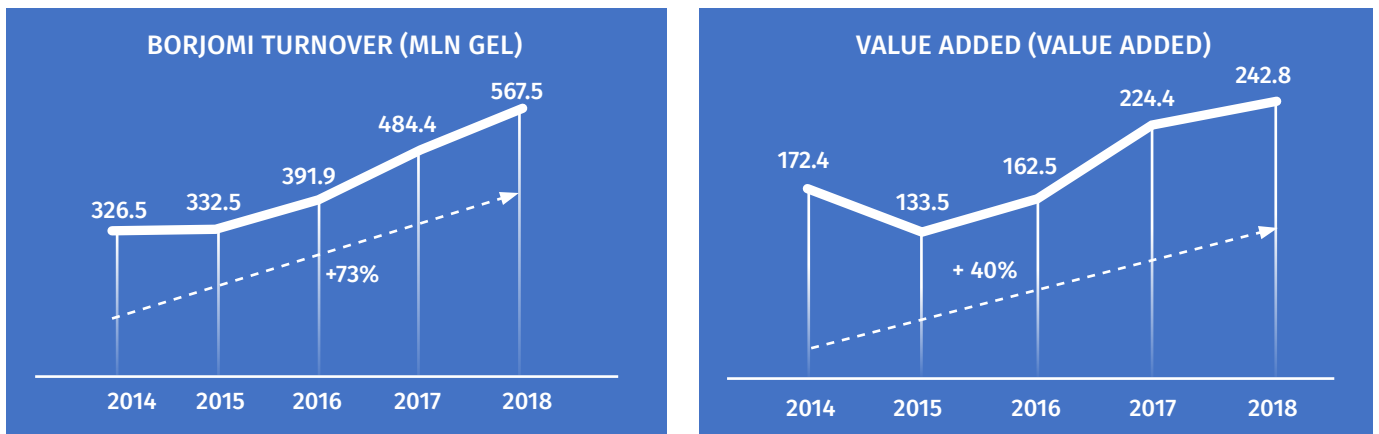
The list of the financed projects is provided in the Annex.

It is noteworthy that among the projects financed through Young Entrepreneur program in all target municipalities (total 23) from 2018 through 2020, only 3 projects were financed in Borjomi, which is a considerable disadvantage for the municipality. Share of enterprises in the agricultural-related projects financed by ARDA is more considerable. There were only 31 beneficiaries of Preferential Agro-credit Program in Borjomi, out of total 2,396 in all municipalities in the period from 2015 through 2020.¹⁸

INSIGHTS INTO SECTOR DYNAMICS AND COMPETITIVENESS

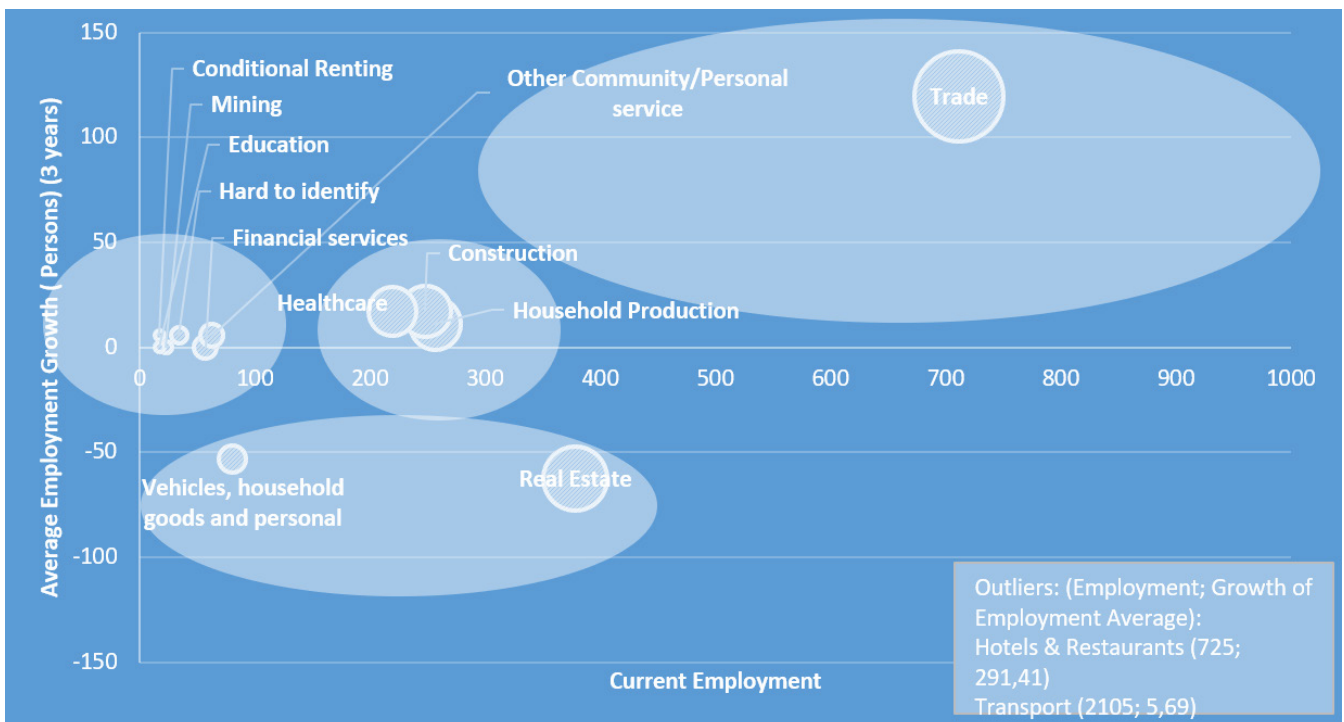
Business sector turnover has increased since 2014 from 326.5 million to 557.5 million GEL in 2018. Although some variations, Value Added has increased from 172 Mln GEL in 2014 up to 242.8 mln GEL in 2018.

BUSINESS SECTOR TURNOVER AND VALUE ADDED IN THE MUNICIPALITY



Source: Geostat.

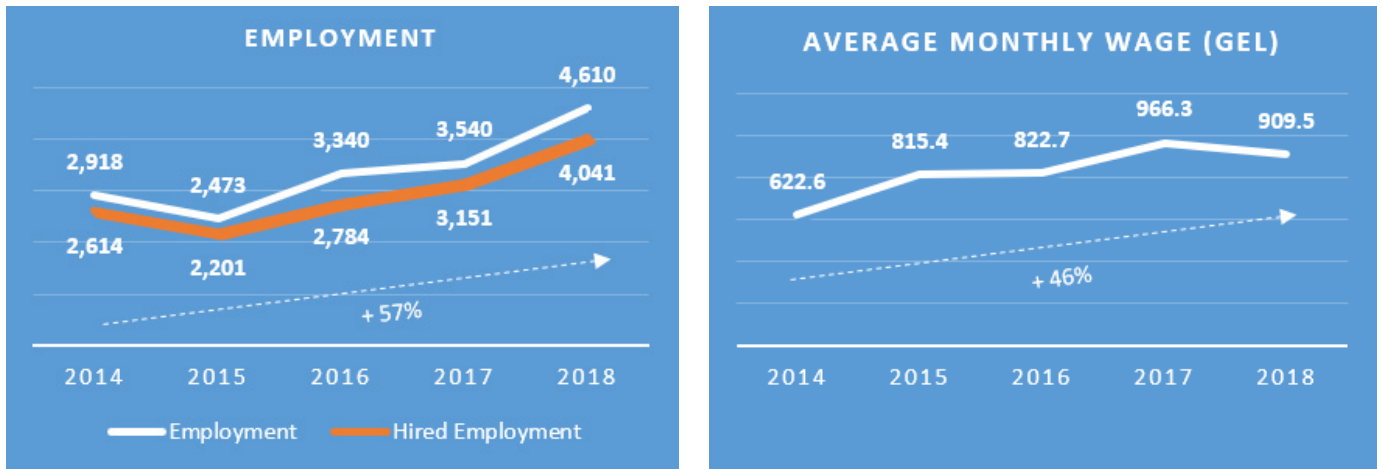
According to the business survey, Hotels & Restaurants (shown as an outlier in the chart below) and Trade sectors was the only ones in the municipality, which created jobs during the past three years. Construction, Healthcare and Household goods production sectors, although considerable share in current employment, did not create jobs in the past-while. Real Estate, and Vehicles et at sectors, according to the survey showed negative growth. For the rest of the sectors job creation was sluggish, as their overall employment volume and capacity.



Source: Analysis of The Business Survey.

The employment in the municipality has moved up and down from 2014 through 2018 and reached up to 4,610 people in 2018 (with 4,041 hired employment). In terms of average wage of the hired employees, the number has been going up and down and currently stands at about 909 GEL/month, which is at the high end of the targeted municipalities.

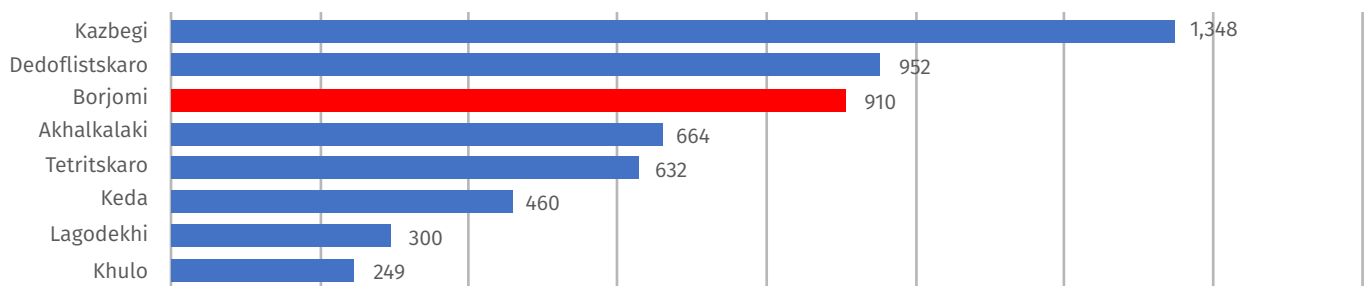
EMPLOYMENT AND HIRED EMPLOYMENT



Source: Geostat.

With its average monthly wage, the municipality performs well and ranks at top among all of the target municipalities. This is a clear example of how emerging tourism sector can benefit the social and economic conditions of the municipality.

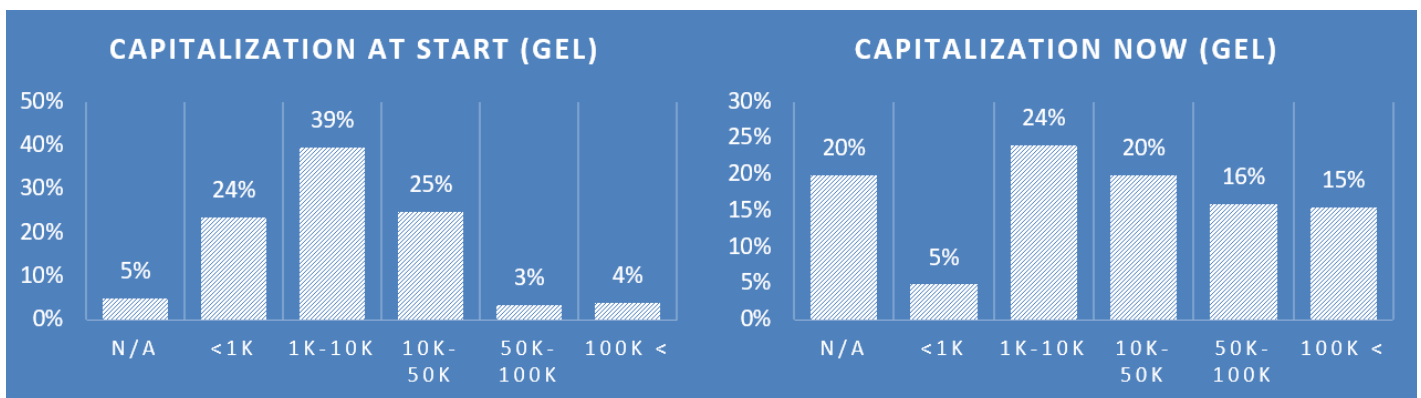
AVERAGE MONTHLY WAGE OF HIRED EMPLOYMENT



Source: Geostat.

Capitalization of businesses in the municipality grew significantly during the past few years. The portion of the businesses whose equity capital is above 100,000 GEL is about 15%, compared to 4% at the start.

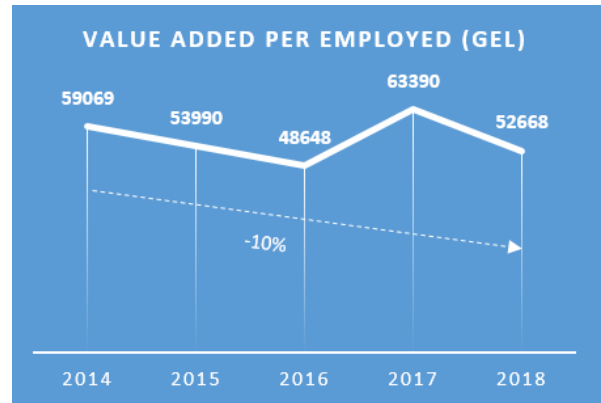
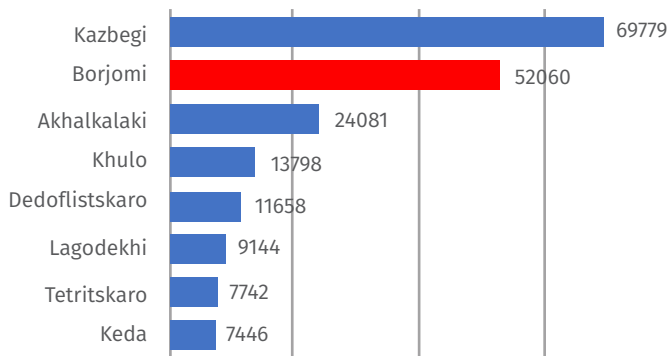
CAPITALIZATION GROWTH OF ENTERPRISES IN THE MUNICIPALITY



Source: Analysis of Business Survey.

Borjomi municipality outperforms most of the target municipalities in terms of productivity (measured by value added per employed person). Since 2014 productivity in the municipality has been up and down, ending up at 52,668 GEL by 2018, which is a bit lower levels, compared to 2014. Overall, only Kazbegi outperforms Borjomi municipality among the target ones.

BUSINESS SECTOR PRODUCTIVITY IN THE MUNICIPALITY

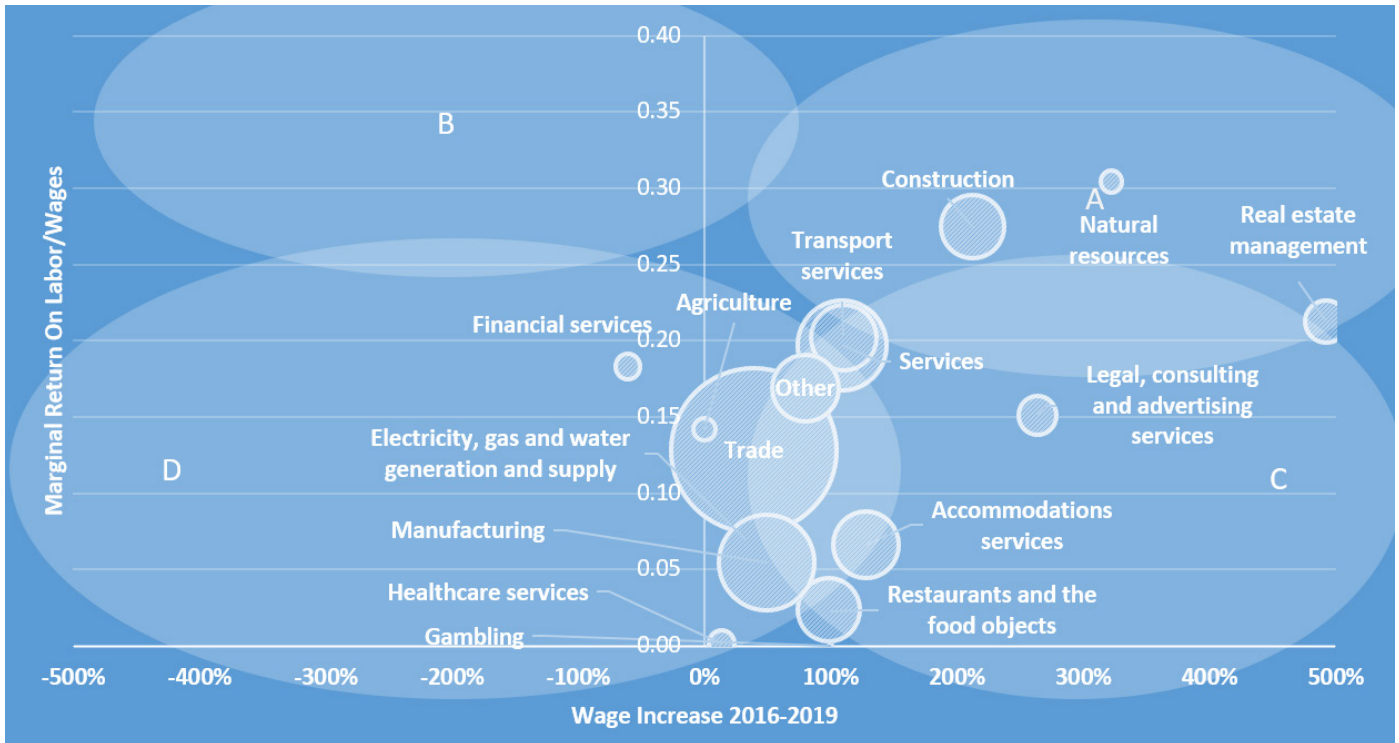


Source: Geostat.

Analysis of growth in wages paid and marginal return on labor provides useful insights about the sectors which contributed to more employment (wages paid) recently within the municipality and the ones which are capable of more employment because of the marginal return on labor is high. The Chart below plots the growth of wages paid by different sectors (measured by paid income tax, through 2016-2019 period) against marginal return on labor (measured by the average value of profit tax paid in GEL per income tax paid in GEL, average during the 2016-2019 period).

Several conditional groups of industries can be identified in this analysis: A) the group of industries, which contributed to the growth of wages in the period as well as are distinguished by the relatively high marginal return (thus the capacity to employ); B) the ones with less than average growth in wages but relatively high marginal labor return; C) the ones with high growth of wages but low return, D) the ones with less than average indicators on both aspects.

MARGINAL RETURN ON LABOR IN BUSINESS SECTOR IN THE MUNICIPALITY



Source: Authors' Analysis Based on Revenue Service Data

Real Estate Management has shown the most notable progress. The biggest sector of the local economy – Trade is in Group D, with low level of marginal labor return as well as relatively low increases (or decreases) in wages in the recent years. Group A includes Construction, Natural Resources and Real Estate Management sectors. Group B is empty.

According to the business survey, median productivity (measured by turnover per employee) in the municipality is about 6,600 GEL and the mean productivity is 18,216 GEL.¹⁹

PRODUCTIVITY DYNAMICS AND DIFFERENCES

Enterprises Managed By:		Current Productivity (GEL)	Past Productivity (3 Y Ago) (GEL)
Men	Mean	20,737	29,114
Women	Mean	16,049	20,789
Total	Mean	18,216	24,038

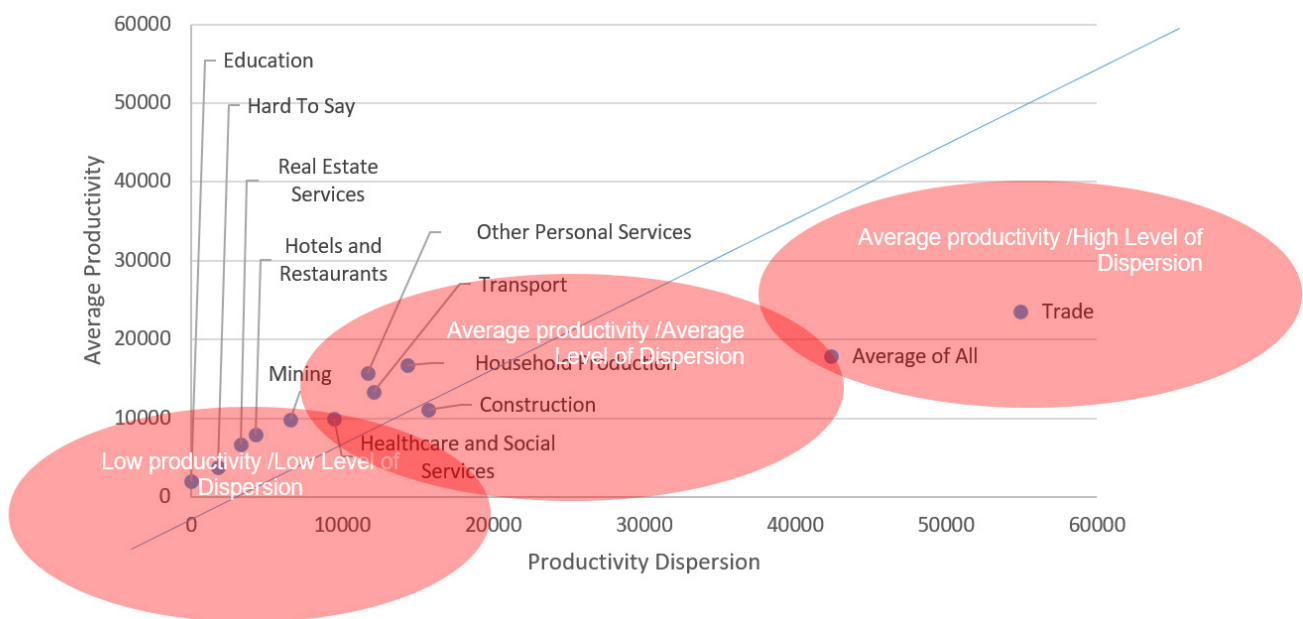
Source: Analysis of The Business Survey.

It should be noted that in case of women-run enterprises average productivity (about 16,049 GEL) lags significantly behind the men-run companies (about 20,737 GEL). This shows the existing gap and the existing need for assistance to women-run enterprises to catch up with men. Productivity of both women-run businesses and men-run businesses decreased during last 3 years.

Resource misallocation measured by the dispersion of productivity within individual industries was identified by the World Bank as a key issue preventing the maximizing the output by the Georgian economy. Consequently, moving the labor force from less efficient companies to more efficient ones within each sector could eliminate the misallocation. According to the study, eliminating these allocative distortions could increase Total Factor Productivity by up to 70% in Georgia.²⁰

Analysis of productivity in the municipality shows that there are wide differences between the sectors. For instance, productivity level in Trade sector is way above the levels of productivity in other sectors. On the other hand, some sectors, such as Trade exhibit large dispersion, measured by the standard deviation in relation to the mean productivity. This is indirect evidence of significant misallocation.

SHIFT-SHARE ANALYSIS AND LOCATION QUOTIENT OF THE MUNICIPALITY SECTORS



Source: Authors' Analysis Based on RS Data.

Comparative Advantages and Specialization of Municipality Business Sector

Understanding the growth of various sectors driven by region-specific factors, as well as the relative specialization of the municipalities is key to unlocking comparative advantages of the local economy. For this purpose, analytic instruments of Shift-Share Analysis and Location Quotient were applied.²¹

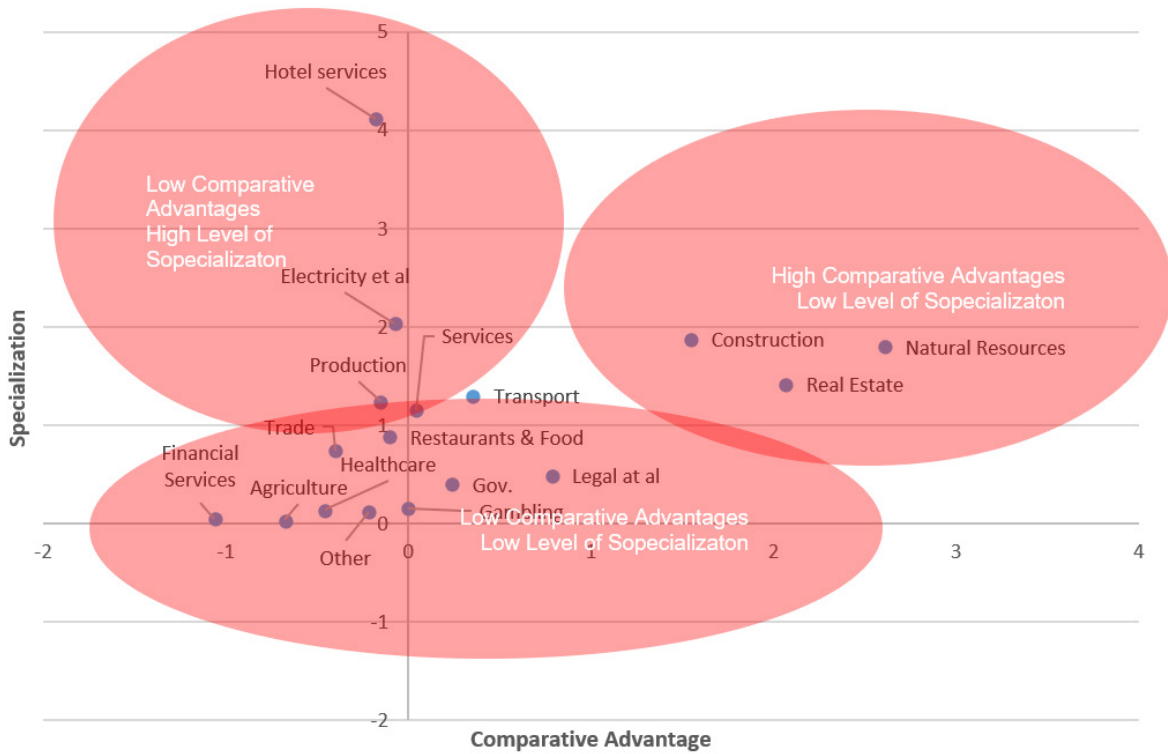
19. Due to the low response rate on the relevant questions, the information might not be representative

20. Georgia at Work: Assessing the Jobs Landscape, The World Bank, 2018.

21. The description of the instruments and methodology behind these two instruments are provided in the Annex of this document.

Shift-Share Analysis (indicating the growth of the sector contributing to the region-specific factors) and Location Quotient (indicating to the relative sector specialization of the municipality) analysis suggest that Agriculture is the sector in which the municipality has high comparative advantage and some specialization. Gambling, Services and Construction were the sectors with distinct specialization, but rather small or negative comparative advantages.²²

SHIFT-SHARE ANALYSIS AND LOCATION QUOTIENT OF THE MUNICIPALITY SECTORS



Source: Authors' Analysis Based on RS Data.

Allocation Effect and Policy Considerations

There are four possible combinations of specialization and comparative advantage, which imply different policy prescriptions. In the table below, the sectors are distributed across the four combinations, along with the policy options. The sectors which both score positive (Group A) or both negative (Group D) of on these two dimensions, policy interventions are useless in both cases. Policy interventions are productive in case if sectors score positive and negative at the same time in either of the dimensions, suggesting the bottlenecks and the necessity to overcome them.

ALLOCATION EFFECT AND POLICY INTERVENTIONS

		COMPARATIVE ADVANTAGE	
		POSITIVE	NEGATIVE
SPECIALIZATION	POSITIVE	(The industry is healthy, and intervention is unnecessary) [A] • Construction • Services • Transport	(Intervention may be useful but further study is required) [B] • Electricity et al • Hotel Services • Manufacturing • Restaurants and Food • Trade
	NEGATIVE	(Intervention may be useful but further study is required) [C] • Government Administration • Legal and consultancy and advert. • Natural Resources • Real estate	(The sustainability of intervention is questionable. The industry cannot efficiently expand) [D] • Agriculture • Financial services • Healthcare • Other (No economic activity)

Source: Authors' Analysis Based on RS Data.

22. Detailed methodology is described in the Annex of the document.

The analysis suggests that there are two groups of industries which might represent the source of multisector development and diversification in the municipality and they require closer analysis. On the one hand, there are sectors with positive specialization and negative comparative advantages (e.g. Hotel services, Manufacturing, Restaurants & Food, Trade, Electricity Et Al.) - Group B. It is important to understand why these sector loose sources of their competitiveness. On the other side, there are sectors, which exhibited positive comparative advantages due to the regional factors, but they are not concentrated in the municipality. These are Group C sectors – Natural Resource, Legal et al, Real estate. For this group it is important to find the sources of such growth and check whether they could become key competitive sectors of the municipality.

LABOR MARKET

Competitive and qualified labor force is a key towards competitiveness of local economy. This Section addresses the state of the labor market in the municipality.

Workforce, Employment and Unemployment

According to the 2002 census, the population of the Borjomi municipality was 32,422 people, although according to the 2014 census, the population decreased to 25,100 people (-22.6%). It is noteworthy that the population has not decreased in the last 5 years - according to the demographic data of 2019, the picture did not change. This is due to implementation of international (e.g., ENPARD program) and state projects ('Produce in Georgia' program, 'State Reform of Land Restoration' program), as well as enactment of a new Mountain Law. According to the law, 22 villages of the municipality are eligible for benefits of Law of Georgia "On the Development of High Mountainous Regions". One of the key benefits residents of the municipality receives by this law is the tax exemption of property and income taxes.

According to the survey, conducted by the IRDG project (UNDP), the workforce in the Borjomi municipality is about 65% of the adult population. It is a low rate compared to other targeted municipalities (the highest labor market participation level shows Kazbegi municipality (86.8%) followed by Keda (79.9%) and Lagodekhi (75.8%) municipalities).²³ According to the survey, the unemployment rate is 39.2%, which is much higher than the official data. This is because according to the research, those who work on their own land and use the produced products only for their own consumption are not considered to be employed in the category of self-employed. The number of employed in the public sector is approximately 30% and 40% - in the private sector. According to this study, the number of self-employed is only 25%. 5% work in the family business. 25% of the unemployed are young.

23. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

COMPOSITION OF WORKFORCE²⁴

Total number of working age population (18 years and older)		19922	100%			
Working age population (18 years and older) - Active data		18620	93.3%		Missing data 1302 6.5%	
Youth	3305	17.7%	Non-Youth	15315		82.3%
In the labor force				12125	65.1%	Not in the labor force 6495 34.9%
Youth	2734	22.5%	Non-Youth	9391	77.5%	Youth 2956 25.4% Non-Youth 8703 74.6%
Employed				7372	60.8%	Unemployed 4753 39.2%
Youth	1532	20.8%	Non-Youth	5840	79.2%	Youth 1202 25.3% Non-Youth 3551 74.4%
Employed in Public sector 2282 31.0%	Employed in Private sector 3067 41.6%	Self-employed 1923 26.1%	Employed in Family business 439 6.0%	Balance -339 -4.6%		
		Not in agriculture 1286 66.9%	In Agriculture 563 29.3%	Balance 74 3.8%		

Source: IRDG UNDP, 2019.

The Main Problems of Human Capital Development

Studies show several main features of human capital development and the key factors affecting it:

FACTORS INFLUENCING HUMAN CAPITAL DEVELOPMENT²⁵

LACK OF BOTH FUNDAMENTAL AND SEGMENTAL RESEARCH IN THE LABOR MARKET
LACK OF A PERMANENT MECHANISM FOR IDENTIFYING REQUIRED VOCATIONS AND KNOWLEDGE/SKILLS
THE INSUFFICIENT ORIENTATION OF THE VOCATIONAL EDUCATION SYSTEM IN ADJARA TO THE REQUIREMENTS OF THE LABOR MARKET
LOW OPPORTUNITIES FOR VOCATIONAL EDUCATION INSTITUTIONS
LACK OF MUNICIPAL EMPLOYMENT PROGRAMS
LOW SCALE CURRENT EDUCATIONAL PROGRAMS FOR ADULTS
LACK OF JOBS IN MOUNTAINOUS MUNICIPALITIES
LOW LEVEL OF BUSINESS EDUCATION AMONG ENTREPRENEURS
LOW LEVEL OF MOTIVATION IN TERMS OF VOCATIONAL TRAINING
LOW WAGES, WHICH CONTRIBUTES TO MIGRATION
AGING OF THE POPULATION AND REDUCTION OF THE LABOR FORCE
INSUFFICIENT FINANCIAL RESOURCES TO PROVIDE SKILLED LABOR

Source: UNDP.

Labor market institutions and vocational education institutions in Borjomi municipality do not have a permanent mechanism for identifying the required vocations and knowledge / skills. It is necessary to conduct periodic segmented labor market research, the purpose of which should be to determine the required vocations and the necessary knowledge/skills under these vocations. Lack of presence of research organizations in the country and absence of good quantitative researches addressing the labor market needs of the municipality, justify using qualitative methods to analyze this subject.

Institutional Setup of Labor Market and Employment Services

Of the labor market institutions only local branch of State Employment Support Agency operates in the municipality. The functions of the agency include: implementation of active labor market policy measures; the analysis of Georgian labor market; implementation of state employment programs; providing intermediate services in the labor market of Georgia; providing information and consulting services to job seekers; organizing vocational training and retraining

24. The chart is developed on the basis of the survey information from UNDP Population Survey of Non-Farm Economy Needs in the Target Municipalities, 2019

25. Human Capital Development, UNDP

activities for job seekers; organizing employment forums. Private labor market institutions do not exist in the municipality. The programs of the SESA of Georgia are mainly common national. The agency does not have regional or municipal programs. There are no municipal employment programs for young people, either. The inhabitants of the municipality have the opportunity to participate in the general national employment programs with the support of the Borjomi branch of SESA.

Access to VET and Non-formal Education

There are no vocational schools in Borjomi municipality. Therefore, none of the higher education institutions offers vocational education programs. Due to this, the adult population of Borjomi go to Tbilisi or Akhaltsikhe for studying. In terms of coverage, the municipality is covered by the multi-profile college Opizari, which operates in Akhaltsikhe. The college offers vocational training/retraining as well as vocational education programs in the fields of agriculture, construction, and tourism. The college does not conduct courses on the territory of Borjomi. Access is also hampered by the fact that there is limited room capacity at Akhaltsikhe college. Samtskhe-Javakheti State University also works in Akhaltsikhe that is authorized to provide vocational education programs. The university currently provides only one program, but it is planned to add a new program in Akhaltsikhe including the middle vocational education program. The vocational education program called School Program operates in Borjomi. There is a hub school - Borjomi 3rd Public School, which has been participating in this program since 2019. In the beginning, the school operated in vocational orientation courses and showed good results. At this moment it is ready to implement 1 or 2 certified programs. The school has a suitable infrastructure.

According to the Ministry of Education, Science, Culture, and Sports of Georgia, based on the cooperation between the Government of Georgia and the Asian Development Bank, launching a vocational school in Borjomi is planned. The building has been selected for this stage and rehabilitation works will start soon. The Asian Development Bank project will prepare human resources, relevant programs, and the school will receive its first students in the fall of 2021. The school will be predominantly mono-profile and will train a skilled workforce for the tourism sector.

KEY SUCCESS FACTORS, NEEDS AND CHALLENGES FOR MAKING BUSINESS²⁶

Enterprises from different sectors and different municipalities face different needs and challenges. However, some problems are shared among all. The key findings from the two surveys (business and population) conducted by UNDP related to non-farm economy needs in the target municipalities, with regards to various aspects are provided in the section below. The first sub-section provides findings based on the analysis of the full sample (all target municipalities together). The second sub-section focusses on the municipality-specific insights.

Key Determinants of Business Success

According to the survey, among the key factors that influence the productivity of non-farm businesses in targeted municipalities are managers' personal characteristics, like age, gender, education, experience, previous working status, personal values; business characteristics and policies – rented and owned facility, starting capital, strategic planning, trainings of managers and employees; business environmental factors- access to credit; government support programs; attractiveness of business climate; as well as spatial and industry factors. Given below are the most important highlights:

- Managers with higher education usually show 40% higher productivity performance than managers without higher education. Higher education also plays important factor in employment and capital growth.
- Each additional year of experience within the field of activity adds 0.3% of increase in productivity.
- Managers with personal values oriented on environment protection and innovations show almost 42% higher productivity performance.
- Young managers perform better in achieving employment growth, while female managers show poor performance in terms of capital growth and expansion planning.
- Access to credit improves productivity performance by almost 30%. It also determines capital growth as well as promotes expansion planning.
- Attractive business environment makes local businesses more productive by 22.6%.

26. Population Survey on Rural Non-farm Business Needs, IRDG UNDP, 2019

- Participating in training programs of managers and/or employees and availability of strategic planning is very helpful for enhancing business performance.
- Each extra vehicle owned by manager improves the productivity of his/her businesses by 4.4%. Also, the productivity of non-farm businesses increases by 3,62% per 1,000 sq. M of rented land and by 6% per 10 sq. M of rented real estate.
- Participating in government support programs ensures expansion planning, specifically through introduction of new products/services, penetration of existing products and territorial expansion.
- Other factors being equal, doing business in Lagodekhi and Kazbegi municipalities increases productivity level by 98.1 and 68% respectively, as compared to baseline municipality (Keda). On the contrary, business in Borjomi municipality show on average 52.7% lower productivity performance.
- Among the industries, the higher productivity performance than baseline industry (Tourism) have Mining (129.8%), Transport (95.6%) and Trade (63.8%) branches. Education has 194% lower productivity compared to baseline industry.
- Managers with higher education and young managers have managed to expand their businesses on average by 0.365 and 0.98 employee respectively, during the last three years.

Municipality-Specific Findings - Business Needs and Challenges

Starting New Business

Insufficient Income - the Main Motivation for Starting Business. The majority of respondents (28,8%) said that they started business because their monthly income was insufficient, and this was their primary motivation for starting a business, followed by the fact that they had sufficient funds to do so (23%). Although, insufficient income was the leading factor, its value is a way lower than in case of other low-income municipalities from the target pool (46.8%) and this way Borjomi municipality can be distinguished. Major source of funds to start a business was bank credit (34.2%). Even though, 12.1% of respondents could start a business with the funds from their family members and their own financial resources or (15.9%).

TSA and Other Social Instruments – Negative Stimuli for Starting Business. Social assistance instruments such as TSA (Target Social Assistance) play an important role in eradicating extreme poverty and raising the overall state of welfare in the municipality, but they have adverse effects on starting a business and overall level of entrepreneurship. The population survey in the target municipalities revealed that the such income sources as TSA and pensions always have a negative effect on business participation and the effect of remittances can vary depending on the type of business. As expected, having an extra money have positive implications for the intentions to start a business.²⁷ Therefore, social assistance packages should be reformed and planned carefully so that they ensure business participation incentives for the recipients

Borjomi – Especially Low on Intentions to Start Business. Borjomi (41.5%) municipalities have the largest shares of population that do not want to start a business among the target municipalities. The survey showed that the intention to start a business among the population in Borjomi municipality has substantially lower odds across all the target municipalities with the coefficient of the multiple is 0,180, (e.g., compared to Kazbegi whose coefficient is 3.074).²⁸ Therefore, some more efforts is needed for Borjomi to stimulate local population's engagement in business activity.

Higher and Professional Education and Better Infrastructure – Greater Odds to Starting Business. It is not surprising to see from the survey that, in general, people with higher and professional education have greater odds of starting business, with higher education having a greater effect than professional one. Similarly, problems with sewage, gas supply and road infrastructure substantially reduce stimulus for doing business, while better local conditions for starting business have an opposite effect.²⁹ All of the findings indicate to the necessity of efforts to stimulate better access to higher and professional education as well as better local physical utilities infrastructure.

Structure and Profile

A Relatively Unconcentrated Non-Farm Economy. In most of the target municipalities, there are one of two dominant non-farm industries, whereas in Borjomi municipality is more diversified. Borjomi municipality – Trade (39.5%), Hotels & Restaurants (11.6%), Real estate renting (10.0%), Transport (7.4%), Household production (7.4%), Health and social protection (6.7%).

27. Population Survey on Rural Non-farm Business Needs, IRDG UNDP, 2019

28. Population Survey on Rural Non-farm Business Needs, IRDG UNDP, 2019

29. Population Survey on Rural Non-farm Business Needs, IRDG UNDP, 2019

Geographic Concentration in Municipal Center - A Key Characteristic. On average, more than About 70% of non-farm businesses are located in municipal centers. In Borjomi municipality, more than 80% of firms are located in the municipal center.

Relatively Old Business Sector, Run by Older Men. While in most of the target municipalities, big portion of the enterprises were established during the past 10 years, in Borjomi, portion of new businesses is small and businesses established before 2010 represent biggest portion of the pool (more than 80%). Similarly, the age of the manager is relatively higher than in other municipalities. In terms of gender, mostly men are in charge of the companies (52%).

Most of the Businesses Are Locally Oriented. Local orientation means the boundaries of municipality. Biggest portion of the enterprises report that their primary market is on municipality level and only small number of the respondents export products outside their municipality either regionally nationally or internationally. However, Borjomi (4.23% whereas average is 2.94%) municipality performs better at national markets, while having negligible shares at regional markets.

Financing

The Borrowing Profile - up to 10,000 GEL for Working Capital Purposes. The enterprises of the municipality have some borrowing culture and experience. More than half (57,3%) of the respondents have borrowed for the business during the last three years (sample average is 53%). In the most cases (50%), the loan amount was below 10,000 GEL and mostly from the bank (83,5%) and for working capital purposes (55,2%). Repaying their loan did not seem as problematic (compared to other municipalities) as among most of the interviewees in the municipality have already repaid (25,8%) are still paying without delays and difficulties (about 56,4%). This is one of the clear distinguishing factors of the municipality compared other underperforming municipalities from the target pool.

Need of Bank Loans for Future Investments. Among the ones, who did not take loan in the beginning, the major identified reason was that they did not require (50,8%) followed by unfavorable interest rate (30,3%). Absolute majority (80,1%) of the enterprises report that they need a loan for future investments. In this, Borjomi is distinguished from other poorer municipalities from the target pool.

Need of The Amount 10 000 to 50 000 GEL. Among the ones, who require financing for future investments, the most required range is 10 000 to 50 000 GEL (about 31,9% of the responses). The funds are intended to be used for purchasing new technology (47,3%) or for expansion of the operations (48,4%).

Existing Needs and Challenges

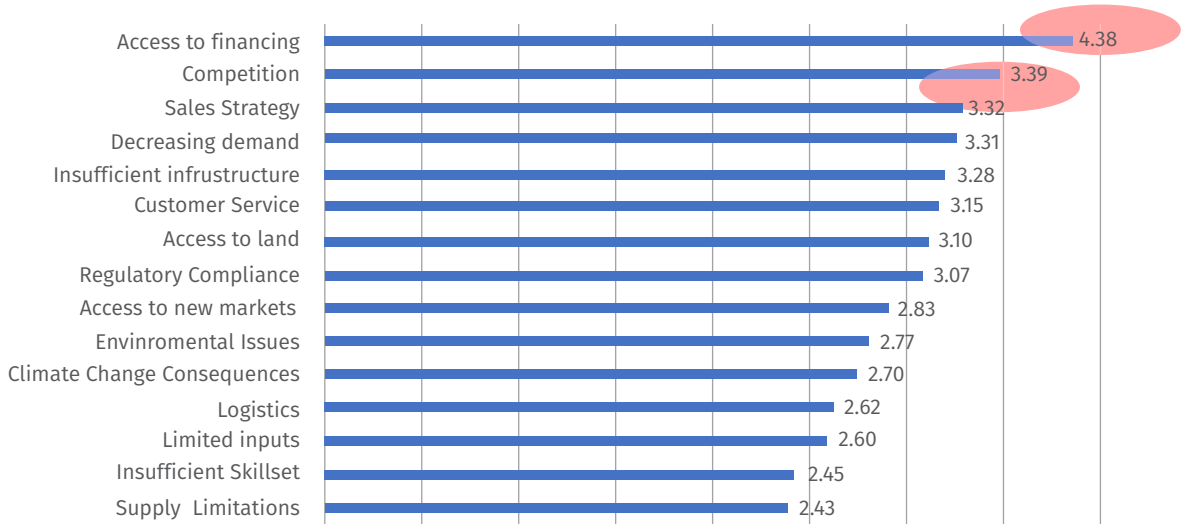
No Perceived Need of New Equipment or Machinery. More than 9,7% of the respondents do not have explicit need of the equipment and another 70% of them were mostly happy with the efficiency of their equipment.

Quality - A Key Source of Competitive Advantage. Usually, achieving cost leadership is the key determinant of the competitiveness in businesses of rural areas. However, almost 20% of non-farm businesses consider quality, 20% service and 10% price as a main source of competitive advantage. Uniqueness and innovation is appraised as competitive advantage source by very negligible proportion (0.5%) of non-farm businesses. Quality is especially emphasized in Borjomi (27%) municipality.

Expensive Inputs - A Key Obstacle to Enterprises. About 36,2% of the respondents report this as a key problem for the production, in this regard this municipality is like many others from the target pool. Although, 37,4% of the respondents find it hard to name one. This indicated to the unsophistication of the businesses. The portion of other problems is tiny.

Access to Finances Still - A Top Challenge. Top challenges that businesses face could be grouped as a) Finance-related (Access to Finances) b) Market-Related (Competition). Other factors are rated comparatively low.

KEY CHALLENGES THAT THE MUNICIPALITY ENTERPRISES FACE



Source: UNDP, 2019.

Expansion Plans and Perceived Assistance Needs

Two Thirds of The Enterprises Plan Expansion. About 72,2% of the respondents reported that they do plan expansion. Considering the current pandemic background (taking place after the survey), it will be interesting to see how this could have changed. However, optimism of the firms is clear and in this, Borjomi is also distinguished from other poorer municipalities.

Assistance Related to Access to Finance - The Most Required Mode of Assistance. Businesses consider that assistance with Subsidized Loans (23,2%) and Loan Guarantee (16,7%) would be the most helpful for advancing their businesses. When it comes to the assistance, majority of the respondents (21,7%) find it hard to identify their assistance needs.

Potential Policy Consequences

The results of the study highlight several areas where policy intervention can support non-farm business in expanding their activities in the target municipalities. These possible instruments could be:

- Programs to upgrade educational level; participate in training programs; intensify participation of employees in training programs; Stimulate planning processes and increase the length of strategic planning process within business.
- Second, the government and local authorities, must ensure for non-farm businesses: the ease access to credit; enhancement of business environment; expansion of government support programs and raising the awareness level on this program among potential beneficiaries.
- Third, special incentives and opportunities should be provided for female managers that will help and stimulate them in planning their businesses expansion.

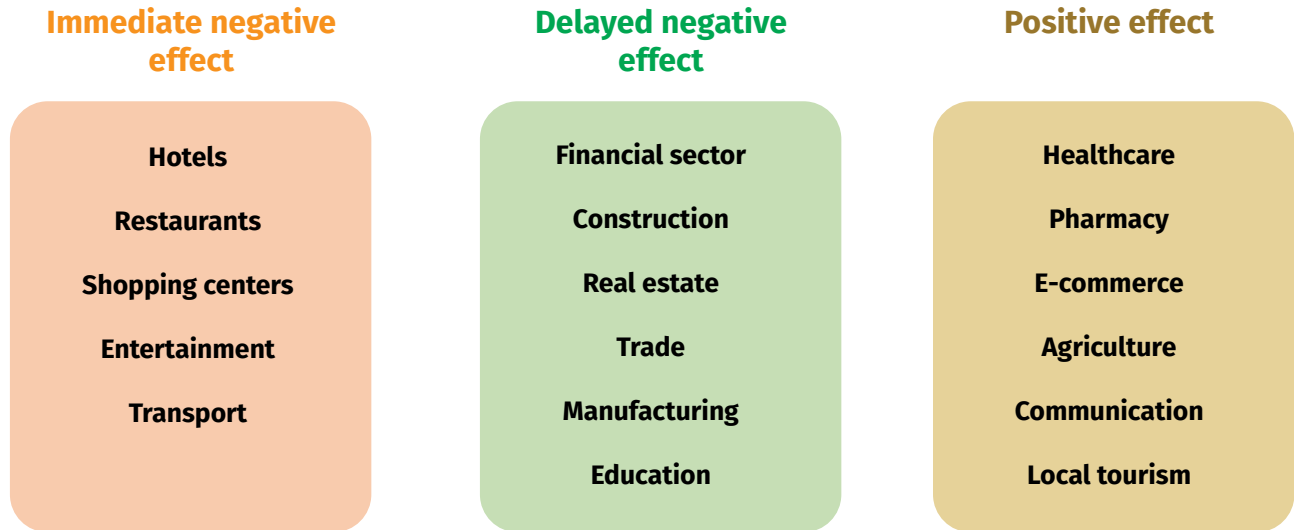
These policy considerations are integrated in the final set of policy interventions provided in this document.

SHORT-TERM COVID-19- DRIVEN NEEDS

Exact impacts of the COVID-19 pandemic shifts on industries and enterprises are difficult to estimate. There are expert considerations which should be used. For instance, Galt & Taggart assesses the prospects of the impacts of the pandemic on the economy of Georgia, as well as identifies possible impacts on individual sectors. Among others, it also covers considerations related to tourism sector.³⁰ According to Galt & Taggart, the following sector groups are identified according to the impacts of COVID-19.

30. Impact on Georgian Economy, Galt & Taggart, March 25, 2020

EXPECTED IMPACTS OF COVID-19 ON DIFFERENT SECTORS OF GEORGIAN ECONOMY



Source: Galt & Taggart.

It is hard to estimate the magnitude of each sector precisely, but it could be done group-by-group.

The forecast identified three possible economic scenarios, the key driver (independent variable) of which is the assumption of when control over the pandemic is reached. The three possible scenarios are summarized in the table below:

SHORT-TERM ECONOMIC GROWTH FORECAST SCENARIOS

SCENARIO	ASSUMPTION	DATE OF VIRUS CONTROL	PROBABILITY	ECONOMIC GROWTH	TOURISM IMPAC
1-OPTIMISTIC	Economic downturn from March to May, recovery from June	April-May	10%	2.10%	-\$1.2 bn
2-MILD	Economic downturn in March-May, recovery in June-September, and downturn again from October	Controlled in April-May, re-spread of the virus from October	50%	-2.70%	-\$2 bn
3-PESSIMIS-TIC	Continued economic downturn from March	Not stopped in 2020	40%	-6.0%	-\$2.8 bn

Source: Galt & Taggart.

According to the study, the immediate impact group are the industries which are mostly related to the tourism industry. This includes hotels, restaurants, shopping centers, transport sector. The estimated impact on tourism sector value, according to the three scenarios, ranges between 1.2-2.8 bn USD. With 50% likelihood in case of 2-Mild Scenario, the target is 2 bn USD loss of contraction as a likely target for the months to come, which is about 50% of the baseline level.³¹ This estimate that could be applied to the Immediate Negative Effect group.

The effect on the Delayed Negative Effect group could be assumed to be at least the same size of impact as for Immediate Negative Effect group but protracted over longer period. If we assume that the long-term period is two years, then this year impact will be half as much (thus 25% loss). This rule of the thumb calculations is a rough estimation due to the absence of detailed economic modeling.

The following structure of economy is mapped across these three impact sectors.

31. Based on Author's calculations

THE STRUCTURE OF ECONOMY BY IMPACT GROUPS

IMPACT SECTORS	NUMBER OF ENTERPRISES	% OF TOTAL NUMBER	EMPLOYMENT (INCOME TAX PAID)	% OF TOTAL EMPLOYMENT
IMMEDIATE NEGATIVE EFFECT SECTORS	236	18%	1,273,914	23%
DELAYED NEGATIVE EFFECT SECTORS	1061	81%	4,211,508	76%
NEUTRAL	17	1%	68,265	1%
GRAND TOTAL	1314	100%	5,553,687	100%

	Enterprises	Employment
Weight. Impact	29%	30%

Source: Author's calculations, based on RS data.

The magnitude of impacts is summarized in the table below.

MAGNITUDE OF SHORT-TERM IMPACTS ON INDUSTRIES

IMPACT GROUPS	NUMBER OF ENTERPRISES IN THE MUNICIPALITY	EMPLOYMENT OF IMPACTED INDUSTRIES	MAGNITUDE OF IMPACT	WEIGHTED AVERAGE IMPACT ON FORMAL ECONOMY	TYPICAL ISSUES
IMMEDIATE NEGATIVE EFFECT SECTORS • HOTELS AND RESTAURANTS • SHOPPING CENTERS • ENTERTAINMENT • TRANSPORTATION	• 236 Enterprises (18% of all enterprises)	• 23% of all formal employment (calculated by income tax paid)	• 50% loss	• 29% (Enterprises) • 30% (Employment)	• Liquidity • Sales disruption • Input disruption
DELAYED NEGATIVE EFFECT SECTORS • FINANCIAL • CONSTRUCTION • REAL ESTATE • TRADE • MANUFACTURING • EDUCATION	• 1061 Enterprises (81% of all enterprises)	• 76% of all formal employment (calculated by income tax paid)	• 25% loss		• Decline in sales • Reduced profitability

Source: Author's calculations.

Stemming from the structure of the economy of the municipality, about 236 enterprises (18% of all enterprises) and 23% of all formal employment will be affected in the Immediate Negative Effect Group. 1,061 enterprises (or about 81% in total pool) and 76% of the total formal employment will be affected in the Delayed Negative Effect Group. The average weighted impact on formal economy will be about 29% (enterprises) and 30%(employment).

Impact on Self-employment and Informal Employment

Self-employment. In terms of self-employment and informal employment, a separate methodology should be used. According to Geostat, out of the total number of employed people in the business sector in the municipality (4,610), about 88% (or 4,041 people) was hired employees, and about 12% (569) was registered self-employment. In general, the biggest number of self-employed is in Agriculture. In fact, about 97% of the employed in Agriculture is self-employed. Self-employment in Agriculture represents about 76% of all self-employment in Georgia, whereas other sectors contribute jointly about 24%.³² These two figures provide the estimation of the scale of impacts on employment (both hired and self-employment) in the municipality.

It is assumed that the Agriculture sector is neutral to the short-term COVID-19 impacts.

Informal Employment. On top of this, in Georgia total informal employment in non-farm sector is about 34.7%. It is hard to decompose this figure by individual sectors but if we assume that the total non-farm employment in the municipality represents absolute majority (almost 100%) of the total employment, then total value of the wages paid in the municipality in the informal sector can be estimated.

ESTIMATION OF INFORMAL EMPLOYMENT

Total Income Tax Paid (GEL, 2019)	Total Wages Paid (GEL, 2019)	Portion of Informal Employment in Non Farm Sector (national average)	Estiamted Value of Wages In informal Employment (GEL, 2019)
5,553,687	27,768,436	34.7%	14,735,272

Source: Author's assumptions and calculations based on RS data.

In summary, the estimated volume of informal sector wage is about 14,7 mln GEL. However, it is hard to calculate how much of the informal employment was affected due to the COVID-19 crises, because there is no estimation of informal employment by individual non-farm sectors.

COVID-19 Compensations. The statistics of compensations which the GoG introduced to mitigate the impacts of the pandemic on the employed, could provide useful insight on the magnitude impacts. The compensation applies to persons who received wages during at least one of the first three months of 2020 and who are laid off or suspended from work during the state emergency situations and no longer receive wages.

The number of compensation recipients in Borjomi municipality is 863. A significant number of compensation recipients are represented the following sectors: Construction (101), Retail/wholesale (127), Accommodation and Food (448), Healthcare services (24). This indicator is also high in the Processing industry (46 people). (It is important to mention that the compensation is being distributed not according to the geographic place of employment, rather than the legal registration address of the recipient (which might not coincide with the actual place of their employer or their business activity)).

In the long run, in the event of a stable epidemiological situation, according to experts, about a third of those who receive compensation will return to their jobs.

YOUTH DIMENSION OF LOCAL ECONOMY

Economically active youth is one of the key drivers of the municipality economy and non-farm sector development. Understanding the reasons behind limited economic participation of youth and then promoting it, is a major way to foster the local supply of workforce, new entrepreneurship ideas and the economic diversification. According to the survey by UNDP, among the key factors that influence the productivity of non-farm businesses in targeted municipalities are managers' personal characteristics, like age - young managers perform better in achieving employment growth and higher productivity.³³

Key issues in this regard are exhibited in lack of knowledge of Georgian language, low level of entrepreneurship among youth, high rate of economically inactive youth, youth unemployment as well as low level of participation in labor market results in underutilization of the productive resources. On top of this, outbound migration due to the absence of economic opportunities results in reduced supply of both workforce as well as potential entrepreneurs.

Economic Participation

Participation in Labor Market. According to the 2014 General Population Census, the total population in the Borjomi municipality is 25214; of these, 4407 are 15-29 years old youth, representing 17.5% of the municipality population.³⁴ Only 46% of the total 15-29-year-old youth in the Borjomi municipality is economically active; of these, 60% is employed, while 40% is unemployed. 49% of total youth is economically inactive and is not looking for jobs. It should also be noted that 39.6% of employed youth are working in agricultural farms, while 59.1% are hired workers.³⁵

NEET Youth. The level of NEET youth is a good indicator of this problem. Although the information is not available at the municipality level, the share of NEET youth in Samtskhe-Javakheti region is 26.24%, which is the lowest indicator compared to other regions of Georgia. Nevertheless, stimulation of these youth and maximally returning them to the workforce remains a challenge.

33. Business Survey on Rural Non-Farm Economy Needs, IRDG UNDP, 2019.

34. Geostat, census 2014, Borjomi

35. Geostat, 2014 census, Borjomi

Unemployment. According to Geostat data, starting from 2014, the level of youth unemployment in Georgia is decreasing. If in 2014 the level of unemployment of the 15-29-year-old population was on average 32.6%, according to the same study in 2018, this figure was 25.8%.³⁶

YOUTH EMPLOYMENT IN THE MUNICIPALITY

15-29 YOUTH	ECONOMICALLY INACTIVE	ECONOMICALLY ACTIVE	UNEMPLOYED	EMPLOYED
4407	2191	2029	805	1224
				485 are employed in agriculture
				724 hired workers

Source: Geostat.

Mismatch between the demanded and supplied skills, absence of highly-paid non-farm jobs and economic opportunities are main identified reasons behind the low level of youth economic activity and participation in labor market.

Entrepreneurship. The survey of non-farm economy needs in the Borjomi municipality has revealed that 4.6% of youth are engaged in non-agricultural production, which is a considerably low indicator, although they have managed to expand their businesses on average by 0.98 employee respectively, during the last three years. Young managers perform better in achieving employment growth, while female managers show poor performance in terms of capital growth and expansion planning.

In this context, it should be noted that the reason of starting business for 100% of young respondents was by accident – “being right time at right place”. 84.2% of the respondents started business by their own, and 15.8% of youth received assistance from family for business startup. The startup capital for the same 84.2% ranges between GEL 10,000 and 50,000 and for 15.8% start capital was less than 1,000 GEL.³⁸

84.2% of surveyed youth think that local conditions in the municipality are favorable for starting up a business, although the study has revealed that 92.2% of youth have never participated in state programs, because of having no information about it.

The research has also revealed that 15.8% of youth engaged in non-agricultural businesses have rarely approached local authorities for any matters.

Migration

Outbound migration from the municipality, driven by search for better educational and job opportunities, reduces overall supply of qualified workforce and represent another key challenge. Students who leave public schools in the municipality and continue their education at various higher and vocational colleges do not have a desire to go back. Therefore, in the rapidly growing sectors of education, medicine and economics, the professional skills and competence of staff remain a major challenge.

Summary of Main Challenges and Needs

The summary of the main challenges and needs among the youth are as follows:

CHALLENGES	NEEDS
<ul style="list-style-type: none"> LACK OF QUALIFIED YOUTH AND LOW MOTIVATION COMMUNICATION AND COOPERATION PROBLEMS BETWEEN THE DIFFERENT SECTORS HIGH UNEMPLOYMENT RATE AMONG YOUTH ABSENCE OF ECONOMIC OPPORTUNITIES FOR IDP, MINORITY AND NEET YOUTH INACTIVE AND PASSIVE YOUTH 	<ul style="list-style-type: none"> PROVIDE FINANCIAL RESOURCES AND INVESTMENTS DEVELOP QUALIFIED HUMAN RESOURCES IN THE FIELD OF TOURISM PROVIDE ECONOMIC OPPORTUNITIES FOR IDP AND MINORITY YOUTH SUPPORT COVID-19 AFFECTED BUSINESS SECTOR THE ENHANCEMENT OF KNOWLEDGE AND SKILLS FOR ECONOMIC EMPOWERMENT OF YOUTH

36. Geostat 2014-2018 (national level)

37. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

38. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

GENDER DIMENSION OF LOCAL ECONOMY

International practice shows that low participation of women in the economy hinders economic growth and negatively affects development. It is proven that empowering women and girls helps economic growth and development.³⁹

The level of economic activity of women in Georgia is low, which affects overall output of the local economy. In Borjomi, 52% of respondents who are employed in business are male and 48% are female. Therefore, distribution of business employment seems relatively similar by gender, with slightly more males being employed in the business sector. Both male and female respondents cited their own independent desire as the most important factor for starting a business. However more male respondents (49.8%) than females (43.2%) cited it as a most important factor. As a second most important factor male and female respondents both cited family and relatives (15.9% of males and 27.3% of females). Consequently, when starting a business, female respondents have more reliance on family and relatives and less reliance on themselves.

When asked about local environment, more than 15% of female respondents noted that local environment is not suitable or is more unsuitable than suitable for running a business. Additionally, 10.1% of female respondents evaluated the state of their business as bad and only 54% cited that they thought it will improve in following 6 months.

Women in Entrepreneurship⁴⁰

Startup of Business. Starting a business for women is associated with greater difficulties than for men. Most of female respondents (30.6%) cite lack of income as a primary motivator for starting a business, while the majority of male respondents (31.6%) cite having relevant financial sources and practical skills more frequently.

35% of male and 33.2% female respondents cited banks as a primary resource for starting a business, which means that generally, there is a high reliance on bank finances when starting a business. However, when it comes to resources of family members, 9.3% of male respondents and 23% of female respondents cited it as a resource that helped them in starting business. This highlights that women in Borjomi municipality have higher reliance on family members when starting a business.

Majority of female respondents (38.9%) had starting capital of 1,000 GEL or less, while in contrast, only 9.3% of male respondents had starting capital of 1,000 GEL or less. Additionally, when it comes to higher brackets, none of female respondents had starting capital of 100,000 or more, while 7.5% of male respondents fell in this bracket. This highlights that female respondents clearly tend to have lower starting capital than male respondents and that women in Borjomi might have difficulties associated with gathering larger amounts of starting capital.

Running a Business. Regional stereotypes might entrench negative beliefs about women in business, and hinder women's involvement in business. This creates a need to support women in business. In running a business, women may face more obstacles than men, therefore their business performance might suffer, and the situation in this regard seems to be no different in Borjomi.

Only 7.1% of female respondents have current capital of 1,000 GEL or less, which means that the vast majority of respondents with starting capital below 1,000 GEL was able to use startup capital productively and grow their business. Similarly, while there were no female respondents with start-up capital of 100,000 GEL or more, currently 17% of female respondents have capital of 100,000 GEL or more. Female respondents had larger growth of capital in higher bracket than male respondents. Overall, women in the region are able to productively use start-up capital and grow their business.

When it comes to choosing suppliers, both male and female respondents primarily value quality of the supplies. However, when it comes to the second most valuable attribute, male respondents value cheap price more than accessibility, while female respondents value accessibility more than a cheap price. This might be due to the fact that transportation for women in the region is more limited than for men, as majority of men own cars.

39. UNDP Georgia

40. The sub-section below mostly is draws on the two surveys (population and business) of rural non-farm economy needs in the 8 target municipalities, conducted by IRDG project run by UNDP in 2019. The survey results used in the text, unless indicated otherwise, refer to these surveys.

Majority of female respondents sell their produce at local and municipal markets, and none of them sell at national or international markets, while male respondents sell their produce at both of these markets. This means that women in the region need support in scaling up and developing their businesses to expand outside of local and municipal markets.

Most of products produced in the region are sold to a final consumer, however when it comes to selling to businesses, merchants and the government, significantly larger share of male than female respondents sell to them.

20% smaller share of female respondents plan their investments, and smaller share of female respondents plan business investments. This highlights a need for business management and development training for women in the region.

Access to Resources and Credit. Women worldwide face difficulties in raising capital, which is largely due to lack of collateral.⁴¹ Therefore, traditions that support male ownership of capital assets in the family, also indirectly impact women, their ability to raise capital and conduct business. Access to resources and credit is crucial to starting and growing a business. Stereotypes, especially the ones associated with ownership may negatively impact women’s access to credit and ability to grow their business.

60% of female respondents and 54.7% of male respondents have received a loan in last three years. None of female respondents received a loan of 10,000 GEL or more while 10% of male respondents received a loan in this bracket. Smaller share of female than male respondents received a loan in 10,000 GEL to 50,000 GEL and 50,000 GEL to 100,000 GEL brackets too. Overall, women in the region tend to have limited access to loans above 10,000 GEL.

11.6% of female respondents have received a loan from microfinancing institutions, while only 2.6% of male respondents have received a loan from this type of institution. This could become an issue for female respondents as microfinancing institutions are known to have higher interest rates and shorter terms. More female than male respondents use a loan for business expansion, which is a positive sign for women-led business development.

11.9% of female respondents are in the process of paying back the loan with a significant delay, while only 2.6% of male respondents are having significant delays in paying back the loan. As mentioned above, microfinancing institutions might be the reason why females are having difficulties, and percentage of females with loan delays tend to match that of females with a loan from microfinancing institution. Therefore, it would be important to look into the issue of microfinancing and educate women in the region about acceptable loan terms. No female respondents rejected a loan due to high interest rates while 13.8% of male respondents rejected a loan for the same reason. This further highlights the need of educating women in Borjomi about acceptable loan terms.

OWNERSHIP OF CAPITAL BY GENDER⁴²

GENDER		OWNED LAND (SQ M.)	OWNED EQUIPMENT (PIECE)	OWNED REAL ES-TATE (SQ M.)	RENTED LAND (SQ M.)	RENTED EQUIPMENT (PIECE)	RENTED REAL ES-TATE (SQ M.)
MALE	AVERAGE	85189.5	14.9	339.6	.03	0.0	7.6
FEMALE	AVERAGE	84.3	16.4	38.3	.6	3.2	25.2

Source: UNDP.

Additionally, as the table above illustrates, women ownership of capital assets is mostly lower than male ownership. But when it comes to rent, females tend to rent more. As for owned and rented equipment, rented land and rented real estate, women tend to be more active users. This highlights that women in the region have more expenses in terms of rent and less major capital to offer as a collateral which puts them in disadvantaged position in their ability to take large loans.

When it comes to helping women-led businesses, only 15% of them (in contrast with 45% of male respondents) need a loan above 100,000 GEL for business development, which makes supporting women-led businesses more needed.

Access to State Programs. Equal access to state programs is crucial for aiding economic development in the municipalities. 77.3% of female respondents have not attended any business-plan related training in last three years in contrast with 66.7% of male respondents who have not attended these trainings. 7.5% of female respondents and no male respondents state that they have not attended trainings as they were physically inaccessible to them. Additionally,

41. Gender and financial inclusion through the post, 2015, UN Women

42. Business Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

5% more of female respondents than of male respondents cite lack of time as the reason for not attending a training, which could be due to double workload that females in the region face. It is important to increase access of women in the region to business training opportunities. The majority of female respondents note that most important help they can receive is grant from government/donors or guarantee for credit. 94% of female respondents have not participated in a government business competition, however, majority of them (31.8%) state that they have not participated because they did not want to, and 16% have not participated due to limited information.

The majority of female respondents (84.1%) have not addressed to local government for help, and more than 50% of those who did, are either dissatisfied or more dissatisfied than satisfied with the reaction of local government. This highlights a clear need for local government to work more actively with women.

Summary of Main Challenges and Needs

Based on available statistics, low economic activity of women is the main problem. Challenges that hinder women’s economic activism as well as detailed summary of needs is provided below.

CHALLENGES	NEEDS
<ul style="list-style-type: none"> • LESS WOMEN THAN MEN START A BUSINESS • DOUBLE, REPRODUCTIVE / FAMILY WORK FOR WOMEN AND CARE FOR FAMILY MEMBERS • LOW INCOME OF WOMEN - A LARGE PROPORTION OF WOMEN DEPEND ON SOCIAL BENEFIT OR INCOME FROM OTHER FAMILY MEMBERS • WOMEN HAVE LOWER ATTENDANCE RATES FOR BUSINESS TRAININGS AND COURSES DUE TO DOUBLE WORKLOAD • WOMEN LACK INFORMATION REGARDING SKILLS TRAINING OPPORTUNITIES • STEREOTYPES RELATED TO WOMEN'S ACTIVITIES AND PROFESSIONS • WOMEN LACK CONFIDENCE TO APPLY TO BUSINESS COMPETITIONS • WOMEN DO NOT SCALE THEIR BUSINESSES AND STAY AT LOCAL MARKETS • WOMEN ARE UNDERREPRESENTED IN HIGHER BRACKETS OF STARTING CAPITAL, CURRENT CAPITAL AND CREDIT. 	<ul style="list-style-type: none"> • TO ECONOMICALLY EMPOWER WOMEN • TO INCREASE WOMEN'S SELF-ESTEEM • TO INFORM WOMEN AND GIRLS ABOUT THE BUSINESS TRAINING OPPORTUNITIES, WHICH ARE HELD IN THE MUNICIPALITY • TO INFORM GIRLS AND WOMEN ABOUT THE STATE AND NON-STATE PROGRAMS REGARDING BUSINESS DEVELOPMENT • INCREASE ACCESS OF WOMEN AND GIRLS TO TECHNOLOGY AND TECHNIQUES

KEY CONCLUSIONS

In short, there are several key issues that the economy of the municipality faces today, which needs to be addressed in order to increase overall welfare of the residents. These conclusions are:

Low Population and Business Density Economy and Average Market Potential. This is exhibited in the relatively low number of enterprises per 1,000 population (close and bit more than the national average - 48) but less than several other target municipalities. Big portion of the enterprises which are registered in the municipality but operate outside it. The municipality has moderate population density relative to the target sample but lower than the national average. This setting automatically puts more emphasis (compared other municipalities) on both increasing number of registered businesses, bringing the informal enterprises to the formal side and diversification of the economy, as well as increase population in the municipality. The overall market potential index of the municipality is one of the highest, however, the municipality can be categorized as Remote Rural Region.⁴³ Being away from the large (50k + cities) the municipality lacks the opportunities to leverage the advantages which Predominantly Rural Close to Cities have.⁴⁴

Weak Non-Farm Economy. The biggest tradable sector is agriculture, in its primary forms, without too much value-added and processing activities. Trade and Manufacturing and Services are leading sectors in terms of registered active enterprises. Trade sectors was identified as one of the leading sectors both in terms of employment as well as growth in employment in the recent years.

Relatively Dynamic and Well-Performing Economy. The turnover and value added of the municipality mostly went up in the recent years, resulting in average monthly wage of 952,3 GEL/month, which is one of the highest among the target municipalities. The municipality has one of the highest levels of productivity (52,668 GEL) very close to the level of the leading municipality (Kazbegi).

43. Policy Note – Rural Policy 3.0. – A Framework For Rural Development, OECD, 2018

44. Policy Note – Rural Policy 3.0. – A Framework For Rural Development, OECD, 2018

Notable Structural Issues. The biggest sector of the local economy – Trade is characterized with low level of marginal return on labor as well as relatively low increases in wages in the recent years. Real Estate Management, Construction and Natural Resources have shown the most notable progress in terms of increases in wages paid as well as average level of marginal return on labor.

Disparities Among and Within Sectors in Terms of Productivity. There is a large disparity in terms of productivity between men and women-run enterprises. In case of women-run enterprises average productivity (about 16,049 GEL) lags behind the men-run companies (about 20,737 GEL). This shows the existing gap and the existing need for assistance to women-run enterprises to catch up with men.

Resources Are Misallocated Among and Within the Industries. This is exhibited in large dispersion of the productivity of the labor between several industries (e.g., productivity of Hotels and Restaurants vs Trade) as well as productivity differentials among the firms within individual industries (e.g., Trade) measured by standard deviation in relation to average of the productivity. Allocating resources in a right way would mean facilitating the move of labor force from low-productivity towards high-productivity sectors and from low-productivity - towards high-productivity firms within each sector. This would increase overall output of the non-farm enterprises, without too much need of new labor force.

Sectors with Signs of Comparative Advantages or Regional Specialization Require Attention. The instruments of the Shift-share Analysis and Location Quotient reveals that on the one side, there are sectors with some signs of comparative advantages (i.e., which grew with the region-specific factors in the past few years) but without any specialization yet in the region. This group includes the following non-farm sectors - Natural Resources, Real Estate, Legal Consult. Et al. For this group it is important to find the sources of such growth and check whether they could become key competitive sectors of the municipality. On the other side, there are other non-farm sectors with some relative concentration and negative comparative advantages (e.g., Hotel Services, Restaurants and Food, Manufacturing, Electricity, Trade, Et al). It is important to understand why these sector loose sources of their competitiveness. These two groups of sectors should be studied to understand the dynamics of their drivers and their potential.

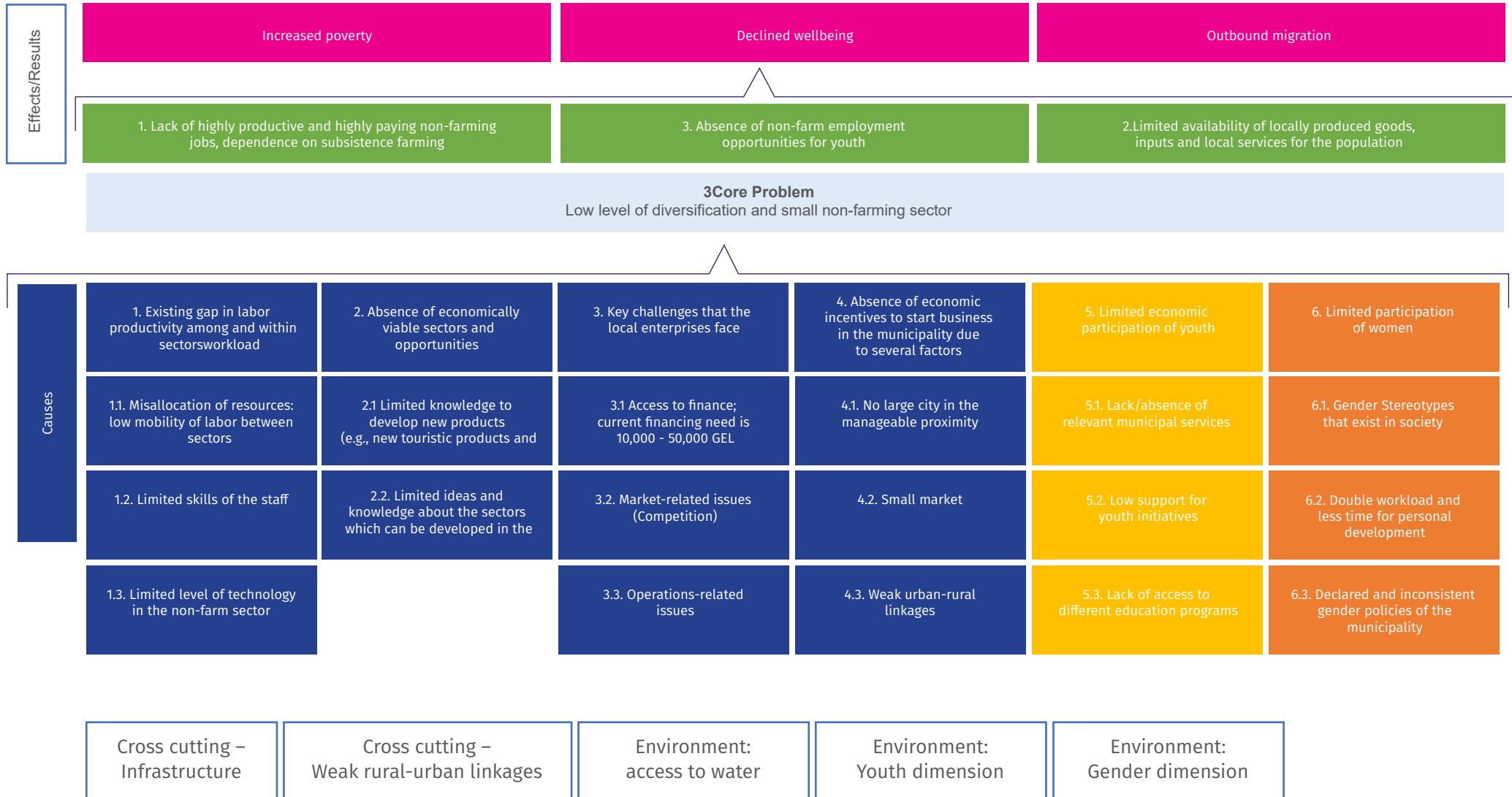
Management Profile of the Business Could Be an Issue. The analysis of the survey in all target municipalities shows that young managers perform better in achieving employment growth, whereas businesses in the Borjomi municipality are mostly older and are run by older male managers.

Several Key Challenges for Making Business in the Municipality. Finding the challenges and obstacles of starting business in the municipality could represent an opportunity to develop non-farm enterprises in the region. Key issue is that most people started business because of necessity and entrepreneurship is not a career choice. Although, relative to other target regions, Borjomi has a better indicator in this regard. Businesses face several obstacles, of which expensiveness of the inputs is a major one. Enterprises are in need of financing. In difference from other municipalities, enterprises were more capable to repay loans and now about 80% of them are in need for bank financing. The current financing need is 10,000 - 50,000 GEL, to be used for expansion and purchasing new technology. Other key challenges, besides Access to Finances, is a market-related issue – Competition. The importance of other factors or challenges is insignificant.

Common Determinants of Success of Non-farm Enterprises. According to the survey, among the key factors that influence the productivity and employment growth of non-farm businesses in the targeted municipalities are managers' personal characteristics, like age (young manager perform better), gender (women managers perform poorer), education (higher education is very important determinant of success), experience, previous working status, personal values (managers with personal values oriented on environment protection and innovations perform better); business characteristics and policies – rented and owned facility, starting capital, strategic planning, trainings of managers and employees; business environmental factors- access to credit; government support programs; attractiveness of business climate. All of these factors positively correlate (to more or less degree) with higher productivity and employment growth and should be targeted by policies.

Short-Terms Needs from Covid19. Estimated weighted average scale of impact on formal economy will be about 30% (formal employment) and 29% (number of enterprise),

P1 - (Economy and Multisector Development) - Problem Tree



P1 - (Economy and Multisector Development) - Proposed Intervention Actions

Given below is a short summary of the interventions proposed for the municipality. These interventions are mapped against broadly defined policy tools, recommended by OECD rural policy approach for this priority - multi-sector development. More detailed descriptions of all proposed interventions are provided in the Annex of this document.

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
<ul style="list-style-type: none"> P1-EC01 - Technical Assistance Program P1-EC02 - E-Commercialization Program 	Outside agriculture, the enterprises which trade with the rest of the country are almost nonexistent. Tourism is the sector with the potential to become a part of the national and international value chains. Other products with the potential of integration into the global value chain needs to be discovered yet.		<ul style="list-style-type: none"> Integrating rural areas into global value chains 	P1-YU01 - Young CEOs Incentive Program P1-YU02 - Promotion Of Youth Entrepreneurship In Rural Areas P1-YU03 – Promoting Tourism Employment Opportunities P1-GE01 - Women Participation Intervention P1-RU01 – Exploring Rural-Urban Linkages Program
<ul style="list-style-type: none"> P1-EC03 - Exploring Sources. of Competitiveness P1-EC04 - Feasibility Studies Program P1-EC05-01 – Productivity Reallocation (Skills Development) P1-EC05-01 – Productivity Reallocation (Technology Upgrade) P1-EC06 - Workforce Growth Program P1-EC10 - Strengthening Vocational Education 	Identifying and promoting competitive rural industries (outside agriculture and tourism) is top priority. Some concentrated sectors loose comparative advantage, others gain. Understanding the root-causes of such dynamics is critical. Identifying and promoting local feasible business ideas will be instrumental for entrepreneurs to pursue them. Besides, there are large gaps in productivity levels across and within the sectors, leading to non-efficiencies. These inequalities should be eliminated through number of measures.		<ul style="list-style-type: none"> Promoting rural industry 	
<ul style="list-style-type: none"> P1-EC07 - Access To Finance Program P1-EC08 - After COVID-19 Re-launch Op-Ex Financing P1-EC09 - After COVID-19 Compliance Financing 	Businesses have positive experience with bank financing, the expansion need is out there. 10,000 – 50,000 GEL is the typical need, mostly required to expand capacity (same product) and upgrade technology.		<ul style="list-style-type: none"> Promoting access to finance, credits and markets 	
<ul style="list-style-type: none"> P1-EC0110 -Technical Assistance Program (Tourism) 	Due to the abundance of natural resources and landscapes, sustainable eco-tourism products is the identified priority of the local tourism and the task is to provide technical assistance (international experts and knowledge) to the regional DMO, the municipality and tourism enterprises to develop infrastructure and products which would appeal to international and local environmentally conscious tourists.		<ul style="list-style-type: none"> Promoting sustainable tourism 	

4 Priority 2(p2) Society

Social Dimension of Local Society

Healthcare Dimension of Local Society

Youth Dimension Of Local Society

Gender Dimension Of Local Society

4. PRIORITY 2 (P2) – SOCIETY

This Chapter consist of the Sections, which discusses different aspects of the local society life, such as healthcare, social issues, issues related to youth life and women.

SOCIAL DIMENSION OF LOCAL SOCIETY

State of social conditions of the local population is one of the key aspects and direct indicator of overall wellbeing of the population in the municipality.

Social protection has been recognized as an effective measure to reduce poverty and foster rural development. The expansion of social protection systems to all, particularly the poorest and most vulnerable, is one of the proposed targets of the new Sustainable Development Goals. Evidence clearly shows the positive impacts of social protection, especially on poor and vulnerable rural households. In addition to removing social barriers to access social services, social protection can also reduce poverty by directly providing income or support to vulnerable households and foster local economic development by stimulating and increasing demand for goods and services, increasing labor productivity, employability and income by increased access to social services. social protection can contribute to strengthening resilience by breaking the vicious cycle of increased vulnerability to poverty and exclusion, and greater exposure to shocks.⁴⁵

While the share of people living in poverty and extreme poverty have declined over the last years, in Georgia, the incidence of general poverty has increased from 16.4% of total households in 2015 to 19.6% in 2017; Living below the general poverty threshold (2.5 USD per day), are 19.6% of households, 21.7% of the population, 27.6% of children and 17.6% of pensioners. The percentage of households living below the general poverty line is estimated to be 20.8% in rural settlements and 18.4% in urban settlements. An estimated 24.1% of households live below the relative poverty line in rural areas and 20.9% in urban areas.⁴⁶

Composition of Income Sources

According to the population survey, the main source of monthly incomes for about 41% of population of Borjomi municipality is old age pension and targeted social assistance programmes, just 7% of households depend on own non-agriculture business income. Compared with other municipalities, the number of households whose income comes from hired employment is higher and makes up 42,7%.⁴⁷

Social assistance plays an important role in wellbeing of Borjomi population and after the COVID-19 epidemy the importance of the social protection network has increased. The municipality exhibits very high portion of incomes from pensions, TSA and other social assistance among the target municipalities.

DISTRIBUTION OF HOUSEHOLDS BY MAIN SOURCES OF MONTHLY INCOMES ACROSS MUNICIPALITIES ⁶³

	MUNICIPALITIES	SALARY	OWN NON-AGRICULTURAL BUSINESS	OWN AGRICULTURAL BUSINESS(ES)	PENSION, TSA & OTHER	REMITTANCES	OTHER
1	KEDA MUNICIPALITY	37.94	3.68	11.71	39.2	1.16	6.31
2	KHULO MUNICIPALITY	41.63	1.74	11.26	44.08	0.66	0.63
3	DEDOPLISTSKARO UNICIPALITY	22.86	4.96	9.35	46.83	6.72	9.28
4	LAGODEKHI MUNICIPALITY	19.14	7.55	26.35	24.36	8.02	14.58
5	KAZBEGI MUNICIPALITY	43.56	11.06	3.17	35.9	1.22	5.09
6	AKHALKALAKI MUNICIPALITY	14.42	2.45	27.8	28.67	21.85	4.81
7	BORJOMI MUNICIPALITY	42.68	7.09	1.74	40.9	3.26	4.33
8	TETRITSKARO MUNICIPALITY	26.92	4.71	12.35	49.71	2.39	3.92

Source: Population Survey, UNDP.

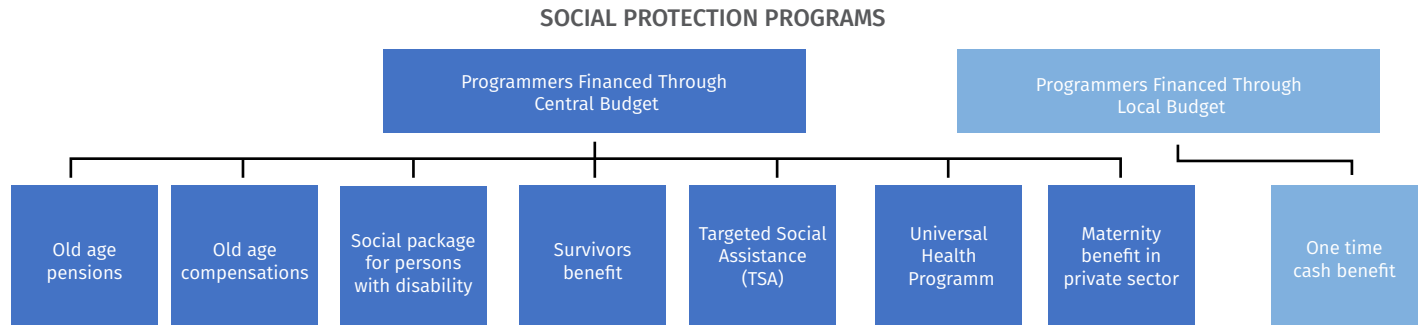
45. Source: FAO

46. The Welfare Monitoring Survey 2017 UNICEF

47. Population Survey OF Non-Farm Economy Needs in the Target Municipalities, UNDP, 2019

Mapping of Social Projection Programmes

Social protection programmes consist of non-contributory schemes, financed from the general budget, with eligibility usually determined on a means-tested (poverty) or categorical basis (age, disability, displacement). The Ministry of IDPs from Occupied Territories, Labour, Health and Social Affairs of Georgia (through its Social Service Agency) administers all social protection programmes except one-time cash benefits. All local municipalities provide cash benefits on the basis of TSA scores or for variety of groups of population (persons with disabilities, veterans, single mothers etc.).



Source: Social Service Agency.

Social assistance and social services for population of Borjomi municipality are mostly provided and financed by central government, local government programs cover mostly one-time cash benefit for vulnerable groups and co-finance health related expenditure.

As of May 2020, the beneficiaries of the main Social Programmes at country, regional and municipal levels are as follows:

BENEFICIARIES OF MAIN SOCIAL PROGRAMS AT NATIONAL, REGIONAL AND MUNICIPAL LEVELS

PROGRAMMES	GEORGIA		MTSKHETA-MTIANETI		KAZBEGI	
	Female	Male	Female	Male	Female	Male
OLD AGE PENSIONS	550 095	222 227	21 529	9 121	4 445	1 785
OLD AGE PENSIONS COMPENSATION FOR MOUNTAIN REGIONS (+20%)	47 872	23 408	14 439	6 403	1 302	625
SOCIAL PACKAGE FOR PERSONS WITH DISABILITIES	115 399		4 292		942	
SOCIAL PACKAGE FOR CHILDREN WITH DISABILITIES	11 463		376		78	
TARGETING SOCIAL ASSISTANCE	264 918	218 875	7 013	5 486	1 216	978

Source: Social Service Agency.

Income Support Transfers (Main Types of Social Assistance)

Old Age Pensions. Old age pension has an important impact on households' poverty level. The main social transfer is old age pension (220 GEL) which plays most important role in social economic conditions of the households. In Georgia, if pension is removed from household income, an estimated 81.4% of households receiving pension income fall below the extreme poverty line, 73.2% below the relative poverty line, and 74.1% below the general poverty line.⁴⁸

Old age pension is the biggest social assistance in Borjomi municipality, which covers 24.7 % of population. In Borjomi municipality 6,230 (4,445 female and 1,785 male) persons received old age pensions as of May 2020. About 30% of old age pensioners received old age pensions compensation for mountain regions – additional 20% of old age pensions (264 GEL) and from 1st of July 2020 old age pensions increased by 30 GEL for pensioners from the age 70.

48. Georgia Welfare Monitoring Survey Fifth Stage 2017 (UNICEF)

OLD-AGE PENSIONERS IN THE TARGET MUNICIPALITIES

	MUNICIPALITIES	PERSONS WITH DISABILITIES		% TO POPULATION
		FEMALE	MALE	
1	KEDA MUNICIPALITY	1972	1052	17.9
2	KHULO MUNICIPALITY	3131	1495	19.7
3	DEDOPLISTSKARO MUNICIPALITY	3629	1528	24.5
4	LAGODEKHI MUNICIPALITY	5174	2378	18.1
5	KAZBEGI MUNICIPALITY	679	323	27.1
6	AKHALKALAKI MUNICIPALITY	5599	2145	17.2
7	BORJOMI MUNICIPALITY	4445	1785	24.7
8	TETRITSKARO MUNICIPALITY	2968	1448	21.0

Source: ssa.gov.ge

Social Package for Persons with Disabilities. Person with disability receive disability status on the basis of the assessment. There are three categories of disability: Severe disability (Group I), significant disability (Group II), and moderate disability (Group III). Separately there is a status of a child with disability. The person assigned moderate category of disability is eligible for benefits if he or she was assessed as disabled from his/her childhood. When a person with disability reaches the age of 65 (female 60) he or she can choose between the old age pension and the disability benefit. Person with disability received so called Social Package based on the disability status (severe disability – 220 GEL, children with disability 220 GEL, significant disability – 140 GEL, moderate disability – 100 GEL(Person assigned moderate category of disability is eligible for benefits if he or she was assessed as disabled from his/her childhood)). From 1st of July 2020 social package for severe disability and children with disability increased by 30 GEL. If the person is registered in mountain region, he/she received additional compensation - 20% of the social package.

In Borjomi municipality disability social package was received by: 78 children with disability, 220 persons with severe disability, 580 persons with significant disability and 142 persons with moderate disability. The percentage of persons with disabilities (4%) to municipality population is the same as average national level – 4%. 160 children who lost their parents (one of them or both) received survivals benefit – 100 GEL.

SOCIAL PACKAGE/PENSION FOR DISABILITIES (DISABLEMENT)

	MUNICIPALITIES	PERSONS WITH DISABILITIES	
1	KEDA MUNICIPALITY	1012	6.0
2	KHULO MUNICIPALITY	1951	8.3
3	DEDOPLISTSKARO MUNICIPALITY	580	2.8
4	LAGODEKHI MUNICIPALITY	2147	5.1
5	KAZBEGI MUNICIPALITY	84	2.3
6	AKHALKALAKI MUNICIPALITY	1005	2.2
7	BORJOMI MUNICIPALITY	1014	4.0
8	TETRITSKARO MUNICIPALITY	486	2.3

Source: ssa.gov.ge

Based on the data from Revenue Service, 863 people from Borjomi municipality lost their jobs during the pandemic and received unemployment compensation (200 GEL for six month).⁴⁹

49. Although, due to the methodology of issuing the compensation (based on a person's place of registration), it is not possible to find out the place of their employment.

UNEMPLOYMENT COMPENSATION - COVID-19

	MUNICIPALITIES	NUMBER OF PEOPLE WHO RECEIVED COMPENSATION
1	KEDA MUNICIPALITY	249
2	KHULO MUNICIPALITY	412
3	DEDOPLISTSKARO MUNICIPALITY	202
4	LAGODEKHI MUNICIPALITY	318
5	KAZBEGI MUNICIPALITY	109
6	AKHALKALAKI MUNICIPALITY	189
7	BORJOMI MUNICIPALITY	863
8	TETRITSKARO MUNICIPALITY	199

Source: Revenue Service

Targeted Social Assistance. Targeted social assistance is a particular cash assistance programme aimed at reducing poverty of the most vulnerable households. It should be noted, that TSA has a great impact on poverty reduction. According to UNICEF, if TSA with child assistance was removed from household consumption, extreme poverty among children would have increased from 6.8% to 13.1%.⁵⁰ These findings demonstrate that TSA plus child benefit has the highest impact on children. TSA also better targets households with children.

The programme is operating since 2006 and is based on the assessment of households using Proxy Means Testing formula and by assigning “wellbeing score” to each household. In 2013, the government embarked on the revision of this programme to ensure its continued effectiveness and to revise some of the parameters of the eligibility formula. The amounts of TSA is as follows: up to 30,000 score – 60 GEL per person; up to 57,000 score – 50 GEL per person; up to 60,000 score – 40 GEL per person; up to 65,000 score 30 GEL per person; up to 100,000 children (up to age 16) – additional 50 GEL child benefit - CB. About 3,798 (16,064 persons) households have applied TSA and registered in Social Service Agency.

Approximately 30% of the population of Borjomi municipality identify themselves as poor, from them just 614 households (2,808 persons) received TSA. With the 8.3% of the households and 8.7% of the population of Borjomi municipality, who have received targeting social assistance is one of the lower percentages among other municipalities. 734 (up to 16) children received TSA as of 2020.

In Borjomi municipality was registered 1,543 IDPs. All of them received IDPs allowance - 45 GEL per month.

TARGETED SOCIAL ASSISTANCE PROGRAM BY MUNICIPALITIES

	MUNICIPALITIES	REGISTERED HOUSEHOLDS	REGISTERED PERSONS	RECEIVED TSA HOUSEHOLDS	RECEIVED TSA FEMALE	RECEIVED TSA MALE	% TO POPULATION	CHILDREN (16)
1	KEDA MUNICIPALITY	3086	13283	1204	3243	2971	36.8	1894
2	KHULO MUNICIPALITY	3798	16064	1706	3958	4320	35.2	2446
3	DEDOPLISTSKARO MUNICIPALITY	2783	7405	1016	1950	1632	17	1258
4	LAGODEKHI MUNICIPALITY	5444	17763	1909	4052	3745	18.7	2818
5	KAZBEGI MUNICIPALITY	544	1201	297	396	302	18.9	176
6	AKHALKALAKI MUNICIPALITY	1366	3651	558	1034	631	3.7	572
7	BORJOMI MUNICIPALITY	2217	6395	614	978	1216	8.7	734
8	TETRITSKARO MUNICIPALITY	2942	8555	2031	2955	3544	30.9	1919

Source: Social Service Agency.

50. Georgia Welfare Monitoring Survey Fifth Stage 2017 (UNICEF)

Social Programmes Funded by the Municipality Local Budget. Borjomi municipality provides direct financial aid to war veterans and families soldiers killed in military actions, extremely poor families, families with newborn children, poor families with young children, orphans who lost both parents, families with many children and persons who suffered damages due to natural disasters. Indirect financial aid (subsidy) covers free meals and pharmaceuticals.

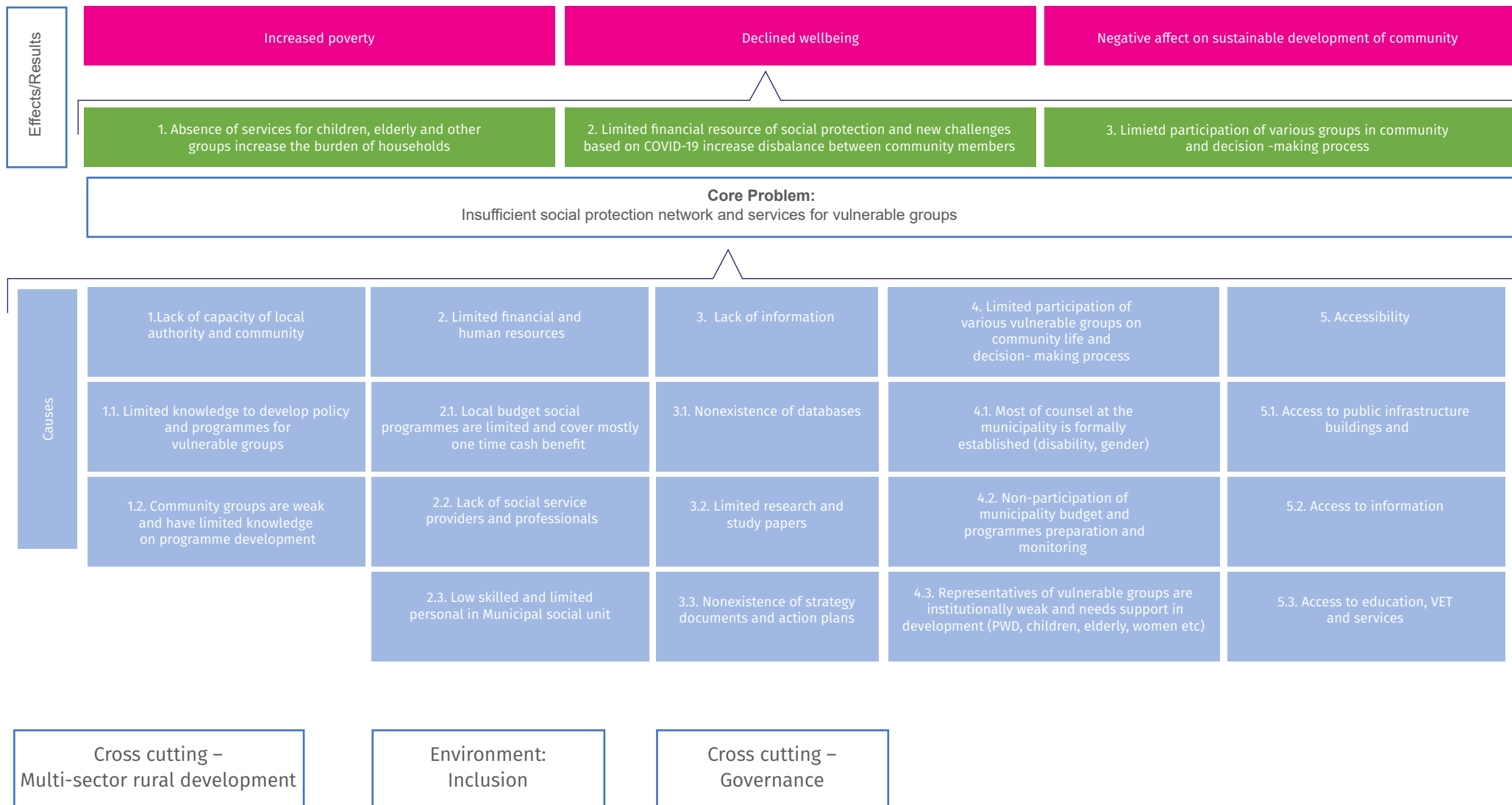
By 2019 social budget was planned at 910,100 GEL and actual spending was 1,294 600 GEL, for 2020 social budget was planned at 1,288,598 GEL.

As in other municipalities, the main part of local social programs in Borjomi come with one-time cash benefits, and services for vulnerable categories are virtually non-existent. By the central government financed only early childhood development service for 50 children up to 7 years, day-care center for 20 children with disabilities and 10 persons with disabilities. Accordingly, it is assumed that a large number of vulnerable groups (persons with disabilities, children, elderly, IDPs and others) in Borjomi are left without services, which further complicates their inclusion in the community. At the same time, the effectiveness of one-time cash benefit is very low for vulnerable categories and practically fails to provide the main goal of social programmes - social protection of the population.

Unfortunately, today the local authority does not have databases on vulnerable categories and it is unable to develop programs according to specific needs of targeting groups.





The summary table of the programs that was financed from local municipality budget in 2019 or was planned for 2020 is provided in the annex of this document.

P2 - Problem Tree (Social Dimension of Local Society)



P2 - Proposed Intervention Actions (Social Dimension of Local Society)

Given below is a short summary of the interventions proposed for the municipality. These interventions are mapped against broadly defined policy tools, recommended by OECD rural policy approach for this priority – society, relevant to social aspects. More detailed descriptions of all proposed interventions are provided in the Annex of this document.

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
<ul style="list-style-type: none"> P2-SO01- Social Protection Development Program 	<p>Social protection is one of the main challenges to Borjomi municipality. The main monthly income for more than 42% of municipality population are is TSA and the old age pension. COVID-19 generates impacts of social economic conditions for the households with vulnerable groups (children, PWD, elderly, IDPs). Children with disability have limited access to services at the municipality level. Other vulnerable groups out of social services</p>		<ul style="list-style-type: none"> Cash transfers to promote development 	
<ul style="list-style-type: none"> P2-SO02 - Capacity Building of Counseling Boards 	<p>Formally, a counseling board with representatives of PWD exists in every municipality, the main function of which is to participate in preparation of new programmes and give recommendations to local municipality regarding their rights and needs.</p>		<ul style="list-style-type: none"> Promoting community driven development 	
<ul style="list-style-type: none"> P2-SO03 - Training of Personnel of Local Authorities 	<p>Despite the recent changes (new law on social work), social units of local municipalities still have a lot of challenges - limited and unskilled personal, insufficient financial resources, professional social workers. Also, the local community who represents the vulnerable groups is still in need of support and development.</p>		<ul style="list-style-type: none"> Building government capacity 	
<ul style="list-style-type: none"> P2-SO04 - Institutional and Financial Capacity Building for Service Providers and Social Enterprises 	<p>The most important part of inclusion vulnerable groups is giving them needed social services and support their employment. Establishment of social service providers without governmental/donor support is practically impossible especially in mountainous regions. Nowadays, persons with disability from Borjomi municipality have limited access to social services and COVID-19 impact practically isolated this category from society. Vulnerable groups, especially in the post pandemic period, are not competitive on labor market and they need special condition and employment support. Social entrepreneurship is a great opportunity for income generation for such groups.</p>		<ul style="list-style-type: none"> Promoting private-sector rural service industries 	

HEALTHCARE DIMENSION OF LOCAL SOCIETY

Main Demographic Indicators

Demographic indicators are one of the main signs of life quality, the level of socio-economic development of the society and indirect indication of the conditions of the healthcare system in a particular municipality. In the table below, the main demographic indicators of Borjomi municipality are compared to the regional and national levels in 2018.

MAIN DEMOGRAPHY INDICATORS AT NATIONAL, REGIONAL AND MUNICIPAL LEVELS INDICATOR

INDICATOR	GEORGIA	MTSKHETA-MTIANETI	KAZBEGI
TOTAL NUMBER OF LIFE BIRTH	51138	2107	321
BIRTH RATE PER 1000 POPULATION	13.7	13.6	12.7
NATURAL POPULATION GROWTH	4614	180	-55
POPULATION GROWTH RATE PER 1000 POPULATION	1.2	1.15	-2.2
TOTAL NUMBER OF DEATH	46524	1927	376
MORTALITY RATE PER 1000 POPULATION	12.5	12.4	14.9
TOTAL NUMBER OF INFANTS DEATHS	416	20	4
INFANT MORTALITY PER 1000 LIFE BIRTH	8.1	9.5	12.5
TOTAL NUMBER OF STILLBIRTH	436	22	2
STILLBIRTH PER 1000 BIRTHS	8.5	10.4	6.2
TOTAL FERTILITY RATE (TFR)	2.1		
LIFE EXPECTANCY AT BIRTH	74.0 YEARS (IN FEMALES – 78.2; IN MALES – 69.7)		
TOTAL NUMBER OF MATERNAL DEATHS	20		
MATERNAL MORTALITY RATE PER 100000 LIVE BIRTHS	27.4		
TOTAL NUMBER OF UNDER FIVE DEATHS	499	23	4
UNDER-5 MORTALITY RATE PER 1000 LIVE BIRTHS	9.8	10.9	12.5

Source: NCDG.ge.

Immunization Coverage and Selected Communicable Diseases

Immunization is a top public health priority. Increase immunization rates and reduce preventable infectious diseases is one of the main objectives of Georgian national healthcare policy.⁵¹ This is clearly proofed by a significant increase of funds allocated to the State Immunization Program (4 million GEL in 2012 and 22,400 million GEL in 2018). All vaccines included in the national immunization schedule are free of charge for the population. The state purchases vaccines, which are prequalified by the World Health Organization to guarantee that only high quality and safe vaccines are used for immunization of the population. According to the NCDG, in 2018, immunization coverage rates are significantly higher than in previous years. The table below provides immunization coverage regional and county data for 2018.

IMMUNIZATION COVERAGE (PERCENT) MTSKHETA-MTIANETI AND GEORGIA, 2018⁵²

	BCG	DPT+HIB+HEPB/DPT+HIB+HEPB+IPV/DPT3	POLIO-3	MMR-1	MMR-2
MTSKHETA-MTIANETI	96.4%	94.4%	94.4%	96.7%	91.0%
GEORGIA	97.1%	92.6%	92.6%	98.7%	95.6%

Source: NCDG.ge

According to the 2018 data, HIV incidence per 100,000 population was 15.5 for Samtskhe-Javakheti region, while it was 18.0/100,000 for the entire country. Number of new cases of HIV in Borjomi municipality varies from 2 to 8 per year during the last five years. In 2018, there were 24 new cases of HIV registered in Samtskhe-Javakheti region, out of which eight case (33.3%) were from Borjomi municipality.

51. On Approval of the 2014-2020 State Concept of Healthcare System of Georgia for 'Universal Health Care and Quality Control for the Protection of Patients' Rights' Government of Georgia, ordinance #724, 2014

52. Coverage according to the scheduled number of the target population

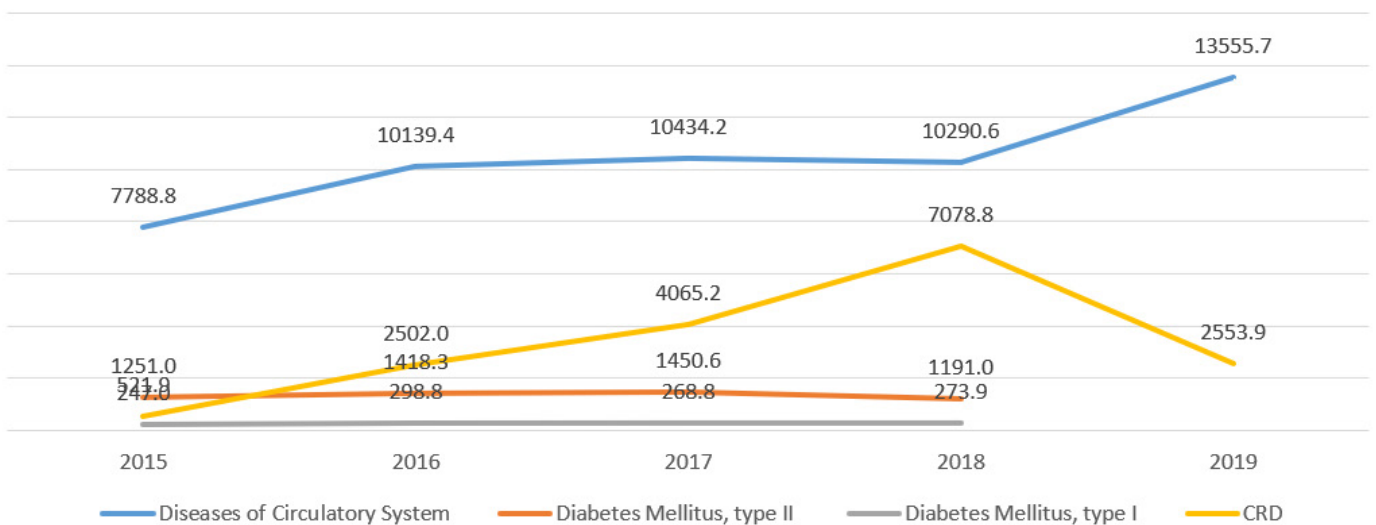
According to the 2018 data, Samtskhe-Javakheti region has the lowest rate of TB per 100,000 population among all regions of Georgia. In Borjomi municipality, all registered cases as well as new cases of Tuberculosis (all forms) have a decreasing trend during the last five years, as it is for the entire Georgia. There were 4 registered cases of TB in the municipality in 2018, which is 36.4% of all cases registered in the region (11 registered cases in Samtskhe-Javakheti region in 2018).

Since 2012, the number of population covered by Hepatitis C screening is increasing. 3,471 individuals were screened for Hepatitis C in 2018 and 4.6% (160 individuals) tested positive, while HCV positive rate among screened population was 7.82% for the entire country in 2018.

Non-Communicable Diseases

The figure below presents the last five-year trend of prevalence rate of Diseases of Circulatory System, Diabetes Mellitus and Chronic Respiratory Diseases for Borjomi municipality.

PREVALENCE RATE OF DISEASES OF CIRCULATORY SYSTEM, DIABETES MELLITUS AND CHRONIC RESPIRATORY DISEASES



Source: NCDC.ge

The prevalence of Diseases of Circulatory System in Borjomi municipality has an upward trend during the last five years. In 2018, the prevalence per 100,000 population was almost the same as the figure for the entire country, but much higher than the regional average (country – 10,954.7/100,000; region – 4,917.4/100,000; municipality – 10,290.6/100,000). By the end of 2019, there were 3393 registered cases of diseases of the circulatory system in the municipality.

By the end of 2018, there were 69 patients (including two cases under-15) with type I and 300 with type II Diabetes Mellitus registered in Borjomi municipality. Prevalence per 100,000 population of type I and type II diabetes is lower than the prevalence rate of the county (273.9/100,000 VS 379.5/100,000 and 1191.0/100,000 VS 1681.6/100,000 in 2018) and the last five-year trend is stable.

There is upward trend for Chronic Respiratory Diseases (CRD) since 2015 with a considerable decrease in 2019.

The incidence of Malignant Neoplasms per 100,000 population is also stable and ranges from 227.4 to 278.8 during the last five years. In 2018, the figure for the municipality was almost the same as for the entire county, but higher than the regional average (country - 258.5/100,000; region - 179.3/100,000; municipality – 234.2/100,000).

Organization and Governance

The system is now highly decentralized and was extensively privatized under reforms implemented from 2007 to 2012. In 2012, a change of government brought a significant change of direction in health policy. The health system is still largely oriented towards curative care. Spending on inpatient care represents 67% of public health spending, while 25% is allocated towards outpatient care⁵³.

53. Georgia Health Utilization and Expenditure Survey WHO, USAID, World Bank, MoLHSA, 2017

The polyclinics and family medicine centers coexist both in the cities and regional centers as well. The system of rural doctor and nurse also remains the main health care provision in the villages, composing the primary health care settings for the village dwelling population. The rural medical personal refers to the regional polyclinic or multi profile hospital, which provide treatment of complex cases. The current primary health care services delivered include maternal and child services, immunization, reproductive health, screening, some activities in health promotion and disease prevention at the population and individual levels, basic laboratory tests, diagnostics, palliative care, rehabilitation, psychiatric community-based care and health check-ups. Rural doctor and nurse are under the control of the MoH and the Emergency Situations Coordination and Urgent Assistance Center. On the same time, they play a key role to implement the state programs run by National Centre for Disease Control and Public Health.

Municipalities, in agreement with the MoH, also implement thematic programmes that complement the Ministry's programmes. Public health is financed from the municipal budgets in order to accomplish activities defined by law on public health, specifically: to ensure preventive and epidemiological control measures in the case of epidemic threats; to facilitate primary epidemiological research on the territory of the municipality, to organize disinsection and disinfection measures as well as immunization under the National Immunization Schedule, etc.⁵⁴ Therefore, public health program is implemented on the municipality level. Additionally, there is a municipality health care program to provide the population with medicines. There is a program for outpatient treatment that means co-financing medical examinations and treatment for inpatient care that is not covered under Universal Health Coverage Program (UHCP).

The Local Self-Government Code clarifies that local self-governments have the right, within their authority, to develop and implement programs to finance themselves from their own budgets. Municipalities also have the authority delegated in the field of public health, which is clearly defined by the Law of Georgia on Public Health. Thus, municipalities have sufficient legal grounds to independently plan, develop and implement effective and needs oriented municipal health programs.

According to the Borjomi Local Development Strategy for 2020-2024, civil engagement within the municipality is very low. There is a branch of non-governmental organization "Step to the Future" is providing low-threshold HIV prevention services to drug users across the region.

Financing Issues

Health care services for Borjomi population, as it is for the entire Georgia, are financed and provided through the State Health Programs. Since 2013, the Universal Health Care Program is implemented in the country. Besides the UHC program, state finances healthcare services in priority areas through Vertical Programs (including Disease Early Detection and Screening, Immunization, Epidemiological Surveillance Safe Blood, Prevention of Occupational Diseases, TB, HIV/AIDS and Hepatitis C Management, Maternal and Child Health, Drug Addiction, Health Promotion) for the entire population of the country.

Both in the whole country and in Borjomi municipality, there is a "State Program of Rural Doctors", which aims to increase the geographical and financial access of the rural population to primary health care services.

Municipal Budget- According to the approved 2020 budget of Borjomi municipality the budget income totals 24,245,000 Georgian Lari (GEL), out of which 1,206,000 GEL (around 5%) is allocated for health-related expenditure. Distribution of funds allocated for healthcare is as follows:

DISTRIBUTION OF FUNDS ALLOCATED FOR HEALTHCARE FROM THE LOCAL BUDGET

- 140,900 GEL - FOR PUBLIC HEALTH ISSUES (SURVEILLANCE OF SANITARY AND HYGIENIC NORMS, DELIVERY OF IMMUNIZATION SUPPLIES TO THE PROVIDERS, DISEASE PREVENTION AND CONTROL MEASURES, HIV/TB/HEPATITIS C INTEGRATED SCREENING, SURVEILLANCE OF DOGS LEFT UNATTENDED, ETC);
- 865,100 GEL – FOR INPATIENT MEDICAL CARE (THE MUNICIPALITY OFFERS ADDITIONAL FUNDING IN A PRE-DETERMINED AMOUNT TO THE POPULATION ACCORDING TO THEIR SOCIAL STATUS);
- 200,000 GEL – FOR PROVIDING THE POPULATION WITH MEDICINES (ONE-TIME ASSISTANCE PER YEAR AFTER DISCHARGE FROM THE HOSPITAL IN ACCORDANCE WITH THE SOCIAL STATUS OF THE INDIVIDUAL, AS WELL AS CHEMOTHERAPY AND RADIOTHERAPY WITH A DEFINED LIMIT, ASSISTANCE TO PATIENTS ON DIALYSIS, PERSONS WITH DISABILITIES, ETC.)

Source: Local Authorities.

54. Law of Georgia on Public Health

It should be mentioned that inpatient medical care and provision of medicines is classified as a social assistance program rather than medical. There is separate budget line for water and sewage systems development, as well as waste disposal including in rural areas with allocated 800,500 GEL. With the aim of promoting a healthy lifestyle in adolescents, the municipality allocates 1,566,700 GEL for supporting sports facilities, sporting events, arrangement and rehabilitation of entertainment and sports fields and sports buildings. Under the infrastructure development budget line, there is 800,000 GEL allocated for rehabilitation of residential and non-residential buildings, but it is not specified whether this includes the rehabilitation of medical facilities or rural outpatient clinics.

Human Resources

The number of physicians in Borjomi municipality has increased from 85 in 2015 to 118 in 2018. Also has increased the number of nurses. As of 2018 there are 118 physicians (including dentists) in the municipality and 92 nurses, making up the ratio of nurses to physicians 0.8, which is almost the same as country figure (0.6 in 2018). In 2018, the number of physicians per 100,000 population was 1.7 times lower than in the entire Georgia, but higher than the regional average (country - 784.2/100,000; region - 330.3/100,000; municipality - 468.5/100,000). The same figure for nurses is 1.4 times lower than in the whole country and again slightly higher than the regional average (country - 494.8/100,000; region - 321.9/100,000; municipality - 365.3).

The number of rural physician-entrepreneurs is 16, meaning that 33 villages of the municipality are served by 16 rural doctors.

Provision of Services and Access to Health Care

As of 2019, there are two hospitals (one in Borjomi and other in Bakuriani) with 41 hospital beds, one outpatient center/policlinic, 12 rural physician-entrepreneur facilities, seven dental clinics and offices, one ambulance station and one public health center in the municipality. There is one antenatal department operating in the hospital. There are 15 pharmacies in the Municipality including 3 in Daba Bakuriani.

Bed occupancy rate was 140.0 (187.2 for Georgia), with an average length of stay 3.8 (4.9 for Georgia) in 2018. Patient numbers attending healthcare facilities are higher than the regional, but lower than the national average. In 2018, the number of ambulatory visits was 2.6 per capita per year for Borjomi, while this indicator amount to 1.3 for the Samtskhe-Javakheti region and 3.3 for the entire country.

In 2019, among the number of population, who received ambulance assistance, 1% was due to accidents and 98.5% due to sudden illness, which is almost the same as for the entire country.

According to the Borjomi Local Development Strategy for 2020-2024, there is a lack of certified, qualified, and registered doctors particularly in the villages. In addition, there is lack of medical specialists, especially lack of surgeons in the municipality. Therefore, patients often go to the capital to receive appropriate medical care. This causing them additional expenses.

Problems concerning the low quality medical care, lack of modern equipment at medical facilities, weak management and low qualifications of medical personnel are highlighted almost in all municipal and regional level strategic documents, including Borjomi Local Development Strategy for 2020-2024, Concept of Promoting Economic Development of Samtskhe-Javakheti Region, Development Strategy of Samtskhe-Javakheti Region for 2014-2021, etc.

The availability of outpatient clinics providing family planning services and women's counseling centers is limited in the mountainous villages. Rural women have to go to a nearby village or town to get services, which is associated with additional financial barriers.⁵⁵

55. *Sexual and Reproductive Health and Rights: National Assessment, Key Findings, UN and Public Defender, 2019*

Rural Primary Health Care

Primary health care can cover the majority of a person's health needs throughout their life including prevention, treatment, rehabilitation and palliative care.⁵⁶ Therefore, World Health organization recognizes the central role of primary health care for achieving health and well-being for all, at all ages. During the development of the presented document, the Municipality provided information regarding the needs and challenges of rural ambulatories in Borjomi. There are 16 rural doctors and 22 nurses occupied at 12 rural ambulatories. Population attached per one rural doctor varies from 410 to 1680. Nine rural ambulatories have separate buildings, but in three villages – Daba Tsagveri, Kvibisi and Chobiskhevi - the staff is located in other settings such as culture house, council buildings, etc. Kvibisi PHC provider mentioned that the new facility is under reconstruction. In addition, it should be mentioned that majority of rural doctors assessed the conditions of their facilities as bad or very bad. They have infrastructural problems such as problems with water and sewage, as well as heating systems, and they lack furniture and other equipment for effective operation. The distance from the ambulatory to the farthest located patient varies from 3 to 10 km. In majority of cases, the buildings do not have a disability ramp, but most facilities have separate patient waiting area. All doctors have computers, but only two village ambulatories have access to high speed internet. The PHC guidelines and protocols are accessible for medical personal and they always use them in their practice. All doctors have undergone the training one year ago. They all have information on the management of COVID-19 presumptive cases. Doctors do not cooperate with NGOs. Only one doctor mentioned that she had collaboration with the Red Cross. Although there are few local NGOs working in the healthcare field. In majority of cases, doctors expressed being fully motivated, but mostly there is a need to increase their motivation to support better performance. Among the most important needs faced by rural ambulatories in Borjomi municipality were named the following: access to internet, facility infrastructure arrangements (water, sewage and heating systems) including furniture and equipment, increase funding in order to sufficiently cover utilities, transportation and other important expenses for full operation.

According to the information that was provided by the Municipality, there are challenges and bottlenecks regarding the operation of Borjomi Public Health Center.

From year to year, various electronic programs are being implemented by the state. It is necessary to collect information and to fill in electronic forms. therefore, it is important to improve access to the Internet due to work effectively. There are continuous trainings for PHC and Hospital staff. To accomplish this task effectively, the center needs new projector, a laptop and other material-technical resources.

In COVID-19 pandemic, there is a need for PPE (personal protective equipment) material, as well as trainings. The staff of Public Health Center needs continues training, including epidemiologists the PPE materials and trainings will be needed for PHC personnel too.

One of the major challenges for the Public Health Center is a separate building. Current Center is located in the City Hall building and the operating space is not enough (only one room) for effective functioning.

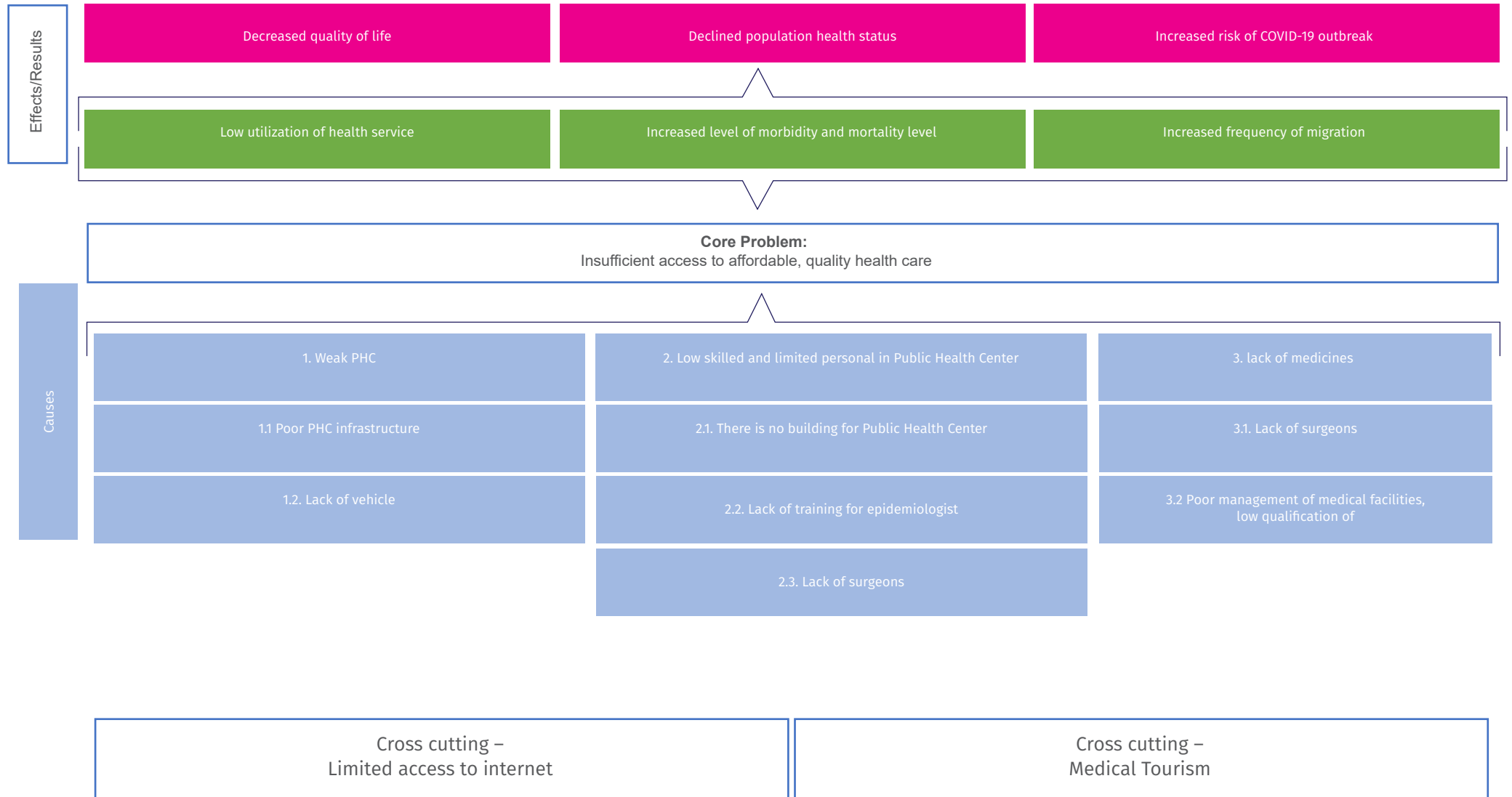
There are many mountainous villages in the municipality and having appropriate vehicle would be beneficial for the center.

According to a survey, 40.4% of participants (36.5% of men and 43.7% of women) assessed the health infrastructure and services in Borjomi municipality as “fully satisfactory”, while 5.3% expressed full dissatisfaction (full dissatisfaction was even higher among men [7.2%] and among participants aged 18-24 [12.3%]). 53.8% of respondents with disabilities expressed full satisfaction with health infrastructure and services of the municipality.⁵⁷

56. <https://www.who.int/>

57. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

P2 - Problem Tree (Healthcare Dimension of Local Society)



P2 - Proposed Intervention Actions (Healthcare Dimension of Local Society)

Given below is a short summary of the interventions proposed for the municipality. These interventions are mapped against broadly defined policy tools, recommended by OECD rural policy approach for this priority – society, relevant to healthcare. More detailed descriptions of all proposed interventions are provided in the Annex of this document.

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
<ul style="list-style-type: none"> P2-HE01 - Strengthen Public Health Center 	Public Health helps detect health issues as early as possible and responds appropriately to avoid the development of disease. A fundamental quality of Public Health is its preventative nature. Prevention is far more effective and far less expensive than cure		<ul style="list-style-type: none"> Ensuring basic health 	<ul style="list-style-type: none"> Limited access to internet Medical Tourism
<ul style="list-style-type: none"> P2-HE02 - Access to Internet 	In the COVID era, during the shift to extensive online communication, access to internet is to be a priority. Therefore, an improved access to internet services among rural doctors and nurses is critical. Georgia faces challenges in moving to electronic health information systems. However, it is compulsory for doctors and nurses to fill in annual medical form in electronic format. Access to internet is crucial for continuous medical education as well as for developing the health information system for the whole country.		<ul style="list-style-type: none"> Promoting access and use of ICTs 	
<ul style="list-style-type: none"> P2-HE03 – Development/rehabilitation of Rural Ambulatories' Infrastructure 	Economic growth and development depend on a healthy population. Investments in the health system also have multiplier effects that enhance inclusive economic growth, including via the creation of decent jobs. Targeted investment in health systems, including in the health workforce, promotes economic growth along other pathways: economic output, social protection and cohesion, innovation and health security.		<ul style="list-style-type: none"> Promoting basic physical infrastructure investments 	

YOUTH DIMENSION OF LOCAL SOCIETY

Several broad building blocks comprise the youth dimension of the municipality including education, economic empowerment, participation and engagement in society, sport and cultural life.

Education

One of the challenges in youth development is education, the number of young people with vocational education and entrepreneurial skills is small, which hinders the development of non-farm entrepreneurship. The level of knowledge of foreign languages is also low, which is an important factor in the development of tourism.

There are 21 public and private general educational institutions, with 3,540 students. Compared to 2005, in 2020 the number of students fell by 26%. According to 2014 Geostat data, 17.3 % of 15 to 29 years old youth have higher education, and 15.2 % of youth have vocational education.⁵⁸ Over the past 5 years, two new schools have been built and equipped with new school supplies, and 10 existing schools have been partially renovated. Nevertheless, many schools remain in poor condition and in need of repair work. The number of qualified and certified teachers has increased to 570 teachers.

There are no vocational or higher education institutions, or colleges in the municipality, and most young people go to Akhaltsikhe, Gori and Tbilisi for educational opportunities.⁵⁹

Following the growing demand for tourism and related services, the need for young professionals and need for vocational schools is growing. The nearest vocational college is in Akhaltsikhe, although, it is quite far for residents. Vocational education programs are mainly needed in the following areas: tourism, manufacturing industry, agronomy, carpentry, veterinary, animal breeding, electricity, mechanization, welding, plumbing, accounting, sewing, agribusiness management, etc.⁶⁰

NEET Youth. The share of youth that are neither employed nor are undergoing education or training (NEET) is quite high in Georgia. According to GEOSTAT data, the share of NEET youth in 2018 was 31.6%.⁶¹ While the study conducted by the World Bank earlier shows that the share of NEET youth was 32.4% in 2014.⁶² Unfortunately, the mentioned data is calculated at the national level only although there is a valid assumption that the data at the municipal level should not be any better. The table below shows that the share of NEET youth in the Samtskhe-Javakheti region is 26.24%, which is the lowest indicator compared to other regions of Georgia.⁶³

NEET YOUTH IN GEORGIA BY REGIONS

REGION	%
KAKHETI	37.47
TBILISI	29.27
SHIDA KARTLI	43.54
KVEMO KARTLI	34.04
SAMTSKHE-JAVAKHETI	26.24
ADJARA AR	31.69
GURIA	27.78
SAMEGRELO-ZEMO SVANETI	42.27
IMERETI, RACHA-LECHKHUMI AND KVEMO SVANETI	31.41
MTSKHETA-MTIANETI	27.88

Source: World Bank.

58. General Population Census 2014, Geostat

59. Borjomi Local Development Strategy 2020-2024

60. Borjomi Local Development Strategy 2020-2024

61. Geostat 2018 (national level)

62. NEET Assessment - Technical Assistance to Ministry of Sports and Youth Affairs, World Bank, June 2017; Assessment of the Georgian Youth Policy Action Plan implementation. (National Level)

63. NEET Assessment - Technical Assistance to Ministry of Sports and Youth Affairs, World Bank, June 2017; GFSIS policy Paper on NEET by Tinatin Ramishvili (Regional Level)

Economic Empowerment of Youth

Economic empowerment of young people is an important means to support the full realization of the potential of the youth. Therefore, it is important to equip young people with the knowledge and skills that will help them in employment and entrepreneurship. It is necessary to take measures that will contribute to the realization of their capabilities and involvement in economic activity. In terms of economic empowerment of young people, it is important to raise the level of motivation and awareness of young people about entrepreneurship, to develop education and professional skills, to increase access to financial resources, to launch targeted youth entrepreneurship programs etc.

For economic empowerment of youth, the long-term problem-solving vision should be addressed by placing correct educational priorities. It is important that municipal authorities, via local arts and crafts institutions, offer such non-formal hobby-educational programs that will help youth in the development of entrepreneurial and economic knowledge and skills.

Sources of Incomes. It is interesting to assess youth by the sources of income in the Borjomi municipality. The statistical data has revealed that 58.5% of 15-29 years of age youth are dependents, while income from their farms is only 6.8%. 15.6 is the share of youth who receive income from work for hire, Social assistance is receives 5.1% of the youth.⁶⁴

POPULATION AGED BETWEEN 15-29 YEARS BY MAIN SOURCES OF INCOME

INCOME STATUS	NUMBER
Dependent	2581
Income from own farm	302
Salary from working for hire or other regular remuneration	689
Income from individual labor activity	152
Remittances from abroad	34
Other	180
Not specified	38
Pension	75
Other forms of government support	83
Income from own enterprise	12
Social assistance	228
Income from property	26
Total	4407

Source: Geostat.

Economic Activity and Participation. The population survey of non-farm economy needs has revealed 46.4% of interview youth in Borjomi are employed, while 36.4% unemployed, and 17.3% are not in the labor force. Across the other municipalities, youth show both lower average employment (43.2%) and unemployment (33.9%) rates. 24.9% of employed youth works in private sector, 12.5% work in public sector, while 11.5% is self-employed. Comparatively to the other municipalities, the lower proportion of young people are employed in the private sector (10.1%), proportions of public employment is also lower (6.7%) and average self-employment is higher (16.9%).

The survey has also revealed the issues of engagement of youth in entrepreneurial activity. 43.4% of surveyed youth have not thought about starting up a business, while 44.6% have thought about it but were unable to and only 12.0% have started or is planning to start the one. The average results across the other municipalities are as follows: the average proportion of those youth who have not thought about starting a business is lower (39.1%), the number of those who have thought but had a problem with starting a business is a bit higher (48.1%), the same time across other municipalities (12.7%) have started or is planning to start the business, which is almost the same average indicator.⁶⁵

The research results show that 79.4% of those who have thought about starting a business does not have relevant resources for starting a business.

64. General Population Census 2014, Geostat

65. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

Relevant Local Youth Initiatives. One of the programs where youth from the Samtskhe-Javakheti region can participate is The EU4Youth SEAG initiative. The project supports the development of the entrepreneurial potential of young people in the field of social entrepreneurship, notably intending to contribute to social cohesion, employment, decent work, inclusion, and reduction of inequalities. The project aims to provide creative young people with the necessary knowledge and skills to establish sustainable social enterprises. Project participant youth can improve skills, knowledge and capacities and get support through increased access to finance, business support structures, networks, and key market actors. The project is implemented by the Mercy Corps Georgia.⁶⁶

Civic/Society Engagement of Youth

According to the Georgian Youth Policy Document, youth participation is the main strategic direction for youth policy development. The participation of young people implies their active involvement in the civic, social, cultural, political and economic life of the society. In modern democratic societies, the engagement of youth in different processes is extremely important. When young people are active, it means that the decision-making process is inclusive and reflects the interests of different groups. Besides, consideration of the interests and the needs of youth in the decision-making process is a critical precondition for sustainable development.

There are several organizations in the municipality that work with youth, although none of them are youth-led organizations: one of them is Samtskhe-Javakheti Media Center based Youth Involvement Center, which has been established and supported by Project Harmony International and the US Embassy. It includes about 20 young people aged 15 to 16. Members of these youth groups meet with students in schools to present their work and hold discussions on gender equality and various other issues. They are also actively involved in advocacy campaigns and various civic initiatives. Another ongoing project of the media center is The Voice of A Teenager. The aim of the project is the legal education of young people and the development of media literacy skills. As part of the project, young people will set up a network of young reporters and start producing podcasts.

In terms of youth engagement Municipal training center “For our Borjomi” should be mentioned which is co-financed by the largest water company IDS Borjomi. Borjomi Training Center is open for any school child from the 6th grade onwards and lives in Borjomi and its surroundings, can study. The training center offers students lessons in mathematics, general skills, computer programs and foreign languages. There is also a journalism club, eco club, theater studio, handicrafts and other activities.

Unfortunately, there is no single youth NGO that could offer non-formal education training seminars, implement various activities concerning civic activism and volunteerism. At the municipal level there are no programs for supporting and incentivizing youth initiatives.

At the municipal level, with support of USAID, the local youth strategy 2018 has been created but has never been adopted. Municipal employees responsible for youth issues has never participated in professional development programs. There are no mechanisms for youth participation in the decision-making process, although youth have participated in development of local youth strategy and have their voice for budgeting the municipal youth program, which also envisages support of youth initiatives. Based on the information from the municipality there is no municipal youth center where youth could gather and spend their free time. Because of COVID-19 many of planned youth activists has been canceled until general recommendations will be positive.⁶⁷

Sports and Culture

Borjomi is rich with historical/cultural monuments, churches and castles: there are up to 80 cultural heritage sites in the area. In Borjomi town, there is a theater, historical museum, parks, sports facilities, and music school. Villages are generally lacking social facilities, though some have rural clubhouses and others have libraries. Borjomi has a football team “FC. Borjomi” and other different types of sport groups in rugby, judo, wrestling, etc. Traditionally there are tournaments each year in wrestling, chess, mini football. The main cultural events each year are “Borjomoba” which is led in late August festival which celebrates the diversity and history of Borjomi and “Bakurianoba” which is held at the ski resort in late February and within the framework of celebration there are downhill skiing, ski jump, snowboarding and horse-riding competitions.⁶⁸

66. <https://www.seag.ge/>

67. Information from municipality local authorities

68. Borjomi Local Development Strategy 2020-2024

Municipality sports school offers youth different sports sections in the following directions: football, table tennis, rugby, karate, rafting, volleyball, arm wrestling, and different types of wrestling where a total of 535 students are engaged. There are winter sports sections in the municipality: skiing, hockey, skating, biathlon, jumping from the trampoline where a total of 90 students are engaged.⁶⁹

The municipality aims to increase the involvement of young people in public, cultural and political life, to develop opportunities for self-realization of young people in various fields of economics, which will help them develop professionally and increase competitiveness, fully realize their potential and improve employment opportunities.

Borjomi arts and crafts direction is broader and covers the following directions, within each direction there are relevant thematic sections: Music school, the association of libraries with 23 branches, Borjomi Culture and Art Center with branches in administrative units, Puppet State Theater.

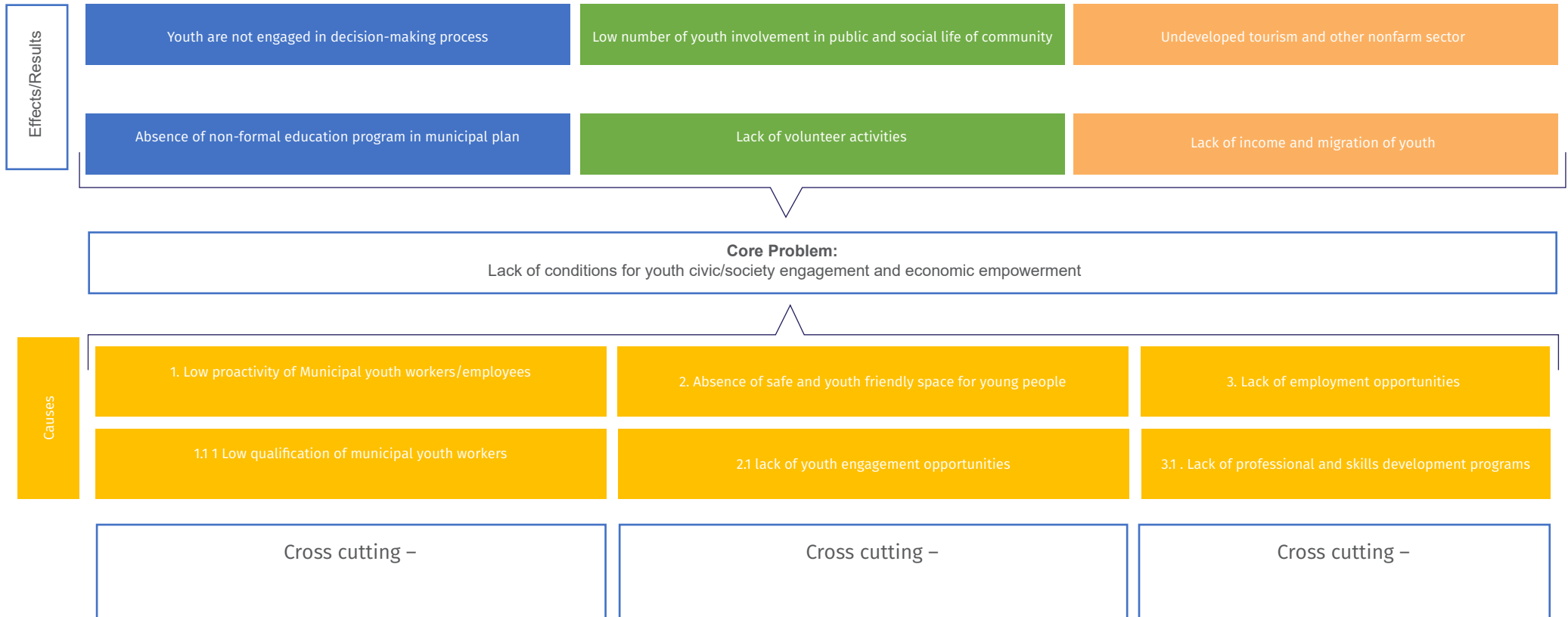
Summary of Key Challenges and Needs

The following challenges and needs were identified in the youth field in the municipality:

CHALLENGES	NEEDS
<ul style="list-style-type: none"> VOCATIONAL EDUCATION AND TRAINING PROGRAMS ARE NOT AVAILABLE LOCALLY NO YOUTH NGOS THAT WOULD OFFER TRAINING AND NON-FORMAL EDUCATION OPPORTUNITIES THE MAJORITY OF YOUTH ARE PASSIVE LOW LEVEL OF AWARENESS OF YOUTH ABOUT EXISTING PROGRAMS, SERVICES AND OPPORTUNITIES LOW LEVEL OF PARTICIPATION IN PUBLIC AND SOCIAL LIFE 	<ul style="list-style-type: none"> CREATE MORE OPPORTUNITIES FOR YOUTH PARTICIPATION IN COMMUNITY LIFE OFFER RELEVANT VOCATIONAL EDUCATION PROGRAMS IN LIGHT OF LOCAL NEEDS PROMOTE VOLUNTEER AND YOUTH INITIATIVES NECESSITY TO ENGAGE YOUTH IN THE DECISION-MAKING PROCESS.

69. Borjomi Municipality budget and program; public data

P2 - Problem Tree (Youth Dimension of Local Society)



P2 - Proposed Intervention Actions (Youth Dimension of Local Society)

Given below is a short summary of the interventions proposed for the municipality. These interventions are mapped against broadly defined policy tools, recommended by OECD rural policy approach for this priority – society, relevant to youth issues. More detailed descriptions of all proposed interventions are provided in the Annex of this document.

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
<ul style="list-style-type: none"> P2-YU01 - Municipal Youth Workers Development Program 	Active participation and engagement both of youth and local self-government authorities is one of the significant preconditions for the enhancement of youth. Human capital at the municipal level, in the frame of the youth issues, is one of the important challenges. Not enough attention is paid to the development and professional growth of the staff members who are working with youth.		<ul style="list-style-type: none"> Building government capacity 	
<ul style="list-style-type: none"> P2-YU02 - Project “Youth Space” 	The main aim of the program is to empower youth and consider them as development partners, not beneficiaries. Project aims to give them direct control over decisions and resources. A specially designated location for young people, will be managed and led by youth. “Youth Space” is a safe and youth-friendly multifunctional environment where youth can spend their free time, improve personal skills, plan activities, brainstorm, use free wifi, develop ideas and recommendations for local authorities and other stakeholders. The main idea of the program is youth empowerment, capacity building, transparency and youth participation.		<ul style="list-style-type: none"> Promoting community driven development 	
<ul style="list-style-type: none"> P2-YU03 - Promotion Different Ways of Youth Participation 	The analysis has revealed that there is a lack of youth engagement in the decision-making process. To facilitate the elimination of the mentioned problem it is suggested to provide trainings on different ways of youth participation. Under the project local youth will have an opportunity to attend to the specially designed training program about different ways of youth participation. According to the Council of Europe’s Youth Department there is five innovative forms of youth to participation in decision making process		<ul style="list-style-type: none"> Providing education and training 	
<ul style="list-style-type: none"> P2-YU04 - Key Personal Competencies For Economic Empowerment 	The study of the local needs of the youth has revealed that there is lack of entrepreneurial competencies and knowledge, which is important matter for self-employment opportunities. Entrepreneurship competence refers to the capacity to act upon opportunities and ideas, and to transform them into values for others. Entrepreneurial competencies are founded on creativity which includes imagination, strategic thinking and problem-solving, and critical and constructive reflection within evolving creative processes and innovation.		<ul style="list-style-type: none"> Providing education and training 	

GENDER DIMENSION OF LOCAL SOCIETY

The 5th goal of the 2030 Agenda for Sustainable Development Goals is Gender equality. The aim of the goal is to achieve gender equality and empower all women and girl. Ending all discrimination against women and girls is not only a basic human right, it is crucial for sustainable future.

Review of Social Status

The participation level of women in Borjomi municipality in decision-making positions is very low. There is only 4 woman and 24 men in the among the members of the City Council. Only 1 woman in on the managerial position. There are 3 men and 5nwomen on the managerial positions in the Mayor's administration. The Mayor is a man. There are no women among the deputies.⁷⁰

In 2019, with the decree N63 of the Municipality, Gender Equality Council of Borjomi was established, which consists of 25 members (17 women and 8 men).⁷¹ There is one CSO representative in the Gender Equality Council- Samtskhe-Javakheti Media Center.

The Gender Equality Council approved the Municipal Gender Equality Action Plan for 2018-2019, order # 4403.⁷² One of the priorities of the plan is women's economic empowerment (Article 2.7. Article 2.8), according to which programs and activities that support the employment of the population, including professional creative educational programs for rural women and socially vulnerable women should be guaranteed. According to the plan, financial participation in micro and small business support programs should be provided.

The Gender Equality Council approved the 2017-2018 Municipal Gender Equality Plan, for which a budget of 12,000 GEL was allocated. Then the action plan for 2019 was developed - the budget of 4,000 GEL was allocated. Due to the COVID-19 pandemic the Action Plan of 2020 has not been approved. The budget for 2002 was set to be 12,000 GEL.

The Women's Room has been operating in the municipality since 2014. One of its services of the Women's Room is the promotion of women's economic participation and strengthening their skills. The Women's Room does not have the exact number of visitors in terms of gender. The Women's Room has two employees – the WR manager and the PR specialist.

Civil Society. Civic involvement in Borjomi municipality is very low, although there are several local NGOs working mainly on environmental issues. One of the organizations is Samtskhe-Javakheti Media Center, a member of the Gender Equality Council of the Borjomi municipality, mainly working on civic engagement, environmental and gender issues. The organization established a youth gender club in Borjomi.⁷³

Following organizations operate in the municipality: The Borjomi Action Group (LAG). Borjomi LAG consists 28 members (11 women. 17 men) from the public and private sector, representing sectors such as tourism, agriculture, sport, culture, environment, conservation and working in the local municipality, state agencies, private business, NGOs and other civil society organizations.

According to the Women's Room manager of Borjomi municipality, Borjomi Lag is not carrying out any activities at this stage.

Trust in Information Networks. More than half of the population does not trust printed and online media, information received through television and posters and flyers, information from local initiative groups and banks. The information received from the UN and the EU has the highest credibility in both women and men. 73% of women and 74.4% of men have high or very high trust in information received from the UN, 70.6% of respondent women and 74.2% of men have high or fairly high trust in information received from the EU. More than half of the population has high or fairly high level of trust in environmental and non-governmental organizations. 69.8% of women and 69.6% of men respondents

70. Gender Equality Institutional Map , Women Information Center, 2020

71. Legislative Herald of Georgia, Sakrebulo of Borjomi Municipality

72. Gender Equality Information Portal, Gender Equality Action Plan of Borjomi Municipality 2018-2019

73. Borjomi Local Development Strategy

have a fairly high or very high trust in the environmental organization. 61.6% of respondent men and 58.1% of women have high or rather high trust in non-governmental organizations. 54% of female and 37.2% of men respondents have high or rather high trust in receiving information from women's organizations. More than half of women trust information from women's organizations, while men have low trust in information from women's organizations. As for the trust in Russia and Turkey the majority of respondents do not trust neither Russia or Turkey. Trust in Russia is higher than in Turkey, although it is noteworthy that men have higher trust in Russia than women and women have higher trust in Turkey than men. 20.3% of women and 24.9% of men respondents have very high or rather high confidence in Russia, while 17.6% of women and 16.2% of men respondents have very high or rather high confidence in Turkey.

As for the news channels, television has the highest rating. It is noteworthy 46.2% of respondent women and 46% of men would like to receive information through television. NGOs and the UN are named as the most desirable sources of information for both women and men. 60% of respondent women and 61.7% of men would like to receive information from non-governmental organizations and 59.9% of women and 62.8% of men respondents from the UN. 53.7% of respondent women and 58.9% of men were willing to receive information from local initiative groups. 52.1% of women and 54.4% of men respondents would like to receive information from environmental organizations, 48.6% of women and 50.4% of men would like to receive information from women's organizations. Male respondents have higher expectations for receiving information from women's organizations than women. The banks have the lowest rating in this list - 43.5% of respondent women and 44.4% of men would like to receive information from them. As for local, regional and central government, women would like to receive information from municipal government (than regional or central) unlike men, who prefer to receive information from central government, then regional and then municipal governments. 58% of women and 54% of men respondents wanted to get information from the municipal government 56.3% of women and 54.7% of men from the regional administration - and 56.4% of women and 57% of men from the central government.

Employment. Systemic gender inequality in employment deepens poverty, economic insecurity and reduces opportunities for girls and women. At the same time, the country's economic progress, unemployment and socio-economic poverty cannot be eliminated without increasing the employment rate of women.

According to the research, women in Borjomi municipality are almost twice less economically active as men.

26.3% of respondent women and 24.7% of men are unemployed. 30.2% of women and 50.1% of men are employed. 43.5% of female respondents and 25.2% of men are not economically active. Research data shows that in all sectors except for family business in Borjomi municipality, women are less employed than men. The public sector employs 8.3% of females and 15.1% of men, while the private sector employs 12.2% of women and 19.1% of men. 5.1% of women and 14.8% of men are self-employed. 3.4% of women and 0.9% of men are employed in family business.

Starting a Business. Majority of female (91.7%) and male (92.5%) respondents do not have business ownership or management experience. Most of both female and male respondents state that they discontinued their business as it was not profitable. 61.1% of women led businesses are registered while 70.3% of men led businesses are registered. Large share of female respondents (57.5%) have not thought about starting a business, however smaller share of male respondents (44.5%) have not thought about starting a business.⁷⁴ Overall, it seems that starting a business is associated with more risks for women in the region, and due to local stereotypes more women than men do not even consider starting a business. Women lack confidence and have lower self-esteem when it comes to evaluating their abilities to run a business.

Enterprise Georgia Funding. According to the data of 2018-2019, the number of beneficiaries funded within the framework of micro and small entrepreneurship program of "Enterprise Georgia" in Borjomi municipality is 19 (5 women (26.3%) 14 men). Within the industrial part 3 projects were funded in 2018, while 9 in 2019.⁷⁵

Education. In terms of women's economic empowerment, education and skills are a crucial component. In Georgia, educational fields are segregated by gender.

In Georgia, historically, more girls dropped out of school than boys, usually due to early marriage practices. The situation changed for the better since 2016, after civil code prohibited marriage before 18. Since 2016, 16 years old individuals can not marry even with parents' approval. The law has had a positive effect on all municipalities, including

⁷⁴ Business Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

⁷⁵ Legal Entity of Public Law Enterprise Georgia, 2020

Borjomi. According to the data of 2019, twice as many girls dropped out of high school as boys. A total of 39 students dropped out of school (13 girls, 26 boys). The declining trend of girls dropping out of school is due to a tightening of the law.

There are 21 public schools in Borjomi municipality. There are no higher education institutions and colleges in Borjomi municipality and most young people go to Akhaltsikhe and Tbilisi for higher education.

Survey data showed that more respondents (both men and women) received vocational education than higher education, and more women received higher education than men. Among the respondents, 24.3% of female and 21% of male respondents have higher education. It is noteworthy that 77.2% of respondents do not have higher education. 35.5% of female respondents and 35.7% of male respondents have vocational education. 64.4% of respondents do not have vocational education.⁷⁶

Priority Problems. It is important to note that access to drinking water and socio-economic problems are a priority for women, unlike men. And a common priority for both women and men is unemployment. While naming three important problems, the opinion of women and men regarding the second and third priority is different. The first problem is unemployment for both women and men, the second problem is the problem of drinking water for women and the problem of roads for men. The third problem for women is severe socioeconomic problems while for men it is the problem of drinking water.

Summary of Challenges and Needs

CHALLENGES	NEEDS
<ul style="list-style-type: none"> • STEREOTYPES CONNECTED WITH THE ROLE OF WOMEN IN THE FAMILY AND SOCIETY, AS WELL AS STEREOTYPES IN THE LABOR MARKET • DOUBLE WORKLOAD OF WOMEN IN THE FAMILY. AND LACK OF TIME FOR DEVELOPMENT AND PARTICIPATION IN PUBLIC LIFE, FAMILY RESPONSIBILITIES • LACK OF WOMEN'S ORGANIZATIONS • LOW RATE OF WOMEN WITH VOCATIONAL AND ESPECIALLY HIGHER EDUCATION • LOW ECONOMIC ACTIVITY OF WOMEN COMPARED TO MEN • WOMEN'S LOW INVOLVEMENT IN ALL SECTORS EXCEPT FOR THE FAMILY BUSINESS • LOW PARTICIPATION OF WOMEN AT THE DECISION-MAKING LEVEL • LACK OF GENDER SENSITIVITY AT DECISION-MAKING LEVELS • PROBLEMS WITH THE IMPLEMENTATION AND EFFICACY OF INSTITUTIONAL WORK TAKEN BY THE GENDER EQUALITY ACTION PLAN • POVERTY AND MIGRATION OF WOMEN • LACK OF SERVICES AND PROGRAMS FOR WOMEN'S OPPORTUNITIES DEVELOPMENT • FAULTY INFRASTRUCTURE AND ACCESS TO SERVICES - WATER, ETC. • INSUFFICIENT CAPACITIES OF WOMEN'S ROOM • COVID19 	<ul style="list-style-type: none"> • TO ESTABLISH WOMEN'S INITIATIVE GROUPS AND WOMEN'S ORGANIZATIONS • TO STRENGTHEN THE EXISTING NGOS AND SUPPORT THEIR ENGAGEMENT IN THE MUNICIPAL AND OTHER PROGRAMS • TO PROMOTE WOMEN IN TERMS OF HIGHER AND VOCATIONAL EDUCATION • TO ENSURE THE MEANINGFUL INVOLVEMENT OF WOMEN IN THE DECISION-MAKING PROCESS • TO ADOPT NEW GENDER EQUALITY ACTION PLAN FOR THE COMING YEARS TO REFLECT THE NEEDS OF WOMEN FOR WOMEN'S EMPOWERMENT, INCLUDING ECONOMIC EMPOWERMENT • TO RAISE AWARENESS OF DECISION-MAKERS ABOUT WOMEN'S RIGHTS AND GENDER EQUALITY AND INTERNATIONAL AND LOCAL OBLIGATIONS • TO INVOLVE WOMEN IN THE BUDGET DEVELOPMENT PROCESS OF THE MUNICIPALITY • TO TAKE SPECIAL MEASURES IN TERMS OF WOMEN'S ECONOMIC EMPOWERMENT • TO PROVIDE INFORMATION TO WOMEN, ESPECIALLY FROM THE MUNICIPALITY • TO TAKE SPECIAL INITIATIVES TO INVOLVE SPECIFIC AND VULNERABLE GROUPS • TO PROVIDE ACCESS TO WATER, ROAD INFRASTRUCTURE, ETC. • TO EMPOWER WOMEN'S ROOM • TO CREATE RESPONSE PLAN

76. Borjomi Local Development Plan

P2 - Problem Tree (Gender Dimension of Local Society)

Results	Low Level of Economic Development	Lack of business diversification	Women's migration
	Women are not able to influence economic	Women's vulnerability and poverty	Low number of women's initiatives, including in economic processes
	Increases women's time and costs to participate in public, political and economic life	Low quality of life of women	Low self-esteem and motivation
	Women are not engaged in decision-making process	The priorities and needs of women are not reflected in policy documents	

Core Problem:
Lack of conditions for engagement and empowerment of women

Causes	1. Women's role in family, double workload	2. Faulty and insufficient municipal infrastructure	3. Low number of existing women's organizations	4. Lack access to personal development opportunities
	1.1 Gender Stereotypes, Social and, patriarchal norms and customs	2.1 Low Gender sensitivity of decision -makers	3.1 Weakness and capacity of women's organizations	4.1 Insufficient higher and vocational education
	1.2 Reproduction of stereotypes in the education system and on the labor market	2.2 Low involvement of women in the process of setting priorities		
	1.3 Inconsistent gender policy of the state and local municipalities	2.3 Neglected gender mainstreaming in municipal programs and services		

Cross cutting –

P2 - Proposed Intervention Actions (Gender Dimension of Local Society)

Given below is a short summary of the interventions proposed for the municipality. These interventions are mapped against broadly defined policy tools, recommended by OECD rural policy approach for this priority – society, relevant to gender aspects. More detailed descriptions of all proposed interventions are provided in the Annex of this document.

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
(Economic Participation) • P2-GE02 - Creation of Women’s Room	The 5th goal of the 2030 Agenda for Sustainable Development Goals is Gender equality. The aim of goal 5 is to achieve gender equality and empower all women and girl. Ending all discrimination against women and girls is not only a basic human right, it’s crucial for sustainable future; it’s proven that empowering women and girls helps economic growth and development. International practice shows that low participation of women in the economy hinders economic growth and negatively affects development. Women’s economic activity in Georgia is low, which affects the quality of life of women and the well-being of their families.		<ul style="list-style-type: none"> Gender mainstreaming in development 	Social, health Economy and infrastructure
(Engagement in Socio-economic Life) • P2-GE03 - Awareness-raising Campaign on Gender Sensitivity Opinion-leader and Decision-maker Men and Women • P2-GE04 - Supporting Women’s Initiatives and Community Groups	Ensuring women’s engagement in socio-economic life is important because the municipal programs without women’s participation cannot reflect the needs and priorities of all of its population, men and women, boys and girls. All this hinders development, human well-being and violates democratic principles.		<ul style="list-style-type: none"> Gender mainstreaming in development 	
(Education and Training) • P2-GE05 To develop a training module to support women’s Economic Activity	Women face double workload and social norms. Limited time hinder their personal development. Unrecognized work of women is mainly based on the stereotypes coming from men. Therefore, they have low self-esteem, self-efficacy and outlook. In order to address this stereotype, only training women would not be enough, as it could create friction. Having gender sensitive society is integral to creating a healthy dynamic where both parties fully understand rights and responsibilities of one another.		<ul style="list-style-type: none"> Gender mainstreaming in development 	
(Gender-Sensitive Approach by Local Authorities) • P2-GE01- Gender Mainstreaming in Municipal Programs	Gender policy implementation and mainstreaming are the obligations of the municipality. According to the article 229 of the Beijing declaration and platform for action “In addressing the enjoyment of human rights, Governments and other actors should promote an active and visible policy of mainstreaming a gender perspective in all policies and programmes so that, before decisions are taken, an analysis is made of the effects on women and men, respectively.”		<ul style="list-style-type: none"> Gender mainstreaming in development 	

5 **PRIORITY 3 (P3)** – ENVIRONMENT

GEOGRAPHY AND NATURAL ASSETS

Environmental Infrastructure and Services

Environmental pressures, impacts and key issues

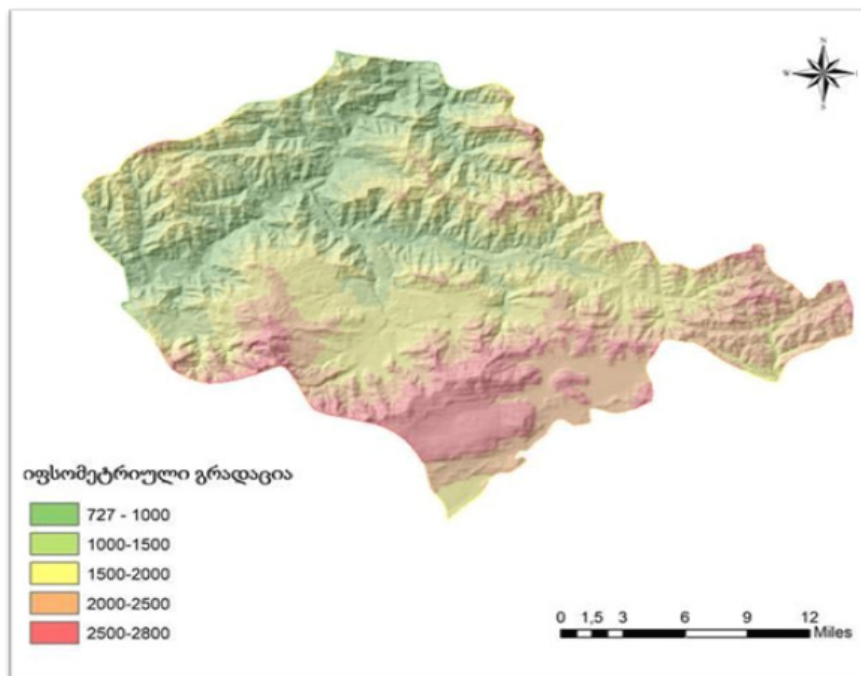
5. PRIORITY 3 (P3) – ENVIRONMENT

GEOGRAPHY AND NATURAL ASSETS

Location, Relief and Geology. Borjomi Municipality is located in the southern middle of Georgia, Samtskhe-Javakheti region at an altitude of 725-2,850 m ASL. Mountain ranges vary within 2,2000-2,850 m ASL. Borjomi municipality borders Akhaltsikhe to the west, Aspindza and Akhalkalaki in the south, Tsalka in the east, Kharagauli, Khashuri, Kareli and Gori in the north.

Geomorphologically, the municipality is represented by Gvirgvina and Tsikhisjvari ridges of middle-mountain Trialeti and Meskheta Ranges of the Lesser Caucasus, Tori Depression and the Borjomi Gorge, a picturesque canyon of the Mtkvari (Kura) River, created as a result of the river cutting its pass through the Lesser Caucasus Mountains, where Trialeti and Meskheta Ranges meet. Borjomi gorge connects Akhaltsikhe depression with Shida (Inner) Kartli plain. Its widened terraces are interchanged with steep slope canyons, with slopes intersected by multiple eroded and rocky gorges. There are also a number of plateaus, formed with lava layers, of which one of the largest orographic forms is Tsikhisjvari Laval Plateau.

RELIEF MAP OF BORJOMI, WITH HYPSONOMETRIC GRADATION



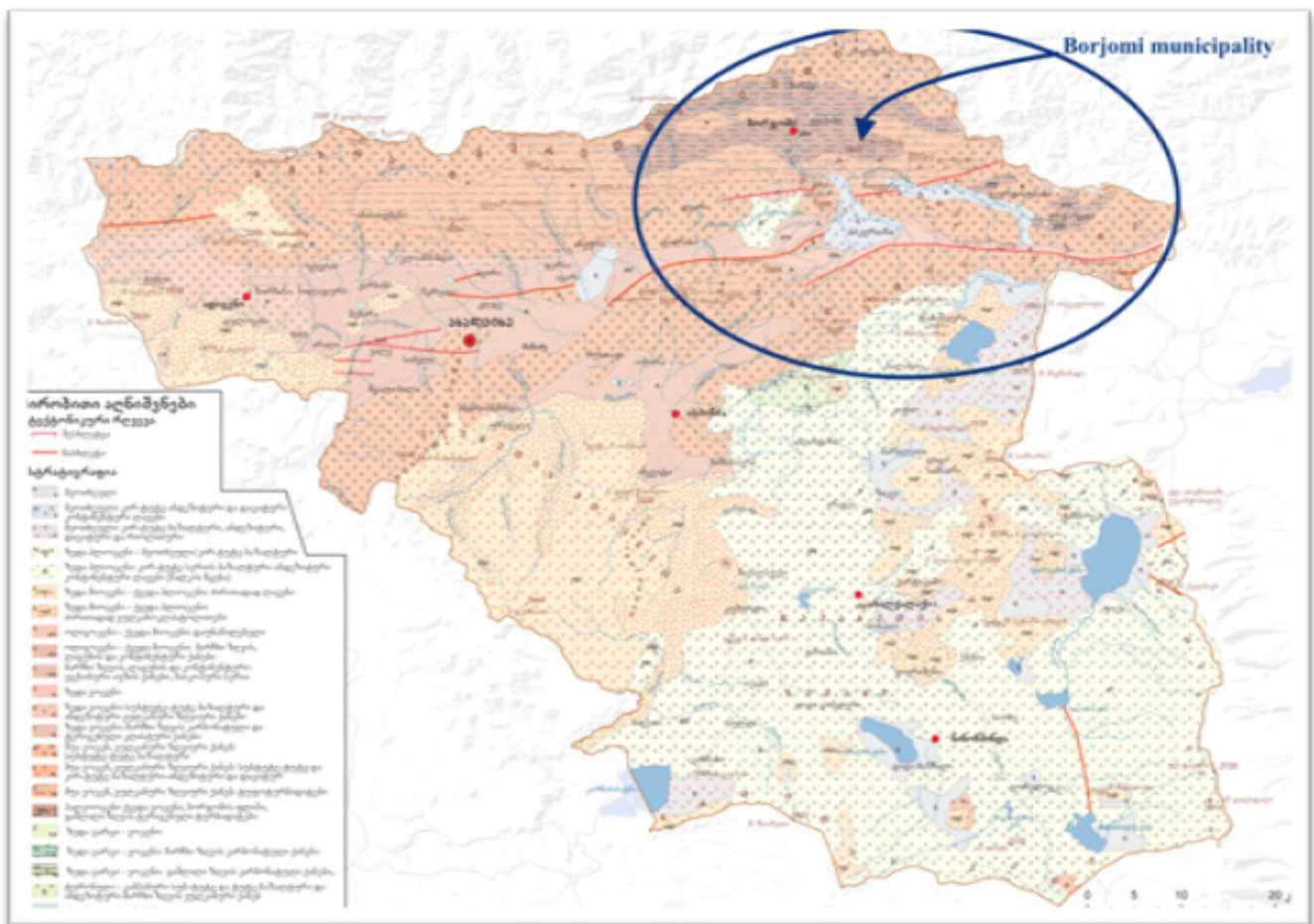
Source: Khatia Kacharava. MS of Geography thesis. Master's program: Geomorphology, Cartography and Landscape planning. Ivane Javakishvili Tbilisi state.

Geologically, the municipality is most widely formed with Eocene (Paleogene period) volcanogenic formations, composed of andesites, tuff-breccia, tuff and sedimentary rocks. In river gorges and banks Quaternary proluvial (delta sediment accumulated at the foot of a slope as a result of an occasional torrential washing of fragmental material) and aluvial (loose, unconsolidated soil or sediment that has been eroded, reshaped by water in some form, and redeposited in a non-marine setting. Aluvium is typically made up of a variety of materials, including fine particles of silt and clay and larger particles of sand and gravel) sediments.

In more detail, both slopes of the Trialeti Range are composed of tertiary (Paleogene) deposits. The oldest Paleocene and Lower Eocene formations known as Borjomi Flysch form the relief of eastern part of Borjomi municipality. Sedimentary rocks here are represented by limestone, limestone clays, sandstones, tuff sandstones and marl (mergel). From the north, Borjomi formation is bordered by Middle Eocene clays of various color clay, marl, tuff and sandstone. The talus of the Trialeti Range (e.g. high peaks of the Tskhratskaro Pass) and major part of its northern exposition slope are made of Middle Eocene igneous rocks, including pyroclastic deposits (rough and massive andesite tuff breccia, tuff sandstones, tuff conglomerates and tuff mudstones) as well as shallow intrusive rocks (andesite sheets). Tertiary sedimentary rocks (such as limestone, sandstone and mudstone) and clays are noted in the lower mountains at Tsikhisjvari

and unconsolidated quaternary deposits are noted at the base of the steep mountain valleys. Sakire-Kodiani-Tsikhjvari-Tori-Bakuriani section of the northern slope of the Trialeti Range is made of Lower Eocene and Oligocene marine terrigenous deposits. The relief of the Tori Depression is composed of deposits of Maikop Series/Group, represented with gypsum-clay and fine grain sandstones. Their thickness is 250-350 m. Volcanic formations play a significant role in structuring the rocky and plain surface plateau-like relief of the municipality. The first type of volcanic formation is represented by Borjomi-Bakuriani subaerial lava flows and the second – by Dabadzveli and Javakheti volcanic plateaus. Borjomi-Bakuriani lava flows is attributed to Upper Pliocene-Pleistocene Akhalkalaki, Tsalka, Kumurdo and Samsari Series and is formed with young vitreous andesite rocks (Quaternary volcanic rocks). Maximal thickness of the flow reaches approximately 100 m. The volcanic centre of this lava flow is situated in Bakuriani (the mount Mukhera). This cone mountain has a central craterlike flat-bottomed depression. From this centre lava flowed toward the ancient valley of the Bakurianistskali and Gujaretistskali rivers and descended into the Mtkvari valley. Folded Tori-Tadzrisi (same as Sakire) syncline to the west until Tori village is represented by Oligocene clays. Gujareti lava formation starts from v. Didi Toneti and follows the Gujareti river bed. Borjomi-Bakuriani lava formation is similar to Gujareti one. Only distinctive part from Borjomi-Bakuriani lava flows is its stair-case profile. Both Gujareti and Borjomi-Bakuriani lava formations paly significant role in shaping up Tori-Tsikhisjvari plain surface plateau-like relief. Their lava release centres are located between Upper and Middle Eocene layers. Concerning Dabadzveli and Javakheti volcanic plateaus, they are made of Upper Cretaceous and Tertiary igneous rocks including lavas and shallow intrusive rocks such as andesite, basalt and dolerite. The area between the Bedeni Ridge and Kizil-Kilisa is characterised by an undulating volcanic plain with Quaternary lake basins such as Tsalka and Tabatskuri Lake and their associated unconsolidated deposits. Steeply undulating high volcanic peaks are noted in the area of the Tskhratskaro Pass and lava flows are noted on the flanks of these mountains. Volcanic rocks of Dabadzveli and Javakheti plateaus also filled ancient river-beds of the Mtkvari River and Borjomi-Bakuriani laval flows.⁷⁷

GEOLOGICAL STRUCTURE OF SAMTSKHE-JAVAKHETI REGION ACCORDING TO SHOTA ADAMIA AND GIVI GUJABIDZE



Source: Tbilisi State University (TSU). <http://samtskhe-javakheti.tsu.ge>.

77. Source: 1) Geomorphological assessment of Borjomi Municipality, Analysis of Exo-dynamic Processes. Khatia Kacharava. MS of Geography thesis. Master's program: Geomorphology, Cartography and Landscape planning. Ivane Javakhishvili Tbilisi state university; 2) Evolution of the Late Cenozoic basins of Georgia (SW Caucasus): A review. Shota Adamia & Nino Sadradze. Ivane Javakhishvili Tbilisi State University. Article in Geological Society London Special Publications · September 2010 3) BTC Project Georgia. Final ESIA.

Total area of the municipality is 1,189 km², population size – 24,983, of which 15,221 is urban population and 9,762 rural population. There are 11 territorial units in the municipality, including Borjomi city, 3 towns/boroughs (Akhdaba, Tsagveri and Bakuriani) and 7 rural territorial units (Balanta, Dviri, Kvibisi, Tabatskuri, Tadzrisi, Tba and Tsikhisjvari). Each rural administrative-territorial unit consists of one or more villages (see map 2). In total, there are 33 villages within the municipal boundaries, of which 22 are eligible to additional benefits and incentives under the recently passed Law of Georgia on the Development of High Mountainous Regions (2015).

Climate. There are three different climatic zones in Borjomi municipality – the humid colchic zone, the moderate central Caucasian zone and, the dry continental Caucasian zone. More specifically, the climate of the target area is transitional from continental subtropical to sea subtropical with cold winters and long summers. The average annual temperature ranges from 8.3°C to -0.1°C. Average January temperature varies between -3° and -6°C; Average August temperature – between +14° and +18°C; Max. Temperatures reach plus 30-36°C; The minimum – minus 20-26°C. Precipitation is 550-800 mm per year. The maximum (88-162 mm) rain falls in May-June, the minimum (37-63 mm) – in December-January. Snow comes from November to March in the lower zone and from October to May in the upper zone. The duration of sustainable snow cover in the lower zone is 70-80 days per year, in the upper – 150-155 days. The average height of a snow cover is 20-40 cm. The west and east winds blow on the plateau, while the valleys are dominated by mountain-valley winds. Wind strength is higher on the plateau than in the valleys and increases with increasing altitude. The average wind speed in the municipality is not more than 8 m/s, from time to time it reaches 20 m/s.

Water Resources.⁸⁰ Borjomi municipality is rich in water resources. All surface waters here belong to the Kura (same as Mtkvari) river basin, whose total area on territory of the municipality is 976.76 km². In target area, the length of the river is 11.2 km, catchment - 32.2 km² and average annual river flow - 0.59 m³/sec. The river feeds on snow, rain and groundwater. Floods occur in spring and fall and low waters – in winter. Following are the major tributaries of the Mtkvari River:

- Gujarula (same as Gujaretistskali)– originates on the northern slope of the Trialeti Range, southern slope of Murknevi Mount, at an altitude of 2,060 m ASL; average height: 1,680 m ASL; total length: 43 km, catchment: 326 km², feeds from snowmelt, rain and groundwaters, average annual run-off is 4.76 m³/sec; major tributaries are: Mitarbula and Bakurianistskali; high waters happen in spring, low waters – in winter.
- Borjomula – total length: 19 km, catchment: 168 km², takes its sources on south-west slope of the Trialeti Range, at an altitude of 2,400 m ASL, near Tskratskaro (nine springs) pass, in the vicinity of village Tsikhisjvari; average altitude: 1,800 m ASL; average annual run-off: 2.97 m³/sec; high waters occur in spring and low waters – in winter; flows into the Mtkvari within the Borjomi National Park area, at an altitude of 781m ASL.
- Bakurianistskali – left tributary of Gujaretistskali; length: 17 km; basin area: 44 km²; originates on the northern slope of the Trialeti Range, near Sakvelo Mountain and Tskhratskaro Pass; characterized by spring and fall-winter floods; fed by mixed sources.
- Nedzviskalskali (same as Nedzvura or Noedzviskhevi) – originates on the northern slope of the Trialeti Range at an altitude of 2,100 metres ASL; length: 18 km; catchment area: 82 km²; annual average runoff: 1.16 m³/sec; is fed by snow melt, rain and groundwaters; spring is a flood season, low waters occur in winter; left tributaries are: Gvirgvinstskali, Khergulistskali, Kekiastskali and right tributaries - Kartistskali and Tsiplaristskali. Nedzura joins the Mtkvari River in the small town of Akhdaba.
- Dvirula (same as Dviristskali) - right tributary of the Mtkvari River; originates on the north-western slope of the Trialeti Range, mount Ortatavi at 2,400 m ASL and joins the Sakirula River (Kodianteti) from the right side near the village of Dviri; length: 12 km; catchment area: 56 km²; average annual run-off: 0.98 m³/sec; flood season: spring, low flow: winter and summer.
- Baiskhevi (same as Baniskevistskali) – length: 16 km, total catchment: 49.2 km², annual average run-off: 1.73 m³/sec; source: southern slope of the Mount Lomisi, Meskheti Range, at an altitude of 1,992 m ASL; flows into Kura near v. Rveli; has 36 smaller tributaries with total of 42 km length.
- Kvabiskhevi – originates on southern slope of the Meskheti Range, 1,995 meters ASL; joins the Mtkvari River from the left; length: 11.2 km; catchment: 32.2 km²; annual average runoff: 0.59 m³/sec; feeds on snow, rain and groundwater; flood season - spring and fall; low waters – winter.

78. Source: 1 January 2020 population statistics. National Statistics Office of Georgia (Geostat)

79. Source: Borjomi Local Development Strategy, 2016-2019. June 1, 2016 Borjomi Local Action Group, European Union under the ENPARD project "A New Approach for Rural Development in Georgia" implemented by Mercy Corps in a partnership with Austrian Federal Institute for Less Favoured and Mountainous Areas (BAAF)

80. Source: 1) Ivane Javakhishvili, Tbilisi state university, Geomorphological evaluation of Borjomi Municipality, Analysis of Exodynamic Processes " Master's program „ Geomorphology, Cartography and Landscape planning " , Faculty of Exact And natural sciences, Geography Department, Tbilisi State University 2) National Environmental Agency (NEA), MEPA.

- Oshora – originates on the south slope of the Trialeti Range at an altitude of 2,415 m ASL; length: 19 km; catchment: 71.5 km²; annual average runoff: 1.07 m³/sec; is fed by snowmelt, rain and groundwaters; spring is flood season, fall and winter seasons are characterized by low waters.
- Ktsia – length on the territory of the municipality: 20 km; fed by snow and rain water; joins Mtkvari from the right.; major tributary is the Jam-Jama River, originating on the southern slope of the Mount Murknevi at an altitude of 2,341 m ASL outside Borjomi municipality; length: 18 km; joins the Rekha River.
- Likani water - originates on the southern slope of the Mount Chitakhevi at an altitude of 1,915 m ASL; length: 8 km; joins the Mtskvari River from the left.
- Sakdrisghele – originates on the southern slope of the Trialeti Range, Mount Shavikldi.

There are a number of lakes in the municipality, including: Tabatskuri, Kakhisi, Tserostba, Mindiashvili Lake and others.

- Lake Tabatskuri – located on the border of Borjomi and Akhalkalaki municipalities, at an altitude of 1,991 m ASL. The area of the mirror is 14.2 km², catchment area – 83.1 km², max. depth – 40.2 m; the average depth – 15.5 m, the volume of water – 221 million m³. The lake basin is formed as a result of the accumulation of lava flows. It is replenished from groundwater, snow and rain water. In winter, it is frozen. The lake is surrounded by the Ktsia-Tabatskuri Reserve. The water is fresh and rich in fish and as well, crabs can be also found there. There are two villages around the lake, Tabatskuri and Moliti. The village of Tabatskuri is built on the peninsula, which is partly invaded in the lake.
- Tseros (Crane) Lake is located on the northern slope of Trialeti Range, on the lava plateau of Dabadzveli, at an altitude of 1,808 m ASL. Surface area is 0.02 km², basin area - 0.62 km², maximum depth 6.6 m., water volume – 90,000 m³. There are no fish in the lake.
- Kakhisi Lake It is located on the northern slope of the Trialeti Range, on the lava plateau of Dabadzveli, at an altitude of 1,752 m ASL. Surface area is 0.4 km², basin area – 1.05 km², maximum depth - 15 m. The lake is home to trout and other commercial fish.
- Mindiashvili Lake is located at an altitude of 1,807 m ASL. The basin area is 0.40 km², the greatest depth – 1.5 m. There are no fish in the lake.
- Dzveli (old) lake is located on the northern slope of Trialeti ridge, on the lava plateau of Dabadzveli, at an altitude of 1,724 m ASL. Total basin area is 0.26 km², the greatest depth - 1.6 m. The water is fresh and clean.

In Borjomi municipality, there are a number of wetlands in the vicinity of Tori Depression and Dabadzveli Plateau. Total area of the wetland is 49 ha. Borjomi is abundant with mineral and sub-thermal waters, with some of them bottled and sold locally and abroad, including Borjomi and Likani mineral waters that are met as ascending springs in the Borjomula River gorge. The recharge areas for principal water-bearing horizons are the northern slopes of the Trialeti Range.

Regarding groundwaters, they belong to Trialeti hydrogeological district of fissury (same as fractured) and fissury-karst artesian water system. The geological structure consists of Mesozoic, Cenozoic and Quaternary volcanic, volcanogenic-sedimentary, sedimentary strata of various lithology. More specifically, following water-bearing horizons (aquifers) and complexes are met in target area:

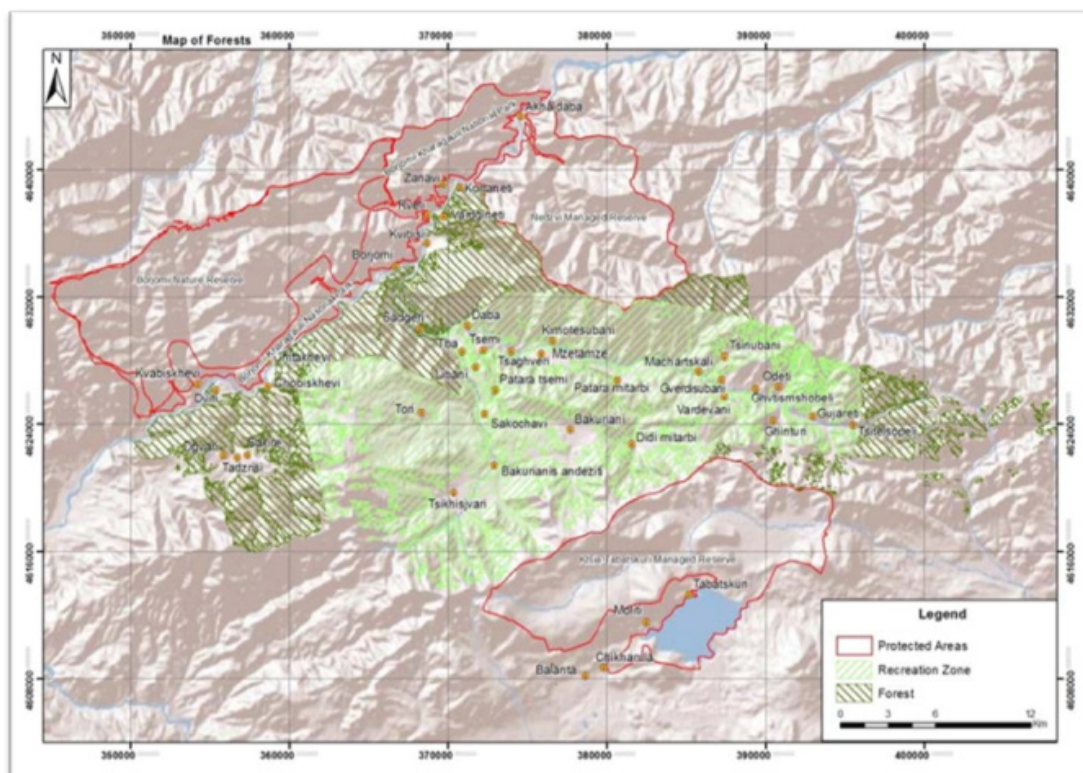
- Water-bearing complex of Middle Eocene volcanogenic-sedimentary strata, consisting of volcanogenic formations – sequence of massive tuff breccia with thin-layered siltstone, tuffaceous clay, marl and clayey sandstone, frequently with massive lava breccia and basalt. Cumulative thickness is up to 4,000m. Coarsely fractured tuff breccias, andesite, basalt and tuffaceous sandstone layers are most permeable owing to fissuring and high porosity. The volcanogenic strata of the Middle Eocene are characterised by the presence of a thick zone of secondary exogenous fissuring, with large groundwater reserve. In addition, deep tectonic fissures have developed in the series owing to tectonic strain thus allowing groundwater of deep circulation to be hydraulically linked with the more shallow flows. Spring yield varies within 0.1-1.0 l/sec. However, higher yield springs are connected to open exogenous fissures and outlets of groundwater are sometimes observed in the form of groups of springs in the proximity of major tectonic faults. The yield of these springs can reach several litres per second. The water this complex has low mineralization, approximately 0.1 – 0.4g/l. It is mainly bicarbonate calcium-magnesium. Total hardness does not exceed 3mg/eq. Deeper circulating groundwater within this horizon include mineral and thermal waters of impeded circulation, with varying mineral and gaseous content. In addition to natural outlets, these waters have also been abstracted through numerous test boreholes because of their drinking quality and healing properties.

- Series of water-impermeable lagoon-marine sediments of Lower Miocene and Oligocene-Upper Eocene.
- Water-bearing horizon of Middle -Quaternary - Upper Pliocene lava layers.
- Water-bearing horizon of recent alluvial sediments of river bed and floodplain – have a wide distribution in the Mtkvari River valley. Sediments of the lower floodplain terraces contain water, while the upper terraces are sporadically water-bearing. The yield of springs connected to alluvial sediments varies within a wide range, namely from 0.01 to 12.0 l/sec. Water of bicarbonate calcium-sodium chemical composition predominates. Bicarbonate-sulphate magnesium water is less frequent. Correspondingly, mineralization varies from 0.1 to 1.1g/l. Fluctuation in temperature is within 4-18°C according to the seasons.
- Water-bearing horizon of Lower Pliocene (upper part of Ksatibi Series) lava layers consist of andesite, andesite-dacite, liparite and their associated pyroclastic deposits. Owing to high porosity and intensive fissuring, this formation is highly permeable. According to the degree of relief dissection, depth of the groundwater changes from 20 to 150m. Owing to the absence of impermeable strata within the Ksatibi series, groundwater is never found under artesian conditions. Pressurized groundwater has been found through boreholes only on the western shore of Tabatskuri lake, where andesite is covered by Quaternary sandy silts and silty lacustrine sediments. Water of this horizon has low mineralization (1 l/sec). Waters of this horizon are widely used for drinking purposes.

Land resources. There are several soil-climatic zones in Borjomi Municipality. On the northern slopes of middle mountains of the Trialeti Range, under conditions of fragmented relief and insufficient heat, in the areas occupied by wide forest massifs, moderately warm forest soil-climatic zone is met. It is characterised by mountain ash-loam soils spread on different slopes. In the eastern highlands of the municipality, a relatively small area is occupied by moderately cold, mountain-meadow soil climatic zone, characterized by subalpine and partly alpine mountain-meadow fragmented soils. Within the volcanic mountain range to the south, where pastures are located, moderately warm mountain steppes soil-climatic zone is located with black mountain soil. In the Borjomi gorge, as well as in the elevated areas of the western part of the Trialeti Range, young volcanic rocks are widespread in large masses, mainly in the form of andesites and basalts. At lower altitudes, brown soils are found.

Borjomi municipality has scarce land resources. According to 2020 Geostat data, total area of agriculture lands makes up 4,064 ha, of which 1,323 ha is arable land, 19 ha – permanent cropland and 2,723 ha – pastures and hayfields. Forests. Forested area makes up roughly 68,000 ha, or 57% of the whole territory and there are different types of forests, both mixed and coniferous, according to the climate types. This land represents the State Forest Land Fund and is owned by the National Forestry Agency (NFA). Forest cover is 63,200 ha, the total stock of timber is 13,345.5 m³.

FORESTS OF BORJOMI MUNICIPALITY



Source: Adaptive Sustainable Management of Forests in Borjomi. Nino Sulxhanishvili. Faculty of Geography, Tbilisi State University, Tbilisi, Georgia. Earth Science.

81. Source: Borjomi, Samtskhe-Javakheti, Georgia, Georgia Interactive Forest Map, Global Forest Watch (GFW)

Dominated wood species are spruce, fir, beech and from place to place pine. Evergreen undergrowth and Colchian lianas are also common to some forests. In mixed forests beech, maple, oak and birch are found next to conifers. At 2,100 m -2,200 m ASL and higher altitudes, forests transform into subalpine meadows, which are used for grazing. In more detail, plain areas are occupied by real Colchic forests, with Georgian oak forest groves met up to 1,100 m ASL. At an altitude of 750-800 m to 1,300-1,350 m ASL, beech, spruce and beech-spruce groves with Colchian undergrowth are spread. These are mixed deciduous forests on the southern slopes, the undergrowth of which is also Colchic. At the altitude from 1,350-1,400 m to 1,750-1,800 m ASL, mostly spruce and in some places, small groves of fir are met. At higher altitudes until 2,100-2,200 m ASL, mixed beech-spruce light woods with mountain birch, balck berry and moss are met and then transformed into high grass and meadow landscapes. The total area covered by Spruce is – 38,400 ha (61%); Fir – 22,400 ha; Pine – 12,700 ha.

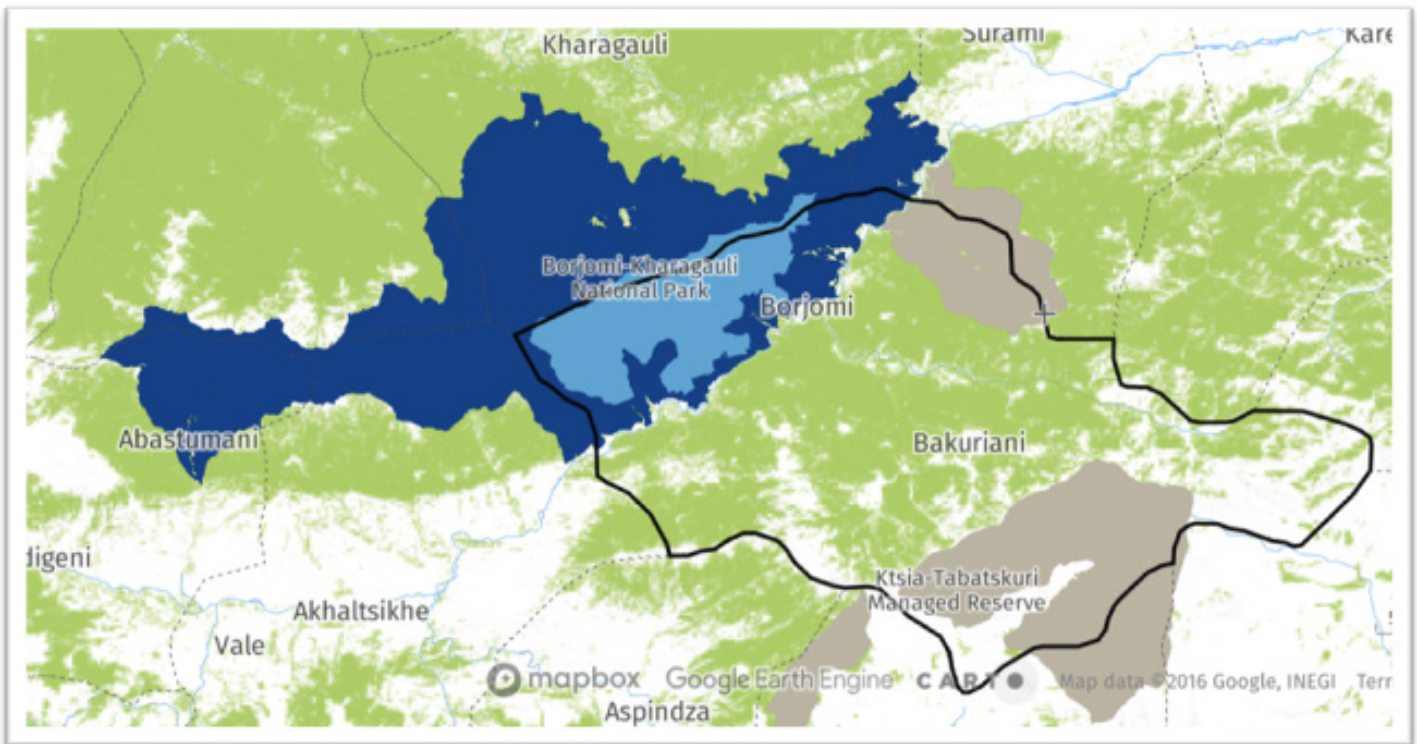
Borjomi forests at large represent high ecological value forests with multiple environmental protection functions. The average age of the forests is 114-121 years. The mature and overmatured forest is 15,600 ha.

Biodiversity. Borjomi wilderness is home to relict, endemic, rare and vulnerable flora and fauna species. The mountainous forests in Borjomi-Kharagauli wilderness have been preserved in their pristine state. The virgin forests are home to populations of a number of large mammals and birds, of which many are endemic species to the Caucasus. More than that, Borjomi-Kharagauli Wilderness lies on the migration route of many birds and therefore, in spring and fall one see large flocks of beautiful migratory birds.

The large portion of Borjomi-Kharagauli Protected Areas (BKPA) is located in Borjomi. Total area of the BKPA is 103,469.5 ha. The PA includes following categories:

- Borjomi Strict Nature Reserve – 13,168.6 ha;
- Borjomi-Kharagauli National Park (BKNP)– 60,576.4 ha;
- Nedzvi Managed Reserve – 9,212.5 (reserve with 1,814 ha area to protecte Caucasus Spruce and lynx and, traditional use zone/multi-purpose use zone);
- Ktsia-Tabatskuri Managed Reserve – 20,476 ha;
- Goderdzi fossil forest nature monument - 36 ha.

FORESTS OF BORJOMI MUNICIPALITY



Source: Source: Borjomi, Samtskhe-Javakheti, Georgia, Georgia Interactive Forest Map, Global Forest Watch (GFW)

83. Source: Ms. Natia Muladze, Head of the Borjomi-Kharagauli Protected Areas Administration

MINERAL RESOURCES OF BORJOMI MUNICIPALITY

MINERAL RESOURCE	NAME OF DEPOSIT	CONDITION	QUANTITY OF RESERVE						UNIT OF MEASUREMENT
			A	B	C1	A_B_C1	C2	P1_P2_P3	
MINERAL WATER	LIKANI	UNLICENSED	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Sources of Akhalkhalaki lava plateau/highlands	Unlicensed	0	0	0	0	0	0	
Groundwater	Bakuriani	Licensed	0	0	55.1	0	0	0	m3/d
Groundwater	Bakuriani	Licensed	0	0	0	15.5	0	0	m3/d
Groundwater	Bakuriani	Licensed	0	0	0	48.9	0	0	m3/d
Groundwater	Bakuriani	Licensed	0	0	0	87.3	0	0	
Groundwater	Bakuriani	Licensed	0	0	46.5	0	0	0	m3/d
Groundwater	Bakuriani	Licensed	0	0	0	120	0	0	m3/d
Groundwater	Daba	Licensed	0	68.5	82.5	0	0	0	m3/d
Sub-thermal water	Tsikhisjvari	Licensed	0	0	0	0	0	769	m3/sec
Mineral water	Tsagveri	Licensed	0	0	0	0	0	1.06	m3/d
Sub-thermal water	Sadgeri	Licensed	0	170	0	0	0	0	m3/sec
Mineral water	Kvibisi	Licensed	0	682.9	2.7	685.6	0	0	m3/d
Mineral water	Borjomi	Licensed	0	682.9	2.7	685.6	0	0	m3/d
Thermal water	Akhaldaba	Licensed	0	0	0	0	0	0	m3/d
Thermal water	Akhaldaba	Licensed	0	0	0	0	0	0	m3/d
Mineral thermal water	Akhaldaba	Licensed	0	0	0	0	0	0	m3/d
Thermal water	Akhaldaba	Licensed	0	0	0	0	0	0	m3/d
Mineral thermal water	Sadgeri	Licensed	0	160	14	174	0	0	m3/d
Groundwater	Daba	Licensed	0	0	0	0	0	65000	m3/sec
Groundwater	Daba	Licensed	0	0	0	0	0	65000	m3/sec
Groundwater	Daba	Licensed	0	0	0	0	0	80434	m3/sec
Mineral water	Borjomi	Licensed	0	841.6	116	0	102	0	m3/d
Groundwater	Daba	Licensed	0	0	0	0	0	80434	m3/sec
Groundwater	Daba	Licensed	0	0	0	0	0	39566	m3/sec
Groundwater	Daba	Licensed	0	0	0	0	0	39566	m3/sec
Mineral water	Dviri	Unlicensed	0	0	0	0	0	0	

Mineral water	Mitarbi	Licensed	0	0	0	0	0	0	m3/d
Mineral water	Phafa	Unlicensed	0	682.9	2.7	685.6	0	0	m3/d
Sub-thermal water	Bakuriani	Licensed	0	0	0	0	0	12000	m3/sec
Mineral water	Tsemi	Licensed	0	3285	511	3796	0	0	m3/sec
Mineral water	Vardgineti	Auctioned out	0	0	0	0	0	0	
Mineral water	Zanavi	Licensed	0	28.6	0	0	18	0	m3/d
Mineral water	Zanavi	Licensed	0	28.6	0	0	18	0	m3/d
Mineral water	Zanavi	Licensed	0	28.6	0	0	18	0	m3/d
Andesite-basalt	Telovani	Unlicensed	0	0	0	0	0	18500000	m3
Peat	Tabatskuri	Unlicensed	0	0	0	0	121300		t
Andesite-basalt	Bakuriani	Unlicensed	0	2066000	346000	2412000	0		m3
Vulcanic slag	Tabatskuri	Unlicensed	934000	1695000	4771000	7400000	0		m3
Vulcanic slag	Gujareti	Unlicensed	195000	3305000	8398000	11898000	0		m3
Andesite-dacite	Tavkvetili	Unlicensed	0	0	0	0	0	13000000	m3
Brick clay	Sakire	Unlicensed	0	0	0	0	0	11000000	m3
Brick clay	Tadzrisi	Unlicensed	0	0	0	0	0	20000000	m3
Sand	Ktsia	Unlicensed	0	0	0	0	2800000	15000000	m3
Brick clay	Tsikisjvari	Unlicensed	0	0	0	0	0	10000000	m3
Vulcanic ash	Bakuriani	Unlicensed	0	0	0	0	0	3375000	m3
Gold, polymetals	Gujareti	To be auctioned	0	0	0	0	0	0	

Source: National Agency of Mines.

Concerning licenses on the extraction of mineral resources, there are 27 operational licenses issued on exploration and abstraction of fresh groundwater, mineral, sub-thermal and thermal water resources as well as on sand and gravel extraction.

LICENSES ISSUED FOR EXTRACTION OF MINERAL RESOURCES IN BORJOMI MUNICIPALITY

№	LISENCE #	DEPOSIT NAME	OWNER	DURATION	EXTRACTION/ABSTRACTION QOUTA	AREA, HA
1	1002268	Groundwater abstraction, Borjomi	Physical person: Leri Khabelov	20.01.15 21.01.40	7300 m3/y	0.07
2	1002302	Tsagveri mineral water abstraction, Tsagveri town, wells # 12,1,9,10,13 and 5)	LLC Tsagveri	28.01.15 17.07.2033	25 m3/d	0,42
3	1002991	# 1&2 well groundwater abstraction for drinking water use near v. Likani	Joint-stock company Borjomi-Likani international	12.10.15 08.04.24	888 m3/d	0,14
4	1003044	Kvibisi groundwater abstraction for production of bottled water	LLC IDS Borjomi Beverage Company	27.10.15 23.09.36	Bottled: 18250 m3/y, Industrial - 32120 m3/y - 22.10.25 Bottled: 11680 m3/y Industrial: 35952.5 m3/y 23.09.36	0.07
7	1003192	Groundwater abstraction, for industrial use, Borjomi	LLC Mshenebeli	10.12.15 11.12.40	36500 m3/y	0.07
9	1003513	Exploration and abstraction of groundwater near Tskratskaro Pass	LLC IDS Borjomi Beverage Company	12.04.16 13.04.41		0.07
10	1003865	Sand and gravel extraction rom the Mtvvari River, near v. Akhaldaba	LLC Mshenebeli 4	18.08.16 19.08.20	56400 m3	2
11	1004327	Groundwater abstraction from two wells, near Daba	LLC IDS Borjomi Beverage Company	13.03.17 14.03.42	65000 m3/y	0.07, each
12	1004458	Abstraction of subthermal water for spa and wellness purposes near Tsikisjvari	Irakli Phirtskalava	21.04.17 22.04.42	10950 m3/y	0.07

13	1004943	Abstraction of subthermal water for spa and wellness purposes near Borjomi	LLC Park hotel	05.10.17 30.12.41	62050 m3/y	0.07
14	1005005	Groundwater abstraction, for industrial use, near v. Balanta	Eduard Lachiniani	01.11.17 19.08.41	5475 m3	0
15	1005594	Groundwater abstraction, for industrial use on Didveli territory, Bakuriani	LLC Fortuna	12.06.18 03.05.43	4380 m3/y	0.07
16	10000191	Subthermal water abstraction for spa and wellness purposes, Didveli, Bakuriani	LLC Jino Wellness Group	13.09.18 14.09.43	12000 m3/y	0.07
17	10000722	Groundwater abstraction for production of bottled water	IDS Borjomi Beverages Co.N.V.)	10.05.19 11.05.22	55115 m3/y	0.07
18	10000758	Groundwater exploration-abstraction from wells # #39, #143, #144 near v. Zanavi	IDS Borjomi Beverages Co.N.V.)	21.05.19 22.05.44	Exploration - 3 years	0.07, each
19	10000776	Groundwater abstraction, for industrial use, Borjomi	LLC Bakuriani Inn	03.06.19 04.06.44	30000 m3/y	0.07
20	10000778	Sand and gravel extraction from the Mtvani River, Borjomi	LLC Mshenebeli	03.06.19 04.06.21	19560 m3	6520 m2
21	10000955*	Groundwater abstraction, for industrial use, Borjomi	Nato Gelashvli	09.09.19 07.05.35	1460 m3/y	0.07
22	10000989	Groundwater abstraction, for industrial use, v. Dviri	LLC Borjomis Kvertski	24.09.19 25.09.44	3650 m3/y	0.07
23	10001107	Groundwater abstraction for industrial use near Daba (#3,#4,#5,#6 - abstraction and #7,#8 exploration)	LLC IDS Borjomi Beverage Company	29.11.19 31.03.43	Abstraction: 26.06.29 #3,#5 wells- to produce bottled water - 39566 m3/y, #4,#6 wells: for industrial use- 80434 m3/y	0.07, each each
24	10001182	Groundwater abstraction, for industrial use, v. Chitakheci	JCC Energo-pro	11.12.19 15.11.39	23610 m3/y	0.07
25	10001257	Borjomi mineral water abstraction, v. Vashovani, Kvibisi and Likani	LLC IDS Borjomi Beverage Company	09.01.20 11.04.34	30784 m3, for years with 29 days in February - 308025.6 m3	3.39182 ha
26	10001379	Gujaretistskali sand and gravel extraction near Daba	LLC Mshenebeli 4	30.03.20 2 years	12930 m3	4 310 m2
27	10001448	Mineral water abstraction near v. Tsemi	Giorgi Talakhadze	08.05.20 18.10.42	3796 m3 of which: 3285 m3/y for bottled water production and 511 m3/y for industrial use	0.07
28	10001480	Mtkvari river sand and gravel extraction near v. Dviri	Ltd Karieri 2010	01.06.20 1 year	6480 m3	4320 m2

* Suspended license

Source: National Agency of Mines.

Renewable Energy Resources. Total hydro-potential of medium to smaller rivers of Borjomi municipality is estimated at 30.3 MW installed capacity and 174.1 million KWh energy output.

HYDRO-POTENTIAL OF MEDIUM TO SMALL-SIZE RIVERS OF BORJOMI MUNICIPALITY

#	RIVER	INSTALLED CAPACITY, MW	POWER OUTPUT: MILLION KWH
1	Dvirula	2	10.6
2	Borjomula	11.6	66.6
3	Oshora	2	11.7
4	Gujaretiskhevi	12.7	73.7
5	Nedzviskhevi	1.6	9
6	Ktsia	0.4	2.5
Total	30.3	174.1	

Source: <http://energy.gov.ge>.

According to the Wind Power Atlas of Georgia (2004), the municipality has negligible wind power potential mainly, less than 100 W/m² and 100-250 – 500-850 W/m² in only limited areas (e.g. Tskratskaro Pass). Annual average wind velocity is mostly less than 2 m/sec, with reaching 2-4 m/sec from place to place. At Tskratskaro Pass, it is higher than 6 m/sec. Thus, it is possible to build commercial size wind power plant on Tskratskaro Pass, with 100 MW designed capacity and 260 GWh power output.

According to global horizontal irradiation map of Georgia, long-term average daily solar energy potential in Borjomi municipality is 3.6 Kwh/m² in most of areas and - 4.0 Kwh/m² in limited areas. Direct normal irradiation measures from 3 to 3.8 Kwh/m². Photovoltaic potential is also measured at 3.2 Kwh/Khp (kilowattpeak) at some places reaching 3.6-3.8 Kwh-Kwp.⁸⁵

In Borjomi municipality, biomass can be produced from wood, since the target area is known for its large forest stock. There is no single forest licensee in Borjomi forests. Nowadays there are 187 cutting areas (social cutting) in Borjomi, designed by NFA. Total volume of trees under this cutting is 61,162.9 m³ from which 42,843.5 are already cut. Minimum timber volume in cutting area is around 600 m³ and maximum 1,858 m³. According to official NFA data there are also small designated areas for cleaning of fallen trees in total 13,600 m³ (this included in total cutting volume 61,162.9m³). If we divide volume of fuelwood in cutting areas (61,162.9 m³) on number of rural households of Borjomi - 6 thousand (average number of persons in households for all Borjomi municipality is 2.8), then average volume of fuelwood per household will be 10.2 m³. For all households (rural and city -11,328) volume of fuelwood will be 5.4 m³. If we take into account number of empty households for at least 6 months then volume of fuelwood per household will be more.⁸⁶

ENVIRONMENTAL INFRASTRUCTURE AND SERVICES

Drinking Water Supply Systems. Centralized drinking water supply systems for residents of Borjomi city and Bakuriani town are operated by the United Water Supply Company of Georgy (UWSCG), a sub-ordinated body under the Ministry of Regional Development and Infrastructure, through Borjomi and Bakuriani service centres. Borjomi system has been recently rehabilitated. Moreover, a state-of-the art 12-filter water treatment facility with 140 l/sec designed capacity has been built and put into operations.

Similar plant has been constructed and put into operations in Bakuriani town too. Over 80% of Borjomi population has unintermittent water supply. The rest receives water daily on a scheduled basis (8-10 h). Currently, rehabilitation/construction works are ongoing in Bakuriani town, envisaging rehabilitation of existing headworks and adding a new one, replacement of dilapidated main pile with a new one, construction of wells and rehabilitation of collector chambers, a pumping station and water treatment plant. The major portion of population in Borjomi and Bakuriani has water metres.⁸⁷ It is noteworthy to mention that Borjomi city has very well-equipped drinking water quality control laboratory that checks water quality on a daily basis against major physico-chemical, biological and chemical parametres.

LLC Borjomi Rural Water Supply Service provides piped drinking water to 23 villages, including Timotesubani, Tsemi, Lake, Akhaldaba, Andeziti, Chitakhevi, Chobiskhevi, Kvabiskhevi, Dviri, Vardgineti Zanavi, Rveli, Cortaneti, Kvibisi, Chikharula, Balanta, Tsikhisjvari, Moliti, Tabatskuri, Dgvar, Sakire, Tadzrisi, Mzetamze, total of 13,881 inhabitants. Every village has its own headworks, a total of 46, most of which are supplied from different springs. Through several collectors, source water flows into reservoirs and is supplied to population through distribution networks. 99% of the rural population is supplied with water. Due to source water shortage, some are on schedule. Periodically population is supplied with untreated so-called technical water. The damaged sections are located in different villages and their total length is about 15 kilometers. As for the headworks, 30% of them need to be repaired. Below is a detailed data on drinking water supply systems of Borjomi municipality.

85. Source: Solar resource maps of Georgia. World Bank Group, funded by ESMAP, and prepared by Solargis

86. Source: Adaptive Sustainable Management of Forests in Borjomi. Nino Sulkhaniashvili. Faculty of Geography, Tbilisi State University, Tbilisi, Georgia. Earth Science. 2017

87. Source: UWSCG, <http://water.gov.ge>

DESCRIPTION OF CENTRALIZED DRINKING WATER SUPPLY SYSTEMS OF BORJOMI MUNICIPALITY⁸⁸

#	SETTLEMENT	CONDITION OF HEADWORKS	TOTAL LENGTH OF MAIN PIPE, KM	CONDITION OF MAIN PIPE AND NETWORK	COMMENT
1	Borjomi city	Good	100	Good	
2	Kvibisi	Good	9.5	Bad	
3	Rveli	Good	11	Good	
4	Vardgineti		7	Good	
5	Zanavi	Good	2.5	Good	
6	Kortaneti	Good	8	Good	
7	Tabaskuri	Good	13	Bad	6 km section is being replaced under rural programme
8	Molity	Good	8	Good	
9	Bakuriani town	Good	32	Good	
10	Andesite	Good	7	Good	Needs rehabilitation of a reservoir
11	Patara Mitarbi	Bad	3.5	Bad	
12	Didi Mitarbi	Absent system			Population uses individual sources and wells. Construction works are ongoing
13	Tori	Good	5.5	Good	Reservoir will be rehabilitated under rural programme
14	Tba	Bad	20	Good	
15	Patara Tsemi		1	Bad	
16	Tsemi	Good	17.2	Bad	
17	Sageri	Good	2.8	Good	
18	Libani	Good	15	Good	
19	Tsagveri		16	Bad	Is under rehabilitation by Municipal Development Fund (MDF)
20	Mzetamze	Bad	3.5	Bad	
21	Timotesubani	Good	2.2	Good	
22	Daba		1.5		Is under rehabilitation by Municipal Development Fund (MDF)
23	Tadzriri	Bad	12		
24	Sakire	Bad	7	4 km section - bad	Rehabilitation project is being designed
25	Dgvari	Bad	8	Bad	
26	Akhaldaba	Good	38	Good	
27	Dviri	Bad	25	Good	16 km section should be replaced, of which 3 km is main pipe and 13 km - distribution network
28	Chobiskhevi	Extremely bad	11	Bad	Needs full replacement
29	Kvabiskhevi	Good	6	Good	4-km section of distribution network has to be replaced
30	Chitakhevi	Extremely bad	4	Bad	Needs full replacement
31	Larebi settlement	Absent	1.5	Bad	Needs construction of the system
32	Balanta	Bad	14.5	Bad	Headworks is being constructed
33	Tchikharula	Bad	13.5	Bad	1.3 km section of main pipe is being replaced under rural programme
34	Tsikhisjvari	Bad	22	Bad	6-km section of main pipe needs replacements; headworks is being rehabilitated under rural programme

While in Borjomi and Bakuriani water supply system is treated on a daily basis and headwork/intakes are more or less protected, in almost all rural systems water is not chlorinated and headwork and/or reservoirs is not protected (fenced, covered, etc.). Moreover, during rainy seasons water turbidity increases, due to improper protection of headworks and damages in networks. In the majority of settlements there is summer water shortage, due to droughts, CC impacts, increased touristic seasons. In addition, frequently drinking water is used for irrigation of household plots.

88. Source: Borjomi municipality, 2020

Sewerage Systems. Out of 34 settlements, only 9 have sewerage systems including Borjomi city, Bakuriani town, Kvibisi, Kortaneti, Andesite, Tba, Tsemi, Sadgeri and Libani. The majority of existing systems is in good condition. In Andesite, 500 m section of the system out of 1.5km long network, needs rehabilitation, while in Tba (1.1 km network) and Tsemi (300 m network) the system needs expansion by 800 m and 700 m respectively.⁸⁹ None of the systems has wastewater treatment plant (WWTP). Borjomi and Bakuriani sewerage systems are operated by UWSCG, which plans to construct biological treatment facilities for all sanitation systems operated by it across the country. In the near future, sewerage system will be constructed in Didi Mitarbi, existing one will be rehabilitated and WWTP will be constructed in Bakuriani town.⁹⁰

Storm-Water Drainage Systems. Lined stormwater drainage systems exist in all cities and towns of the target area as well as in many villages. Every year, existing systems are rehabilitated/expanded where they exist and new systems are lined where they do not exist through financing from central government, national programmes (rural programme) and local municipality.

Irrigation and drainage system. There are no centralized irrigation-drainage systems in Borjomi municipality and mostly, agricultural lands are rain-fed. Headworks of Tashiskari irrigation system, providing irrigation water to Kareli and Khashuri municipalities is located on the Mtkvari River near v. Akhaldaba. It's designed capacity is 12 m3/sec with 15,031 irrigated areas. Total length of main canal is 63.8 km and that of first order distribution canals – 95.8 km.⁹¹

Electricity and Gas Supply. All settlements except for Tori with 17 inhabitants have round-the-clock electricity supply. Concerning piped natural gas, 16 settlements with 4,277 inhabitants out of 34 are not connected to centralized gas supply system. These settlements are as follows:

<ul style="list-style-type: none"> ● Libani ● Patara Tsemi ● Tsikhisjvari ● Patara Mitarbi ● Tori ● Tsinubani ● Machartskali ● Gverdisubani 	<ul style="list-style-type: none"> ● Tadzrisi ● Sakire ● Dgvari ● Larebi ● Tchobiskhevi ● Kvabiskhevi ● Chitakhevi ● Dviri
---	--

There is 11.84 MW and 61.51 GWh electricity generation (power output) HPP on the Borjomula River, which was built in 1898. Currently, rehabilitation of the plant is ongoing based on the memorandum of understanding between JSC “Georgian Energy Development Fund” and the LLC “Borjomhesi”. The latter implements the project.⁹² Furthermore, 1.3 MW designed capacity and 8.26 GWh average annual electricity generation Dvirula HPP (Dvirhesi) is currently under the construction. In the near future, it is planned to construct two additional run-off-the-river HPPs near Akhaldaba town and v. Andesite. Designed capacity of the first one is 73.8 MW and annual average electricity generation - 342.5 GWh. The second HPP belongs to small-size plants and will have 1.10 MW designed capacity and 4.30 GWh average annual electricity generation.⁹³

Municipal Solid Waste Management and Street Cleaning. In Borjomi municipality, municipal solid waste (MSW) management, including collection, and transfer of MSW and street cleaning is carried out by LLC Borjomi Amenity and Cleaning Service, with 100% municipality share, which collects MSW from urban and rural areas and transfers it to the transfer station operated by the Solid Waste Management Company of Georgia (SWMCG), a subordinated body of MRDI.

QUANTITIES OF MSW COLLECTED IN BORJOMI MUNICIPALITY

DISPOSAL SITE	QUANTITY OF MSW, T/Y					
	2017		2018		2019	
	MUNICIPALITY	COMPANIES	MUNICIPALITY	COMPANIES	MUNICIPALITY	COMPANIES
Khashuri landfill	7,018.09		9,427.96		10,504.60	
Borjomi landfill	1,020.37					
Bakuriani landfill	1,053.4					
Akhaltskikhe landfill	19.5		8.00		53.10	
	9,111.36	0	9,435.96	0	10,557.7	0

Source: SWMCG.

89. Source: Borjomi municipality, 2020

90. Source: UWSCG

91. Source: Explanatory Note. Tender for rehabilitation of Tashiskari irrigation system. <https://tenders.procurement.gov.ge>

92. Source: GEDF. <https://gedf.com.ge>

93. Source: <http://sknews.ge>

MSW collection service coverage is 95% in Borjomi and Bakuriani and around 70% - in other settlements. Average service coverage rate is 80%. In the city and some of the villages, MSW is collected through 1,100 L communal/public containers. Others receive MSW collection service through so-called “bell” system (MSW collection without containers, using signal notification and/or pre-planned collection schedule).

#	TYOE	VOLUME, M3	QUANTITY	LOCATION
	Four-weel, metal	1.1	30	Borjomi
2	Four-weel, metal	1.1	150	
3	Four-weel, metal	1.1	36	Akhaldaba
4	Four-weel, metal	1.1	145	Bakuriani
5	Four-weel, metal	1.1	75	
6	Four-weel, metal	1.1	25	Tsagveri
7	Four-weel, metal	1.1	26	Kvibisi
8	Four-weel, metal	1.1	6	Timotesubani
9	Four-weel, metal	1.1	4	Tsagveri -Kechkhobi
10	Four-weel, metal	1.1	4	Dgvari
11	Four-weel, metal	1.1	13	Tadzrisi
12	Four-weel, metal	1.1	25	Sakire
13	Four-weel, metal	1.1	9	Dviri
14	Four-weel, metal	1.1	6	Chitakhevi
15	Four-weel, metal	1.1	6	Tchobiskhevi
16	Four-weel, metal	1.1	12	Kvabiskhevi
17	Four-weel, metal	1.1	5	From Kvabiskhevi to Likani
18	Four-weel, metal	1.1	36	Tsemi-Tba-Stantsia
19	Four-weel, metal	1.1	20	Andesite
20	Four-weel, metal	1.1	20	Tsikhisjvari
21	Four-weel, metal	1.1	3	Mitarbi
22	Four-weel, metal	1.1	15	Mzetamze
23	Four-weel, metal	1.1	12	Rveli
24	Four-weel, metal	1.1	12	Zanavi
25	Four-weel, metal	1.1	8	Kortaneti

Source: Borjomi Amenity and Cleaning Service 2018.

Of total containers, recently 102 pieces have been repaired and 100 – decommissioned/sold through auctions.⁹⁴ Vehicle fleet consist of 15 trucks, whose major characteristics are given in table below:

VEHICLE FLEET OF BORJOMI AMENITY AND CLEANING SERVICE, BORJOMI MUNICIPALITY

#	TYPE	BRAND	QUANTITY	ISSUANCE DATE	AUTOMATED LOADING (YES/NO)	OPEN/CLOSED	COMPACTION (YES/NO)	CAPACIT
1	Compaction RCV	MERCEDES BENZ ATEGO 1318	1	2016	Yes	Closed	Yes	7
2	Compaction RCV	MERCEDES BENZ AXOR 1824	1	2016	Yes	Closed	Yes	13
3	Compaction RCV	MITSUBISHI KO 456-03-01	1	2016	Yes	Closed	Yes	7
4	Compaction RCV	MERCEDES BENZ ATEGO	1	2001	Yes	Closed	Yes	22
5	Compaction RCV	ISUZU FTR	1	2014	Yes	Closed	Yes	13+5
6	Compaction RCV	HYUNDAI HD72	1	2010	Yes	Closed	Yes	6
7	Compaction RCV	HYUNDAI HD72	1	2008	Yes	Closed	Yes	7
8	RCV without compaction	GAZ 3309	2	2007	Yes	Closed	No	4
9	RCV without compaction	MAZ 533701	1	2005	Yes	Closed	No	13
10	RCV without compaction	GAZ 53	1	1989	Yes	Closed	No	3
11	Water transfer vehicle	ZIL 432932	1	2007	N/A	N/A	N/A	5
12	Crane	ZIL 432932	1	2007	N/A	N/A	N/A	
13	Specilized refuse transfer vehicle	ISUZU NQR 71 PL	1	2018	Yes	Closed	Yes	7
14	Specilized refuse transfer vehicle	ISUZU NQR 71 PL	1	2018	Yes	Closed	Yes	7
15	Specialisted street cleaning vehicle	ISUZU NQR 71 PL	1	2018	N/A	Closed	N/A	4,5

94. Source: Borjomi Amenity and Cleaning Service, 2020

Source: Borjomi Amenity and Cleaning Service, 2018.

At present, only mixed MSW is collected from population and commercial facilities. There is no organized separate collection system for bulky waste and owners take care of such wastes by themselves. Around 80% of population connected to centralized MSW collection system, is served by container system and the rest – by “bell” system. MSW collection in Borjomi and Bakuriani is daily 1-2 times a day and in high touristic seasons – more frequent. Collection schedule by administrative-territorial units and settlements is given below.

ADMINISTRATIVE-TERRITORIAL UNIT	SETTLEMENT	POPULATION	SERVICE COVERAGE	MSW COLLECTION FREQUENCY
Borjomi		10530	95%	Every day
Bakuriani		1897	95%	Every day
	Andesite	352	70%	Once a week
	Didi Mitarbi	54	50%	
	Patara Mitarbi	46	0%	
	Patara Tsemi	1	0%	
	Tori	17	0%	
Tsagveri		799	80%	Every 3rd day
	Mzetamze	346	70%	Once a week
	Timotesubani	235	70%	5 months – every day; during low seasons – twice a week
	Daba	194	70%	
Akhaldaba		1586	70%	5 months – every day; during low seasons – twice a week
Kvibisi	Kvibisi	1527	70%	15 times a month
	Rveli	622	50%	Twice a week
	Vardigneti (Besheti)	211	50%	
	Zanavi	251	50%	
	Kortaneti	333	50%	
Tadzrisi		541	70%	Twice a week
	Sakire	954	70%	
	Dgvari	224	50%	
Dviri		712	70%	Twice a week
	Tchobiskhevi	745	50%	
	Kvabiskhevi	429	50%	
	Chitakhevi	176	70%	
Tba		237	80%	5 months – every day; during low seasons – twice a week
	Sadgeri	325	80%	
	Tsemi	246	80%	
	Libani	31	0%	
Tabatskuri		560	50%	Once a week
	Moliti	215	50%	
Balanta		155	50%	Once a week
	Tchikharula	255	50%	
Tsikhisjvari		406	70%	

Source: Borjomi Amenity and Cleaning Service.

There is no landfill/legal temporary disposal site for construction and demolition waste (C&DW) in the municipality therefore, population and companies dump such wastes at uncontrolled dumpsites. At present, there is no separate collection system for dry recyclable fractions (metal, glass, paper, plastic) of MSW as well as for household hazardous wastes. Medical wastes from hospitals and other medical institutions are collected by licensed companies and delivered to incineration facilities.

Concerning street cleaning, only paved streets, squares, parks and lawns of the Borjomi city are swept every day by 38 sweepers. In total, each day 266,000 m² is cleaned. The municipality also has a special vehicle for street washing. Given the service coverage rate in rural areas is no more than 70%, local population as well as seasonal dwellers and visitors in the areas not connected to centralized MSW collection system, dump illegally wastes in dry gorges, outside and inside forests, river banks and beds. There are around 20 small-size dumpsites in the municipality. Detailed data on their size and quantity of waste accumulated there is unavailable due to absent dumpsite inventory.

Cleaning tariff is established by local council resolution and it is different for population and organizations. For organizations, it varies based on the economic activity and is set per square metre, per seat, per bed, pending of the type of organization. For population, it is 60 Tetri per person, provided that maximum number of household members per household is 4 persons. Thus, maximum monthly fee per household is 2.4 GEL. Due to Covid-19 local population was temporarily relieved from paying cleaning fees. On average, fee collection rate is 60%, which is very high in urban areas.

Environmental Governance

In Borjomi municipality, national-level authorities engaged in environmental management and provision of environmental services are represented by:

- Administration of BKPA, APA/MEPA;
- Borjomi Service Centre of UWSCG, Ministry of Regional Development and Infrastructure (MRDI);
- Borjomi transfer station operation team of SWMCG, MRDI;
- Borjomi-Bakuriani forestry section team (rangers) of the NFA, MEPA;
- Borjomi Information-consultation Centre, MEPA;
- Representatives of National Food Agency, MEPA;
- Agriculture mechanization centres, MEPA;
- Firefighters' and rescue team of the Firefighting and Rescue Division of the Main Department for the Management of Firefighting and Rescue Forces under the National Emergency Management Service, Ministry of Internal Affairs.

Local natural resources and environmental services, including MSW and street cleaning services are provided by structural departments of the municipality, LLC Borjomi Soflistskali (Rural Water Company) and LLC Borjomi Amenity and Cleaning Service.

As for non-public sector engagement in environmental management, local LAG, a multi-stakeholder forum is established in support of rural development. One of the key directions for local rural development is environmental protection and climate action. Active local and national-wide NGOs, working on rural and community development, including grassroots level environmental activism as well as nature conservation are: Biofarmers Association ELKANA, Association Mtsvane Veli, both engaged in protection, conservation and sustainable use of Georgia's agrobiodiversity, biofarming and other sustainable activities, NACRES and WWF actively collaborating with BKPA administration, CENN, etc. Among international NGOs that are engaged in rural development including sustainable management of local natural resource base valuable is a contribution by Mercy Corps who implemented Phase I and II rural development project under ENPARD programme. The partners of the Mercy Corps under the Phase I were: the Angus Council from Scotland and Borjomi Municipality Self-Government and under the Phase II - CARE Austria, PIN Czech Republic and the European LEADER Association for Rural Development (ELARD).

Concerning youth activism, similar to other municipalities, there are informal environmental clubs (ecoclubs) composed of students and teachers of secondary schools are established in Akhaldaba, Tadzrisi and Tsagveri. These ecoclubs are members of Ecoclubs Alliance, national-wide NGO uniting ecoclubs across the country, which in close partnership with Environmental Information and Education Centre of MEPA, Ilia State University, administrations of protected areas local municipalities, NACRES and other organizations works towards extra-curricular environmental education of school children through on-class and field trainings, field researches, awareness and advocacy campaign, implementation of on-the-ground environmental activities.

ENVIRONMENTAL PRESSURES, IMPACTS AND KEY ISSUES

Water Resources

Pressures. Major anthropogenic and natural pressures on water quantity (hydrology) of Borjomi municipality are imposed by:

- Water uses primarily, surface and groundwater abstractions for domestic, irrigation (Tashiskari headworks), commercial (bottled water, spa and wellness) and hydropower uses as well as by inefficient water consumption by

households and institutions

- Illegal logging subsequent deforestation and loss of source water
- Sand and gravel extraction from Mtkvari (Akhdaba, Borjomi) and Gujaretistskali (v. Dviri) rivers
- Hydro-meteorological and geological hazards, including floods, flashfloods, mudflows, landslides and rockfalls, accelerated under ongoing climate change (CC) conditions putting significant pressures on hydromorphology and morphology of river bodies, including river bed and bank erosion. Naturally, the municipality, due to its climate, geological and geomorphological peculiarities, is prone to active geodynamic process. These issues are described in more detail below under land resources section.

Concerning the surface and groundwater quality, following are the major pressures imposed on surface and groundwaters:

- Effluent discharges from sewerage systems and industries
- Non-point (diffused) source pollution from:
 - Nutrient loss from agriculture (irrigation and livestock) by surface runoff, soil erosion, etc.;
 - Sediment loss (by soil, bank and riverbed erosion)
 - Leachates and drainage water from peat latrines
 - Leachates and drainage water from illegal dumpsites – extremely dire situation is in villages without centralized MSW collection systems as well as in villages with low service coverage rate and low frequency of MWS collection (e.g. Kvibisi, Larebi, Tchobiskhevi, etc.
 - Surface run-off from settlements, especially during heavy rains and flashfloods
 - Sand and gravel extraction from Mtkvari and Gujaretistskali rivers
 - CC and climate-induced hydrological and geological hazards (floods, flashflood landslides, mudflows) – may increase amount of surface and agriculture run-off, damage drinking water headworks and sewerage systems and thus, increase sediment and effluent discharges into surface water bodies as well as contamination of drinking water at source, in storage/regulation reservoirs and in the network. Moreover, expected reduction of summer flow, may diminish self-purification (dilution) capacity of the river that may ultimately, lead to elevated concentrations of pollutants into surface waters.

MSW DUMPED ON RIVER BANKS AND IN RIVER BED OF BORJOMI MUNICIPALITY



Source: Samkhretis Karibche; <http://sknews.ge>.

Below are major water use indicators for the municipality.

2018 MAJOR WATER USE INDICATORS FOR THE MUNICIPALITY

PARAMETERS	MEANING
# of water users	6
Quantity of water abstracted from water source, million m3/y, including:	1,054.81
Groundwater	0
Quantity of water consumed, million m3/y, including:	1052.97
water consumed by households	5.2
water consumed by industry	1.25
Water consumed by HPP	1,046.52
Losses during transportation	0.84
Wastewater discharges (technologically clean water returned by HPP)	1046.52

Source: 2018 Yearbook of Major Water Use Indicators, Integrated Management Department, MEPA.

Impacts. Water quantity impacts from anthropogenic and natural pressures are as follows:

- Shortage of source water due to:
 - sub-standard/absent centralized drinking water supply systems; inefficient and competitive water uses for irrigation causing drinking water shortage in many villages of the municipality;
 - deforestation caused by unsustainable, including illegal logging ultimately leading to source water loss/ decrease and water shortage
 - enhanced landslides and mudflows cause loss of many groundwater springs used for drinking and irrigation water in many villages
- Destruction of river hydrology, morphology and hydro-morphology (Change in channel and bed bottom morphology, volume, stream velocity, bank erosion, accumulation of sediments, alteration of riparian habitats) due to:
 - water abstractions and flow diversion:
 - CC and climate induced natural hazards including mudflows, rockfalls, landslides, flashfloods that will be intensified under CC impacts, may cause river bed and bank erosion and thus, change its natural morphology and hydromorphology.⁹⁵ A study of CC impacts on the climate of Borjomi municipality under USAID/CENN Climate Change Adaptation and Disaster Mitigation (CCADM) project found an evidence of increased values of climate extreme indices for current and project periods that lead and will continue to lead to increased and continuous heavy rains, increased peak river discharges and flashfloods, slope destabilization and thus, mudflows and landslides. Ultimately, this will alter river bed and bank morphology

Water quality impacts from anthropogenic and natural pressures are as follows:

- Deterioration of surface water quality in those sections of rivers where effluents are discharged from Borjomi and Bakuriani sewerage systems and smaller rural systems though, regular monitoring of the Mtkvari River quality in Borjomi city didn't reveal exceedance of Maximum Allowable Concentrations (MACs) for ammonia nitrogen, BOD, etc.
- Deterioration of surface water quality against suspended solid, nutrients and pesticides due to agricultural and surface run-off and soil erosion (cultivated areas and in particular, perennial crops, irrigated areas, streams and rivers downstream settlements, etc.)
- Deterioration of surface water quality against common physico-chemical parameters and priority and non-priority substances of Water Framework Directive (WFD):
 - Sand and gravel extraction from Mtkvari and Gujaretistskali rivers may have impacts on the river in terms of increased suspended solid and decreased dissolved oxygen
- Deterioration of drinking water quality in villages with and without drinking water systems – pollution of drinking water with e. coli, other bacteria and suspended solids (in rainy seasons) in wells, headworks, reservoirs and distribution networks due to absent drinking water treatments. Given there is no current empirical evidence for such impacts, due to absent drinking water quality monitoring in rural areas, sources/watersheds of drinking water sources can be considered “possibly at risk”, requiring detailed assessments of drinking water source water quality in villages.

95. Detailed hazard profile of the municipality is included in the Annex to this report

KEY WATER MANAGEMENT CHALLENGES OF THE MUNICIPALITY

TYPE OF CHALLENGE/ISSUE	CHALLENGE/ISSUE	IMMEDIATE/UNDERLYING CAUSES	ROOT CAUSES	NEEDS
Water quantity	Poor availability of drinking water	Inefficient and outdated centralized water supply systems; absence of centralized rural water systems in many villages; inefficient water use; water shortage.	Unsustainable, including illegal logging; poor law enforcement against illegal logging; absent natural gas supply; climate change impacts; lack of funds, technical and human resources for rehabilitating existing water infrastructure and/or building new efficient systems; absent data and regulatory framework on environmental flows and efficient and equitable water use allocations; absence of effective water usage tariffs and implementation systems (appropriate institutions, billing and bill collection systems and penalties); lack of knowledge on efficient water use technologies; poor knowledge on real water demand and water availability as well as sustainable water allocations, poor knowledge on CC impacts on water quantity.	<ul style="list-style-type: none"> • Adoption of new water code and policy based on EU water framework directive and policies; • Rehabilitation of existing water supply systems/construction of new systems, including water intakes/headworks, storage/regulation reservoirs; • Implementation of water metering measures; • Protection of headworks and storage/regulation reservoirs through fencing and better coverage; • Setting of efficient water use tariffs to allow for service cost recovery as well as promote water saving and conservation measures; • Calculation and implementation of proper water use allocations taking into account environmental flow; • Implementation of river bank and bed erosion control measures;
Water quality	Destruction of river hydrology, morphology and hydro-morphology (Change in channel and bed bottom morphology, volume, stream velocity, bank erosion, accumulation of sediments, bank fixation, change in riparian habitat).	Water abstractions for drinking, bathing, industrial purposes and HPP generation and thus, destruction of natural flow regime; river diversion; sand and gravel extraction; flashfloods, mudflows; CC.	Absent knowledge and regulations on environmental flow and water balance; absent river bank protection measures and infrastructure; absent knowledge and regulations on environmental impacts of sand and gravel extraction/river bank and bed dredging, lack of knowledge and data on CC impacts on hydro-meteorological and geological processes and parameters.	<ul style="list-style-type: none"> • Implementation of floodplain zones' protection and restoration measures; • Implementation of forest regeneration and reforestation activities; • Expansion of MSW collection system and thus, service coverage; • Promotion of MSW prevention and recycling measures, including bio-waste composting and mulching; • Construction of WWTP in line with EU standards; • Introduction of on-site modular wastewater treatment facilities at rural community, hotels and municipal buildings level; • Prevention of grazing in floodplain areas and organizing alternate livestock sheltering and drinking water supply infrastructure; • Implementation of stormwater rehabilitation/construction activities; • Improvement of water and waste management law enforcement; • Improvement of hydrometric and water quality monitoring systems and establishment multi-hazard early warning systems; • Carrying out environmental information campaigns.
	Pollution of surface and ground waters	Discharge of untreated wastewaters from point sources of pollution (e.g., sewerage system Borjomi city and Bakuriani town as well as from smaller settlements with sanitation system) into surface waters; sediment loads and surface run-off from livestock grazing, agriculture run-off from arable lands; drainage of storm waters and seepage of leachates from uncontrolled waste disposal sites, open pit mines and dry pit latrines.	Deteriorated and/or absent sewerage and stormwater drainage systems; absence of surface water mechanical-biological treatment facilities; poor MSW collection system; poor/absent law enforcement against illegal waste dumping; lack of state finances to rehabilitate/build centralized sewerage systems, WWTPs; poor ambient water quality and soil monitoring; absence of effective regulations, including standards for wastewater discharges; absence of a common effective policy on waste and water management; low environmental consciousness of local communities; poor surface water quality monitoring system.	
	Pollution of tap water	Crumbling drinking water supply infrastructure or no infrastructure in many villages; absence of sanitary zones/lack of protection for existing zones surrounding water sources; absence of tap water treatment in virtually all rural communities with centralized water supply systems.	Shortage of funds to rehabilitate existing centralized systems or to build new systems; absence of effective regulations, law enforcement, monitoring mechanisms and local capacity for tap water quality monitoring and control, as well as for environmental pollution control; low environmental awareness of local communities.	

Land Resources

Pressures. Major natural and anthropogenic pressures imposed on land resources of Borjomi municipality are as follows:

- Unsustainable land management practices:
 - unsustainable pasturing, especially in sub-alpine and alpine pastures of BKNP
 - excessive land tilling
 - application of monocultures
 - application of fertilizers and pesticides, etc.
- Unsustainable, including illegal logging
- Nutrient loads from agriculture runoff
- Uncontrolled/illegal waste dumping – drainage waters and leachates from illegal dumpsites.;
- Open pit mining – sand and gravel extraction – sediment movement and land erosion.
- Natural hazards (mudflows, landslides, rockfalls, flashfloods) which are accelerated by ongoing CC and are pre-determined by multiple human factors, including absent/crumbling flood control infrastructure (storm water drainage and flood control structures)⁹⁶

Impacts. Negative impacts on land resources of Borjomi municipality are as follows:

- Land erosion and loss of fertile soil of agricultural lands and pastures – degradation of arable and pasture lands; Erosion cause considerable damage to summer pastures in the municipality. Riverbank erosion is prevalent to a lesser degree in residential areas and adjacent territories
- Intense and frequent landslides, mudflows, debris flow and flash floods in the municipality cause considerable damage not only to agricultural lands, but also to the topsoil, infrastructure and pose a constant danger to residential areas.
- Degradation of high ecological value natural landscapes, including forested areas (will be discussed in detail below under forest resources section);
- Soil contamination from surface and agriculture runoff, illegal waste dumping and littering and use of agrochemicals:

Key sustainable land management challenges/issues. Key sustainable land management (SLM) challenges/issues and their underlying/immediate and root cause as summarized in table below:

96. Detailed hazard profile of the municipality is included in the Annex to this report

KEY LAND MANAGEMENT CHALLENGES OF THE MUNICIPALITY

TYPE OF CHALLENGE/ISSUE	CHALLENGE/ISSUE	IMMEDIATE/UNDERLYING CAUSES	ROOT CAUSES	NEEDS
Soil quantity	Pasture degradation	Uncontrolled grazing/overgrazing, transhumance	Low awareness of shepherds, absence of proper zoning or other regulatory or economic mechanisms for sustainable pasture management; absence of effective mechanisms for law enforcement; local farmers' low awareness of sustainable water, land use, and agriculture practices; lack of scientific knowledge on human and climate change impacts on land erosion, etc.	<ul style="list-style-type: none"> Carrying out of inventory of eroded and degraded agriculture lands; Carrying out of pasture inventories and development of pasture management plan for the municipality (except for alpine pastures); setting of grazing norms for pastures and implementation of sustainable pasture management measures; implementation of sustainable pasture management measures: grazing regulation, control, fencing, erosion control measures, cleaning of pastures from stones, implementation of weed control measures, introduction of grazing schedules and pasture rotation approaches, awareness raising of herders on sustainable pasturing, etc.; improvement of law enforcement on illegal grazing; Study of soil quality and implementation of relevant land reclamation practices; Development of disaster preparedness and response and climate resilience plans; Rehabilitation of DRR infrastructure; Restoration/improvement of hydrometric, agrometeorological and geological monitoring, hazard assessment and establishment of multi-hazard yearly warning systems; Support to organic farming; Promotion and revival of traditional farming and herding practices; Strengthening law enforcement capacity and raising awareness and capacities of farmers; Implementation of land reclamation/erosion control measures; Improvement of municipal, household hazardous and C&DW waste management including waste collection and disposal; introduction of source separation system.
	Erosion of ploughed lands and loss of productive soil; flooding of agricultural lands and household properties, including household holdings.	Unsustainable agricultural practices - unsustainable agricultural techniques and practices (e.g. extensive land cultivation, no crop rotation); Absence of erosion control and land reclamation measures; Absence/ dire condition of DRR infrastructure; Overgrazing; Uncontrolled and unsustainable timber harvesting; climate induced natural hazards.	Absence of effective agricultural land management policy, including land use planning and implementation mechanisms (e.g., land use zoning, land inventory and monitoring, land usage fees, land allocation); lack of local knowledge of proper agricultural practices; lack of knowledge and data on CC and climate-induced natural hazards and their impacts on land resources; absent multi-hazard early warning system.	
		Unsustainable land use practices; change in climate factors	Unsustainable land use practices; Climate change	
Soil quality	Pollution of soil	Leaching of pollutants from waste dumps and burial sites, open-pit mines and pit latrines; urban and agriculture runoff; discharge of untreated wastewaters onto the earth's surface; ploughing plastic mulch into ploughed lands.	Improper use of agrochemicals; poor knowledge on the optimal agrochemical inputs; absence of regulatory and law enforcement mechanisms for soil quality; absence of effective environmental pollution control regulatory and/or economic mechanisms; absence of financial, technical and human resources for implementing effective environmental control policies, including policies for waste and wastewater management; low awareness of farmers on organic farming and damages of using plastic as mulch material	

Forest Resources

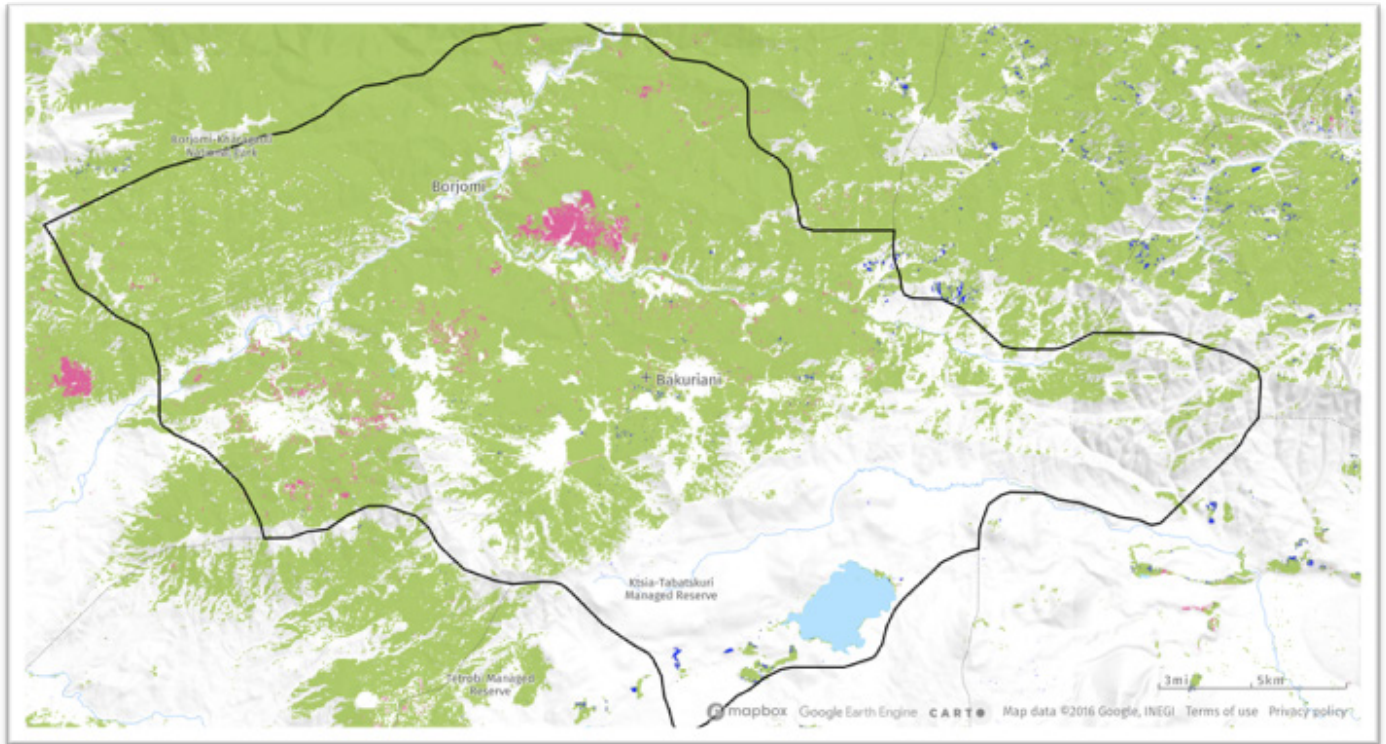
Pressures. Major anthropogenic and natural pressures on forest resources of Borjomi municipality are imposed by:

- Unsustainable Logging:
 - unsustainable wood cutting, with young healthy trees cut in easily accessible areas/clearcutting;
 - absent/insufficient sanitary cutting;
 - absent/extremely limited cleaning of forests from fallen trees, especially in gorges etc.;
 - illegal wood cutting for fire wood provision and production of construction material;
 - construction of forest roads without taking into environmental considerations.
- Livestock grazing in forest areas;
- Illegal waste dumping and littering by tourists and local population;
- Artificial and wild forest fires caused by tourists, local population, shepherds and workman during construction of road infrastructure:
 - On average, annually 2 cases of forest fires are recorded in Borjomi municipality and this number has not increased since 2010. However, total size of burnt/damaged areas has increased
- Pests – fungi and insects
- CC and CC-induced climate extremes, e.g. increased temperature and dry days/drought causing water shortage and thus, drying of trees; increased floods and flashfloods, causing inundation of large areas, including forests surrounding settlements; Geological hazards in particular, landslides, mudflows and rockfalls causing slope destabilization, erosion processes and loss of significant area of land, including forested land. Geo-hazards are accelerated by ongoing CC;

Impacts. Impacts from existing pressures are as follows:

- Deforestation, reduced forested areas and timber resources – according to GFW, Georgia’s interactive map, by 2020 Borjomi lost 1,610 ha of tree cover, equivalent to a 2.3% decrease in tree cover since 2000. This is caused by multiple pressures one of being wild fires. The largest fires happened in 2008 and 2017. The first one was a result of 2008 Georgia-Russia war. Roughly 950 ha was damaged, of which 250 ha was completely burnt. Ultimately, 290,000 m³ wood was destructed together 0.2 m thick soil layer. In 2017, 3 cases were reported, two in Tzagveri and 1 in Borjomi. First one in Tzagveri was unnoticeable fire of 4.3 ha distribution, while the second covered 943 h, of which 706 ha was the area destructed by 2008 August fire. There was no fire in 2017 and in 2019, there was only 1 case that damaged only 2 ha area.

TREE COVER OF BORJOMI FORESTS WITH INDICATION OF AREAS UNDER DEFORESTATION



Source: GFW.

- Deteriorated forest quality
 - loss of young and mature healthy wood trees and increase in the number of overmature and old trees as well as rotten and dead trees;
 - reduced density of forest groves;
 - eroded soils of forests.

Key forest management challenges/issues. Based on forest management concept, local development strategy and 2017 and 2020 consultations with key stakeholders, key forest management challenges/issues, their underlying and root causes and needs are listed in table below.

97. Source: Forest fires. NFA. <http://forestry.gov.ge/>

KEY FOREST MANAGEMENT CHALLENGES

TYPE OF CHALLENGE/ISSUE	CHALLENGE/ISSUE	IMMEDIATE/UNDERLYING CAUSES	ROOT CAUSES	NEEDS
Quantity and quality of timber resources	Deforestation/reduction of forest area and timber resources	Unsustainable use of timber resources, including uncontrolled/illegal cutting of trees for firewood and construction material; uncontrolled non-timber resource harvesting; overgrazing in forest ecosystems; insufficient forest maintenance and restoration; pollution of forests with litter; climate-induced natural hazards, proliferation of pest diseases; forest fires.	Unsustainable logging methods, e.g. clearcutting, cutting of healthy trees; lack/absent forest protection measures; lack of financial and technical resources to carry out sanitary cuttings, pest control and afforestation/reforestation and forest measures; underutilization of alternative energy sources; poor municipal solid waste management and law enforcement; low socioeconomic level of local population with limited/no access to secure energy sources (e.g. gas); poor monitoring systems; poor effective law-enforcement system; low awareness of local stakeholders and tourists on the value of forests, sustainable forestry, forest fires, etc.; climate change; poor knowledge and preparedness capacity on CC-induced natural hazards, including forest fires.	<ul style="list-style-type: none"> ● Carrying out of all types of cutting based on annual average wood stock increment; ● Leaving around 4-5 over-mature, old and dried trees during all types of cutting, since dead trees and down wood play an important role in ecosystems by providing wildlife habitat, cycling nutrients, aiding plant regeneration, decreasing erosion, and influencing drainage and soil moisture and carbon storage, etc.; ● Identification and delineation of high ecological value sections for biodiversity conservation with red list, relict and endemic species and carrying out biodiversity monitoring, conservation and protection measures there; ● Improvement of forest monitoring system and conducting of continuous observation over state of the forests, implemented forestry measures, impacts of natural hazards, etc.; ● Implementation of erosion control measures; ● Construction/rehabilitation of forest access roads taking into account environmental safeguards; ● Setting of livestock grazing norms and rules and improving law enforcement capacities; ● Provision of piped gas supply to local communities; ● Support to implementation of energy efficiency (high-efficiency wood stoves, etc.) and alternative energy source (biogas, solar water heaters, etc.) utilization initiatives at community and household levels; ● Calculation of exact demand for firewood and sustainable logging norms; ● Carrying out of pest assessment, monitoring and control measure (e.g. installation of pheromone traps); ● Implementation of selective sanitary cutting in slightly degraded sections and clearcutting in sections with over 30% of dried and dying trees; ● Implementation of reforestation/afforestation measures; ● Implementation natural regeneration support measures, including soil cultivation, seeding, fencing, etc. ● Awareness raising of local communities, shepherds and tourists on the value of forest resources and sustainable forestry; ● Improvement of municipal solid waste management and law enforcement; awareness raising of local population and other stakeholders on the negative impacts of littering on forest ecosystems; ● Promotion and revival of traditional herding practices; ● Strengthening law enforcement and firefighting capacities as well as infrastructure of relevant authorities; awareness raising of key stakeholders on forest fires.

Biodiversity

Pressures. Major pressures on biodiversity on the territory of municipality are as follows:

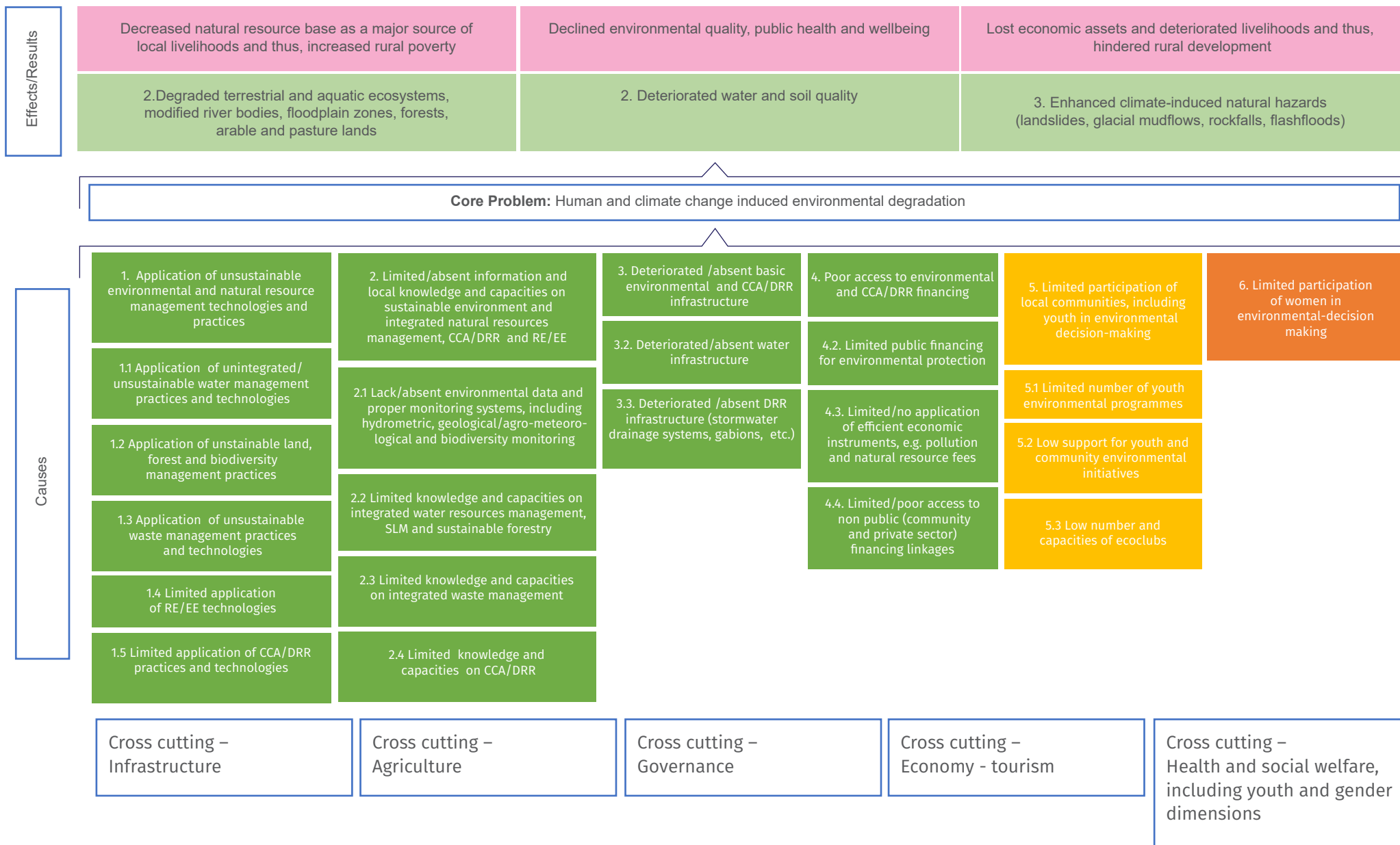
- Poaching within protected areas:
 - Illegal hunting: 2018 – 6 cases and 2019 – 13 cases. Most frequently hunted animals are: noble deer, brown bear, chamois. Periodically, Caucasus grouse, wild boar and the lynx is hunted
 - Illegal fishing: 2018 – 2 cases; mostly occur in Ktsia-Tabatskuri Managed Reserve on the Ktsia River and Tabatskuri Lake
- Illegal timber cutting: 2018 – 67 cases and 2019 – 11 cases. This type of illegal activity is more frequently observed in traditional use zone of the national park and Nedzvi Managed Reserve
- Social cutting – around 8,000-9,000 m³ is cut for firewood in BKNP and Nedzvi Managed Reserve posing threat to forests of the BKPA
- Unsustainable including illegal grazing in subalpine / alpine meadows of the BKNP (approx. 11,000 ha) is used for summer grazing mainly for cattle. Pastures start from the forest zone to the highest point of the park (Mountain Sametskhvaro 2,642 m.). Herders particularly those from bordering settlements graze their cattle in forests of the PA
- Pest insects and fungal diseases - according to 2019 data, around 435 ha of coniferous forest was damaged by *Ips typographus* and *I. sexdentatus* in Borjomi-Kharagauli National Park, Strict Nature Reserve and Nedzvi Managed Reserve and 300 ha chestnut groves were damaged by *Cryphonectria (Endothia) parasitica*
- Forest fires – are mostly caused by humans and occur almost annually. They damage coniferous forest groves
- Pollution of freshwaters and wetlands – Surface and ground waters and in particular Tabatskuri Lake, the Ktsia River headwater/source and wetlands (Nariani valley) are polluted with effluent discharges from households and livestock farms and grazing areas. This may have negative impacts on aquatic biota and their habitats. Which may have an impact on fish nests This issue needs to be studied systematically. Pollution of areas and rivers is a significant problem with settlements in the vicinity of BKNP. The problem of pollution is noticeable on popular tourist routes and overnight places designated for tourists such as camping sites and tourist shelters
- Leachates from illegal dumpsites located in front and within forests, on river banks and river beds; littering in BKNP and managed reserves
- rivers from dredging operations on Mtkhvari and Gujaretistskali rivers
- Unsustainable hay production in wetlands along the Tabatskuri Lake lake and in the Narian Valley Wetlands Areas
- Illegal harvesting of wild duck eggs, which are nested and collected by fishermen in the village of Tabatskuri, on an island and in the lake. Since it is the only nesting place / breeding ground for this species, it represents the serious threat to this species
- Introduction of invasive species – alien species like *Ailanthus altissima*, *Ambrosia artemisiifolia*, and *Robinia pseudoacacia* pose threats to native species. Moreover, native spruce species are competed with introduced invasive species
- Violation of comfort and damage caused by visitors – this is not considered a topical issue at this stage, however, given the current trend, the annual increase in the number of visitors underscores the importance of the issue.
- Infrastructure development - Infrastructure development of the region along the border of protected areas, poses a significant threat, which may lead to habitat degradation, habitat reduction and fragmentation of the protected area
- CC and CC induced Natural hazards – climate induced geological and hydrometeorological hazards which are accelerated by ongoing CC pose significant threat to natural ecosystems. Is a significant threat to the ecosystems of the Caucasus ecoregion, which will have a greater impact in the future. Climate change can be considered in relation to other pressures, such as alien invasive species, Forest fires and pests

Impacts. Major impacts on biodiversity of Borjomi municipality are as follows:

- Degradation, fragmentation and loss of habitats/ecosystems, in particular, sub-alpine and alpine meadows used as pastures, mountain forests, wetlands and aquatic ecosystems
- loss of terrestrial species and aquatic biota, including native and endemic species



Key biodiversity management challenges/issues. Key biodiversity management challenges/issues, their underlying and root causes and needs based on rapid pressure-impact analysis conducted under this study, available researches and planning documents, as well as based on local stakeholder consultation are listed in the table below.

P3 - Problem Tree (Environment)



P3 - (Environment) - Proposed Intervention Actions

Given below is short summary of the interventions proposed for the municipality. These interventions are mapped against broadly defined policy tools, recommended by OECD rural policy approach for this priority – society, relevant to social aspects. More detailed descriptions of all proposed interventions are provided in the Annex of this document.

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
<ul style="list-style-type: none"> P3-EN01. Integrated Natural Resources Management 	<p>The intervention aims at increasing the knowledge, capacities and application of sustainable environmental and natural resource management policies, practices and technologies Akhalkalaki municipality. In the area of environmental protection, the special focus will be on MSW, since municipal waste is one of the major pressures on all natural resources and also, hinders rural development (agriculture, tourism, etc.). In terms of natural resources management, the focus will be made on soft and hard measures that will remove/reduce anthropogenic and natural pressures on water, land and biological resources (zones, Javakheti PA, Tetrobi Managed Reserve, including sub-alpine and alpine pastures, highland volcanic ecosystems –lakes and wetlands etc. and important plant and animal species). The intervention will address key environmental (in particular, waste management) and natural resource (water, land and biological resources, including forests) management issues and some of their critical underlying and root causes, identified through rapid pressure-impact and problem tree analysis conducted under this municipal assessment. They are also listed as priorities in various national and local strategies and plans, such are NEAP, rural development strategy, agriculture development strategy, irrigation development strategy, regional development strategy, tourism development strategy, Samtskhe-Javakheti regional development strategy, local development strategy, municipal waste management plan. Moreover, many measures to be implemented under the given intervention were identified as priorities by local stakeholders, including LAG members during consultations conducted under ENPARD 2 and ENPARD 3.</p>		<ul style="list-style-type: none"> Ensuring environmental sustainability 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Infrastructure, off-farm economy, public health, tourism, DRR, governance</p>
<ul style="list-style-type: none"> P3-EN2.. Support to Enhancement of Community Resilience To Climate-Induced Natural Hazards 	<p>The intervention aims at enhancing local resilience to climate-induced natural hazards – mudflows, landslides, flashfloods, avalanches, wild fires which are major natural pressures on natural and economic assets causing deterioration of local environment and livelihood and ultimately leading to increased rural poverty and hindered rural development. The intervention will focus on awareness raising and CCA/DRR prevention, preparedness and response capacity building of national authorities represented in target municipality (forest and APA rangers), local municipality and communities, including school children. This will be achieved through knowledge building (update of existing CC vulnerability and risk assessment study, creating disaster preparedness skills development, developing/expanding hydrometric, geological and agro-meteorological monitoring network and supporting design and implementation of CCA/DRR measures, such as rehabilitation/construction of stormwater drainage systems, river bank revetment structures, slope stabilization and erosion control measures (e.g. planting of deep root trees, terracing, etc.) The intervention will address key CCA/DRR issues that are one of the key underline and/or root causes for degradation of local environment, natural resources and economic assets. CCA/DRR as part of the climate action is one of the key priorities of NEAP, rural and agricultural development strategies, national DRR strategy and action plan, regional development strategy, rural development strategy, local development strategy. Moreover, CCA/DRR was identified as one of the top priorities by local stakeholders, including LAG members during ENPARD 2 and ENPARD 3 projects.</p>		<ul style="list-style-type: none"> Resilience to CC 	

6 Cross-Cutting Priorities (P4)

Infrastructure

Factual Description of The Municipality Infrastructure

Rural-Urban Linkages

6. CROSS-CUTTING PRIORITIES (P4)

This Chapter covers such important cross-cutting issues as infrastructure and rural-urban linkages.

INFRASTRUCTURE

This Section below summarizes the information about the importance of the general basic public infrastructure as well as the evaluation of the satisfaction of the population of the municipality with the general condition of it, based on the survey. The Section also includes the factual description of the state of the basic public infrastructure, mostly based on the information received from the local authorities of the municipality.

Some General Considerations in Terms of Infrastructure⁹⁸

General infrastructure is utmost important for development of local business. The odds of starting business is substantially lower, when a rural place has problems with sewage (0.394 times), gasification (0.231 times) as well as with poor road infrastructure (0.523 times). When a rural place faces with such problems as poor road infrastructure the odds of household participation in non-agricultural business reduces substantially (0.552 times). In compliance with these findings, when the conditions local infrastructure is better, the odds of household's engagement in non-farm activity increases as well (2.39 times).

Infrastructure-related problems are among the most critical (after unemployment (33%)) issues for the people in their villages across the IRDG target municipalities are, poor conditions of road infrastructure (14.9%), the problems with drinking water (12%), the absence of gasification system (4.2%), access to internet (3.8%), the absence of a central sewer system (2.4%), the lack of kindergartens (2%), problems with irrigation water (1.5%) and insufficient and poor infrastructure (1%).

For Borjomi population, the most burning problem is insufficient and poor infrastructure.

THE MOST IMPORTANT PROBLEMS IN THE SETTLEMENT⁹⁹

	PROBLEM OF DRINKING WATER	ACCESS TO INTERNET	ABSENCE OF A CENTRAL SEWER SYSTEM	ABSENCE OF GASIFICATION SYSTEM	POOR CONDITION OF ROADS	ABSENCE OF KINDERGARTENS	INSUFFICIENT AND POOR INFRASTRUCTURE	IRRIGATION WATER PROBLEM
KEDA	14.60%	3.10%	1.10%	6.40%	13.70%	0.00%	0.30%	1.70%
KHULO	13.50%	2.70%	1.00%	0.70%	22.50%	1.10%	0.60%	0.80%
DEDOPLIST.	8.80%	2.10%	2.30%	1.70%	7.40%	0.00%	0.40%	0.00%
LAGODEKHI	4.60%	7.60%	1.80%	0.70%	10.00%	2.70%	0.70%	0.20%
KAZBEGI	38.20%	2.80%	2.40%	0.00%	10.10%	0.90%	0.90%	0.00%
AKHALKALAKI	12.80%	2.50%	3.30%	8.40%	25.20%	5.30%	0.00%	5.00%
BORJOMI	9.50%	3.70%	1.00%	4.10%	6.20%	0.40%	4.90%	0.20%
TETRITSKARO	23.20%	2.80%	5.70%	8.30%	15.40%	0.40%	0.90%	1.10%

Source: UNDP.

Compared to other municipalities, Borjomi scores considerably high on almost all infrastructure and services components, Kindergartens and Healthcare facilities being the weakest areas.

98. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

99. Comparison and conditional formatting works vertically across municipalities for each parameter.

EVALUATION OF THE ENVIRONMENT - INFRASTRUCTURE AND SERVICES - ACROSS MUNICIPALITIES¹⁰⁰

	CONDITION OF ROAD TRANSPORT COMMUNICATIONS (ROADS, BRIDGES, ETC)	TRANSPORT SERVICE	ELECTRICITY SUPPLY	NATURAL GAS SUPPLY	DRINKING WATER SUPPLY	IRRIGATION SYSTEM	SEWAGE
KEDA	4.06	4.05	4.66	2.09	4.08	3.81	3.71
KHULO	3.08	3.45	3.91	1.65	3.00	2.32	1.98
DEDOPLISTSKARO	3.85	3.70	4.66	4.23	3.60	1.92	2.08
LAGODEKHI	3.30	3.37	4.52	4.68	3.60	2.40	2.13
KAZBEGI	3.40	2.76	4.68	4.91	3.30	2.77	4.19
AKHALKALAKI	2.42	3.09	4.52	4.51	3.90	3.02	3.09
BORJOMI	4.24	4.43	4.67	4.63	4.33	2.94	4.16
TETRITSKARO	3.02	3.43	4.31	4.12	2.67	2.24	2.07
TOTAL	3.30	3.56	4.48	4.28	3.63	2.59	2.75

Source: UNDP.

EVALUATION OF THE ENVIRONMENT - INFRASTRUCTURE AND SERVICES - ACROSS MUNICIPALITIES¹⁰¹

	WASTE DISPOSAL (REMOVAL, RECYCLING, ETC)	INTERNET	HEALTHCARE FACILITIES	EDUCATION SERVICES	SPORT- RECREATION FACILITIES	KINDERGARTENS	"WOMEN'S ROOM" ¹⁰² / WOMEN'S ORGANIZATIONS
KEDA	4.62	3.76	4.38	4.55	3.93	4.67	3.45
KHULO	2.47	2.28	3.76	4.11	3.28	3.63	1.88
DEDOPLISTSKARO	4.11	3.51	4.24	4.20	3.33	4.49	2.43
LAGODEKHI	3.64	4.29	4.23	4.21	3.29	3.93	2.87
KAZBEGI	4.68	4.24	3.28	4.21	3.58	4.34	1.97
AKHALKALAKI	3.51	4.10	2.90	4.14	3.53	3.77	3.26
BORJOMI	4.12	4.39	3.92	4.29	3.86	4.14	3.50
TETRITSKARO	3.82	3.79	3.41	4.02	3.33	4.05	3.06
TOTAL	3.77	3.89	3.83	4.20	3.47	4.07	2.75

Source: UNDP.

Factual Description of The Municipality Infrastructure

Internal Roads: The length of internal rural roads in Borjomi municipality is 239 km. 129 km are asphalted, 18 km are paved with concrete. Accordingly, 92 km (nearly 40%) of the internal roads need either asphalt or concrete pavement rehabilitation. In Borjomi poor road conditions represent an issue for a less importance for the population (6.2 per cent) compared to other issues. Road and transport communications are more satisfactory in Borjomi (4.24), compared to other IRDG target municipalities.

Water Supply: 270 km of drinking water pipeline and 46 water reservoirs are in average quality condition. 15 km of water pipes and 30% of water reservoirs require rehabilitation. In two villages: Kvibisi and Akhaldaba water is supplied on scheduled times; in Dviri water supply is supplied with significant delays. 99% of rural residents have drinking water supply (some with schedule).

Sewage System: The municipality has 10.5km sewage system in good condition. 25 villages (73%) don't have any sewage system in place.

Natural Gas and Electricity: 100% of residential areas receive electricity and 83% has natural gas supply (mainly Tsikh-isjvari, Tadzrisi and Dviri (1300 residents) have no natural gas supply).

100. Comparison and conditional formatting works vertically across municipalities for each parameter
 102. Comparison and conditional formatting works vertically across municipalities for each parameter
 103. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

Waste Management: The municipality has waste management plan for 2018-2020. 95% of waste (46% bio waste) is collected in Borjomi city and 70% in villages. Waste is collected by 15 vehicles. 60% of residents have access to waste containers (950 units). Waste is collected near village Daba and later transported to the landfill in Khashuri.

Sport Facilities and Parks: The municipality has 43 sport facilities (one central stadium (requires full rehabilitation), one swimming center, one sports school (requires internal small-scale renovations), one ice field, one wrestling arena and the rest of the facilities are sports fields). Sports fields in Chitakhevi, Vardgineti, Zanavi, Akhaldaba, Tsemi, Daba and Chobiskhevi require rehabilitation. Municipality has 20 parks and most of them require rehabilitation.

Public Schools: Municipality has 21 public schools, with 3513 students and 550 teachers. Following schools require full rehabilitation: Tabatskuri, #4, Balanti and Bakuriani. #3, #4 and Daba public schools require partial rehabilitation. Kvibisi and Tabatskuri public schools also require bathrooms rehabilitation/construction.

Kindergartens: There are 11 kindergarten in the municipality. They have following needs: #3 kindergarten requires full building rehabilitation; Kvibisi kindergarten needs renovations of two rooms and kitchen; Chobiskhevi kindergarten needs full rehabilitation of the building and external garden area; Vardgineti kindergarten requires arrangement of food storage facility and bathrooms; Tsagveri kindergarten needs connection of water and sewage systems for kitchen; Akhaldaba kindergarten needs rehabilitation of exterior, external garden and construction of sewage system. Bakuriani kindergarten with 20 children is in a rented space and requires new building.

Culture: Borjomi municipality has following cultural facilities: Borjomi culture and arts center (requires rehabilitation of the roof and interior, as well as new equipment), Tsagveri culture house (currently renovated but requires equipment), students house (currently renovated but requires equipment) and 10 village/rural clubs (all of them require rehabilitation and equipment, except in Tadzrisi that need only equipment).

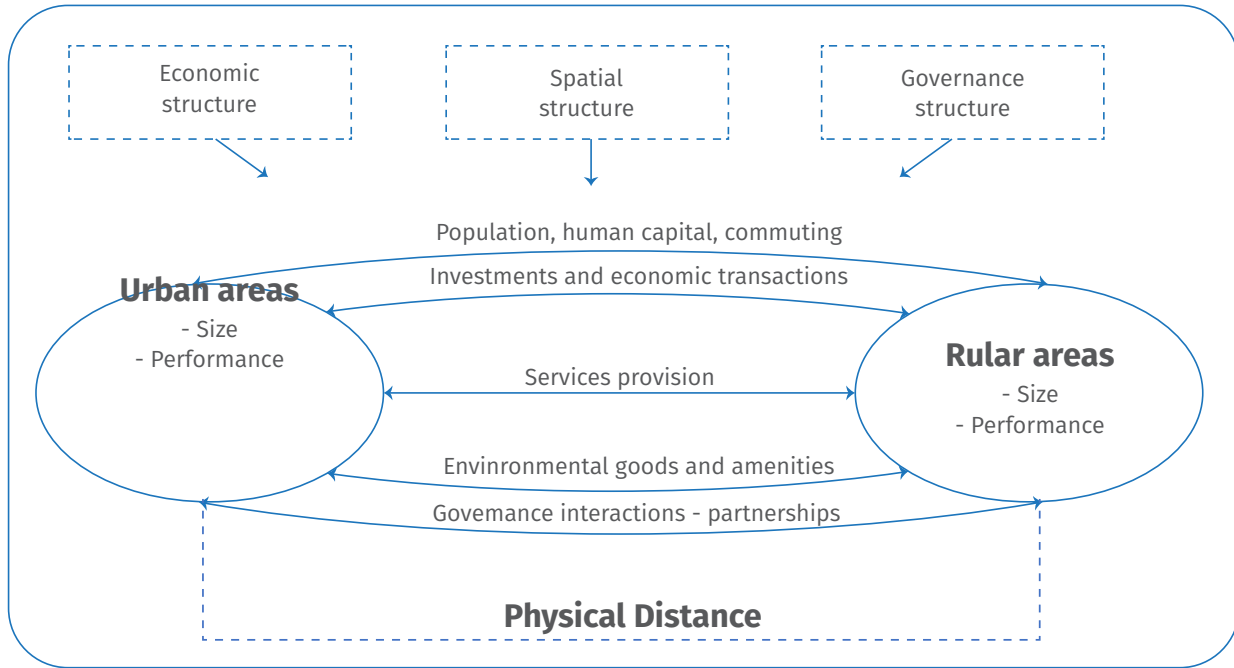
RURAL-URBAN LINKAGES

Functional Regions Concept

Municipalities are parts of wider geographic and administrative entities, regions and the economic and social life in the municipality does not necessarily coincide with the boundaries of the municipalities. Therefore, it is important to establish to which extent the municipality is related to wider functional regions and clusters (whether established or emerging).

The modern approach in development policy highlights the poverty-reducing inter-linkages between urban and rural areas, including movement of goods and services, human and financial capital, technologies and other resources and possible complementarities from these interrelationships. Rural-urban linkages includes flows of people, goods, money (e.g. in the form of remittances), technology, knowledge, information, and waste. Rural-urban partnerships facilitates identification the different drivers of interactions and provides the rationale for possible policy interventions within a functional region.

RURAL-URBAN INTERRELATIONSHIPS “FUNCTIONAL REGION”



Source: OECD approach¹⁰⁴.

Unfortunately, data availability at municipal level by rural-urban disaggregation is very limited for deeper analyses in Georgia.

Demographic Linkages

Based on the Population Census (2014Y) rural population Borjomi municipality amounted to 39.9% (10,052) of total population and urban population reached 60.1% (15,162). Number of internal migrants is not identified.

The key mechanisms that facilitates migration flows to urban areas are social relations and networks. The number of emigrants from Borjomi Municipality equals 422 (205 Men, 217 Women). Remittances from migration can contribute to enhancement of welfare of rural households and to development of rural settlements.

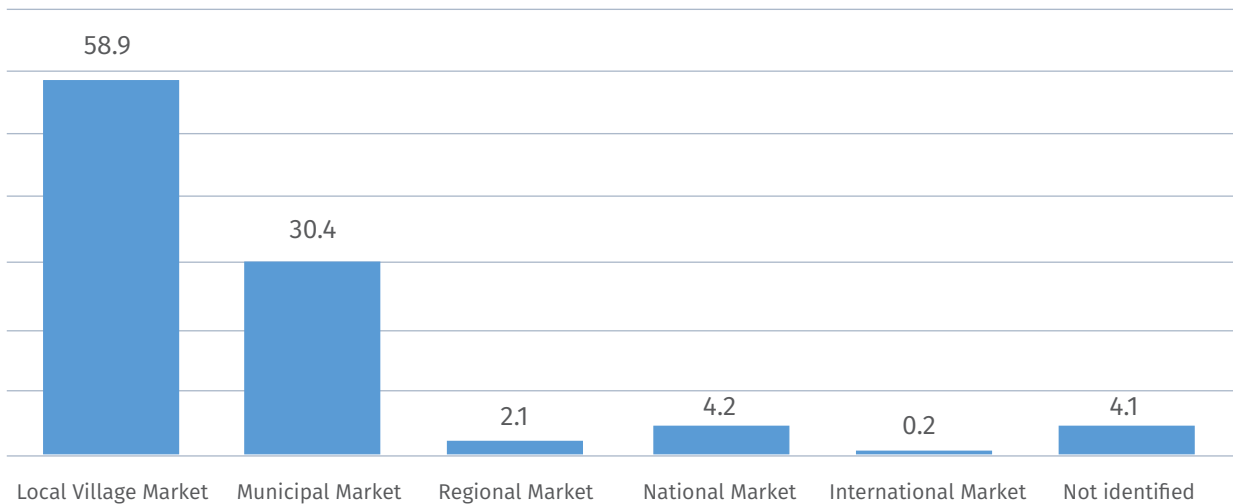
Economic Transactions and Innovation Activity

The form of rural urban linkages among others, is the movement of goods from the countryside (Village, Borough) to the city or vice versa as the transfer of agricultural products, industrial products and mining products, the movement of workforce, ideas and information especially from cities to villages, the movement of people in the form of recreation, urbanization, population mobility both in nature circulation or commutation.

Flow of Goods. The important component of rural-urban linkages is the flow of goods between urban and rural areas. The structure of local – Borjomi Municipality rural businesses who has access to the markets, demonstrates that rural entrepreneurs have some strong connections with local village (58.9%) and municipal (30.4%) markets, and very weak access to regional (2.1%), national (4.2%) and international markets (0.2%). These are flows of agricultural products going to urban and peri-urban areas. These are flows of agricultural products going to urban and peri-urban areas. An average percentage of products, produced by rural businesses which are sold in different markets is shown in the chart below:

104. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

AVERAGE PERCENTAGE OF PRODUCTS, PRODUCED BY RURAL BUSINESSES, SOLD IN DIFFERENT MARKETS¹⁰⁵



Source: UNDP, 2019.

The Movement of Workforce. The largest share in rural-urban employment has public sector and self-employment in Agriculture. Seasonal workforce migration is associated with ‘pulling’ migration inflows to urban centers as a result of increased demand for workforce in public, private sector and abroad (mainly in Turkey). Geographical location of the object of employment facilities in terms of rural-urban linkages in the municipality is provided below:

GEOGRAPHICAL LOCATION OF THE EMPLOYMENT FACILITY AND NUMBER OF EMPLOYED PERSONS¹⁰⁶

SECTOR	LOCATION	FROM MUNICIPAL CENTER	FROM VILLAGE	TOTAL
EMPLOYED IN THE PUBLIC SECTOR	To Village/ Borough	75	1650	1725
		10.4%	85.8%	65.2%
	To Municipal Center	204	112	316
		28.2%	5.8%	11.9%
	To City	444	162	606
	61.4%	8.4%	22.9%	
	Total	723	1924	2647
		100.0%	100.0%	100.0%
EMPLOYED IN THE PRIVATE SECTOR	To Village/ Borough	0	139	139
		0.0%	43.2%	17.1%
	To Municipal Center	0	0	0
		0.0%	0.0%	0.0%
	To City	491	183	674
	100.0%	56.8%	82.9%	
	Total	491	322	813
		100.0%	100.0%	100.0%
SELF-EMPLOYED	To Village/ Borough	298	9281	9579
		47.5%	96.5%	93.5%
	To Municipal Center	137	187	324
		21.9%	1.9%	3.2%
	To City	192	150	342
	30.6%	1.6%	3.3%	
	Total	627	9618	10245
		100.0%	100.0%	100.0%
EMPLOYED IN THE FAMILY BUSINESS	To Village/ Borough	134	641	775
		35.9%	100.0%	76.4%
	To Municipal Center	67	0	67
		18.0%	0.0%	6.6%
	To City	172	0	172
	46.1%	0.0%	17.0%	
	Total	373	641	1014
		100.0%	100.0%	100.0%

Source: UNDP, 2019.

105. Business Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019.

106. Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019

Market Potential and Role of Intermediary Cities

Cities play important role in raising rural areas out of poverty. Therefore, it is important to evaluate how the municipalities relate to the closest intermediary cities (population of more than 50,000).

Based on the methodology used by the World Bank (2018a), market potential of a city is determined by the access a city possesses to a network of other cities. The market potential of a city is the ratio between the sum of the populations of all other cities in the country relative to the sum of the travel times to those other cities from the reference city. Similar approach could be used to evaluate the potential of the municipality.

According to the methodology, Borjomi municipality is one of the least economically disadvantaged municipalities of the target group, considering its distance to large cities.¹⁰⁷ The municipality ranks 3th among the target 8 municipalities.

MARKET POTENTIAL INDEX FOR THE MUNICIPALITY

DISTANCES TO MAJOR CITIES (KM)	MAJOR CITIES / POPULATION			MARKET POTENTIAL		
	BATUMI 116000	TBILISI 1140700	KUTAISI 138200	WEIGHTED INDICATOR	RANK AMONG 8	INDEX
TETRITSKARO	448	62	292	19281	1	1.00
DEDOPLISTSKARO	517	131	361	9322	2	0.33
BORJOMI	285	160	129	8602	3	0.28
KAZBEGI	483	154	327	8085	4	0.24
LAGODEKHI	544	158	388	7803	5	0.22
AKHALKALAKI	386	180	246	7197	6	0.18
KEDA	39	425	189	6381	7	0.13
KHULO	81	467	231	4473	8	0.00

Source: Authors' Calculations.

107. South Caucasus in Motion, The World Bank, 2019

7 Annex

Interventions

List of References And Sources Of Information

List of Consulted Key Stakeholders

Team of Experts

Potential Skills Demand-Supply Balance

Social Programs

Biodiversity of Borjomi-Kharagauli National Park and

Ktsia-Tabatskuri Managed Reserve

Natural Hazard Profile of Borjomi Municipality

INTERVENTIONS

P1 - (Economy and Multisector Development) - Interventions

ACTION TITLE	P1-EC01 - TECHNICAL ASSISTANCE PROGRAM
RATIONALE	The objective of this program is to provide targeted and customised technical assistance to the municipality administration, the regional DMO as well as to the individual enterprises to find ways of inclusion into the national and global value chains. Tourism sector could be the first target of this program and efforts should cover developing new tourism products and experiences, with the international appeal and capable to be included into the national and international value chains.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 2. Supporting non-farm industry and promoting new investment opportunity is in line with the Local Development Strategy, Borjomi Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating discovering new feasible business ideas.
IMPLEMENTATION MODALITIES	The initial stage of the screening ideas could be carried out by IRDG project, which will include commissioning international consultants in the relevant sectors (e.g., Birdwatching expert). Once the capacity of the DMO and the government is in place, the second stage of the program could be implemented by them.
FACILITATING ARRANGEMENTS	Some synergies could be achieved in connection to GNTA, international and donor organizations (e.g., USAID, ADA), who are working in the same sectors and areas in the municipality/region.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on developing the products and assisting to the enterprises coming from the youth and women as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Future owners and employees of the tourism enterprises created or involved into the global value chains. Indirect beneficiaries: Local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Pooling and qualifying ideas and enterprises/organizations for the program; 2. Commissioning consultants for technical assistance work Outputs: a) Number of existing companies involved into the national/international value chains b) Number of newly created products of national/international appeal

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							100,000 – 150,000	Municipality local authority, the regional DMO, in coordination with the responsible parties
2.								

ACTION TITLE	P1-EC02 - E-COMMERCE PERPROGRAM
RATIONALE	Integrating rural areas into the global value chains is a top policy instruments among the best practices of rural development. COVID-19 accelerated shift towards e-commerce. Finding ways to put the individual companies into e-commerce platforms can be a new post-COVID-19 challenge and a huge opportunity to be integrated into the global value chains. Especially DCFTA provides a good foundation for this. The objective is to identify eligible enterprises and provide them individual technical assistance on their journey towards this end – selling their inputs to the global companies or selling in retail through online as well as participate in virtual exhibitions and trade shows.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 4 (namely 4.2.). Increasing involvement of the non-farm industry in the international value chains and markets is in line with the Local Development Strategy, Borjomi Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and possibly 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
IMPLEMENTATION MODALITIES	The initial stage of the project should be collecting the applications and ideas from eligible companies who want to commercialize their inputs/final products to the global markets or selling online in the leading international online retail platforms. This process could be carried out by IRDG project, which will require involvement of an international expert in e-commerce.
FACILITATING ARRANGEMENTS	Some synergies could be achieved with international and donor organizations (e.g., EU4Georgia project), who are working in the same area.
SPECIFIC MEASURES FOR COVID-19	Shift and more appeal towards online trade is an immediate result of the COVID-19 pandemic.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on developing the products and assisting to the enterprises coming from the youth and women as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Owners and employees of the enterprises who will start e-commerce and start selling nationally / internationally. Indirect beneficiaries: Local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Pooling and qualifying ideas and enterprises/organizations for the program; 2. Commissioning consultants for technical assistance work Outputs: a) Number of existing companies involved into the national/international e-commerce b) Number of newly created products of national/international appeal

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							50,000-100,000	Municipality local authority and the regional government, in coordination with the responsible parties
2.								

ACTION TITLE	P1-EC03 - EXPLORING SOURCES OF COMPETITIVENESS AND SPECIALIZATION
RATIONALE	Sectors in the municipality do not perform equal: some of the specialized sector loose relative competitive advantage and competitiveness. Other not very unspecialized sectors, on the contrary, gain competitiveness. These are the cases where interventions are necessary first to understand the root-causes of such dynamics. More in-depth studies are needed in this regard.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 3. Identifying the sources of competitiveness as well as challenges of non-farm industries is in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
IMPLEMENTATION MODALITIES	The project could be carried out by IRDG project in cooperation ARDA. IRDG will write TORs for the studies. ARDA can recruit and commission consultants to develop the sector assessments, which will enhance the capacities of ARDA in preparing sector assessments.
FACILITATING ARRANGEMENTS	The sectors which showed underperformance in the municipal assessment reports each municipality will be selected. Each municipality will be done at a time.
SPECIFIC MEASURES FOR COVID-19	The sectors which suffered most from COVID-19 crisis will be of priority. These are Immediate Impact Group and delayed Negative Impact Group of sectors (as classified by Galt & Taggart)
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	The sector assessments will have dimensions of youth and women as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: The local municipality and selected sectors as a whole as well as enterprises in these sectors, who will be offered some measures as a result of the assessments. Indirect beneficiaries: The local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Developing TORs; 2. Commissioning consultants to do feasibilities; 3. Do actual studies Outputs: Detailed sector assessments (about 5) in each of the 8 municipalities

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							80,000-120,000	Municipality local authority, the regional government, in coordination with the responsible parties
2.								
3.								

ACTION TITLE	P1-EC04 - FEASIBILITY STUDY PROGRAM
RATIONALE	Showcasing economically feasible new ideas to the entrepreneurs in and out of the municipality will stimulate thinking and also facilitate starting new non-farm businesses in the municipality, which will be built upon key comparative advantages of the municipality.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 2. Supporting non-farm industry and promoting new investment opportunity is in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating discovering new feasible business ideas.
IMPLEMENTATION MODALITIES	The initial stage of the screening ideas could be carried out by IRDG project. The second stage of the program could be implemented through ARDA, who will recruit and commission consultants to develop the feasibilities.
FACILITATING ARRANGEMENTS	Some synergies could be achieved in connection to GNTA, Enterprise Georgia, GITA, to collect and screen the ideas
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on promoting the business ideas coming from the youth and women as well as IDPs and other vulnerable groups. Communication of the results of the feasibility studies should be made among these groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: be the existing and future entrepreneurs who are interested to develop new ideas in the municipalities. Indirect beneficiaries: future employees of the businesses to be created and local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Pooling ideas; 2. Commissioning consultants to do feasibilities Outputs: a) A short-list of ideas for feasibilities b) Feasibility studies of new businesses (about 5)

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							100,000 - 170 000	Municipality local authority, the regional government, in coordination with the responsible parties
2.								

ACTION TITLE	P1-EC05-01 - PRODUCTIVITY REALLOCATION - SKILLS DEVELOPMENT PROGRAM
RATIONALE	There is a notable gap in the municipality in terms of productivity, across and within the sectors. There is no reason why the non-performing sectors and firms should not catch up. Reallocation measures might include the efforts to raise the skills of the workforce, which would help them move to more productive jobs. This will include targeted training programs for different sectors of the municipality aimed at enhancing skills of the employees. (The detailed list of skills identified for the municipality is provided in the Annex of the document)
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 1. Raising overall output of the local economy is in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating moving resources towards more productive enterprises and sectors.
IMPLEMENTATION MODALITIES	IRDG project could specify the eligible sectors (based on this report as well as additional research) in the municipality and develop training curriculum specifically addressing the needs of each sector under 2.3.1. Skills development program. The second stage of the program could be implemented through ARDA, who will recruit and commission trainers.
FACILITATING ARRANGEMENTS	When it comes to the workforce development, some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on developing skills of youth and women as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: The employees of the municipality. Indirect beneficiaries: The employers, who will benefit through better trained staff, as well as local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Select eligible sectors; 2. Develop training program 3. Deliver trainings Outputs: a) Short listed sectors and their training needs b) Training materials c) Trained employees by sectors (about 2-3 sectors and about 20 or so in each sector)

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							150,000-250,000	Municipality local authority, the regional government, in coordination with the responsible parties
2.								
3.								

ACTION TITLE	P1-EC05-02 - PRODUCTIVITY REALLOCATION - TECHNOLOGY UPGRADE
RATIONALE	There is a notable gap in the municipality in terms of productivity, across and within the sectors. There is no reason why the non-performing sectors and firms should not catch up. Reallocation measures might include providing incentives (including tax incentives, feasibility of which should be discussed with the GoG) to the existing companies to spend more on better technology and catch up with best performers. This will include cost-sharing grant financing for the non-farm enterprise to upgrade their technology, which will enhance automatically productivity of their employees.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 1. Raising overall output of the local economy is in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural-related value chain and promoting various sustainable non-agricultural activities). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating moving resources towards more productive enterprises and sectors.
IMPLEMENTATION MODALITIES	IRDG project could specify the eligible sectors (based on this report as well as additional research) in the municipality and develop grant program specifically addressing the needs of each sector. The second stage of the program could be implemented through ARDA, who will accept applications and issues grants.
FACILITATING ARRANGEMENTS	When it comes to the technology transfer and upgrade, some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on enterprises run by youth and women as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: The eligible non-farm enterprises of the municipality. Indirect beneficiaries: The employees, who will benefit from better technology and possibly higher productivity and corresponding wages. Indirect beneficiaries will also be local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Write detailed program 2. Arrange funds 3. Identify and accept applications from eligible sectors and enterprises 4. Launch the program. Outputs: a) Program concept document b) Accepted budget c) Issued grant

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart	
1.	■						500,000 – 1,000,000	Municipality local authority, the regional government, in coordination with the responsible parties	
2.	■	■							
3.		■	■						
4.		■	■	■					

ACTION TITLE	P1-EC06 - WORKFORCE GROWTH PROGRAM
RATIONALE	Women are less actively involved in the labour force, resulting in unearned output of the economy. The objective of this intervention is to increase qualified supply of local labour force through the means of: a) promotion of participation of women in labour force and alleviating limiting the social norms; b) providing the sufficient skillset, leading to productive jobs c) providing local high quality services for childcare to enable them free out their household time. While all of the approaches are justified to stimulate and empower women to be involved in the economy to a greater extent, component “a” is more of an immediate attention, whereas “b” objective could be addressed through other interventions and “c” also should be further explored and addressed as part of the interventions under the broader Society priority.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 6. Promoting economic participation of women and raising overall output of the local economy is in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities). This initiative will complement and make a perfect synergy with the ongoing IRDG project by stimulating more active involvement of women into entrepreneurship and economic activity.
IMPLEMENTATION MODALITIES	IRDG program could specify the design of the campaign program. The execution of the program could be done by ARDA. The creative agency could be used to come up with the message box and the campaign program.
FACILITATING ARRANGEMENTS	When it comes to the workforce development as well as technology transfer, some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on developing skills of youth and women as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: The women employees of the municipality. Indirect beneficiaries: The employers, who will benefit through better trained staff, as well as local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Design the campaign; 2. Carry out campaign. Outputs: a) Campaign brief and design b) Conducted campaign

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							50,000 – 100,000	Municipality local authority, the regional government, in coordination with the responsible parties
2.								

ACTION TITLE	P1-RU01 – EXPLORING RURAL-URBAN LINKAGES (ECONOMY)																																														
RATIONALE	Rural-urban linkages is one of the cross-cutting areas, which requires multifaceted approach. Focus on the use of industrial clusters, economic corridors and transport infrastructure to facilitate trade in goods, services and human resources between complementary activities and to incorporate remote areas into regional markets is important. Investing in infrastructure development to establish industrial areas located in secondary and tertiary cities where labor is cheaper can also be considered. Broad investments in transportation networks help integrate local economies into regional markets; heavy investments in human capital, including health, education, and public services are also very important. Overall, the case studies show that successful “rural” development strategies are not limited to policies that explicitly target rural areas. Rather, they integrate rural areas into national policy, building on the diverse links between rural and urban areas to make rural areas more resilient, productive contributors to the national economy. Stemming from the logic of eligible policies, fostering rural-urban linkages for the municipality first of all considers understanding the role of the municipality within the greater national economy of Georgia. Identifying the emerging non-farm sector clusters, economic corridors and other contexts, which can help the municipality become an integral part of the national economy. This require an integrated approach and a separate study exploring the municipality and its rural-urban context.																																														
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 4. Understanding the obstacles of rural development in the areas of rural-urban linkages is in line with Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).																																														
IMPLEMENTATION MODALITIES	The specification of the study should be carried out by IRDG project. The second stage of the program could be implemented through ARDA, who will recruit and commission consultants to develop the studies. The interventions required in the direction of rural-urban linkages will be revealed as a result of the study.																																														
FACILITATING ARRANGEMENTS	NA																																														
SPECIFIC MEASURES FOR COVID-19	None identified at this moment																																														
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on promoting the rural-urban linkages of enterprises owned and run by the youth and women as well as IDPs and other vulnerable groups. Communication of the results of the feasibility studies should be made among these groups.																																														
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: IRDG program, who will have a clear understanding of the rural-urban linkage requirements and potential of the economy of the municipality. Indirect beneficiaries: Enterprises and their employees from the sectors for which the interventions will be identified; local population and local community as a result of greater economic diversification.																																														
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Develop TORs; 2. Commission consultants and do actual studies Outputs: Detailed assessments or rural-urban linkages in each of the 8 municipalities																																														
PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.																																															
<table border="1"> <thead> <tr> <th>n</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>Approx. Costs (GEL)</th> <th>Responsible Party / Counterpart</th> </tr> </thead> <tbody> <tr> <td>1.1</td> <td style="background-color: #1a3d54;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td rowspan="5">30,000 – 50,000</td> <td rowspan="5">Municipality local authority, the regional government, in coordination with the responsible parties</td> </tr> <tr> <td>1.2</td> <td style="background-color: #1a3d54;"></td> <td style="background-color: #1a3d54;"></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1.3</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1.4</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1.5</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart	1.1							30,000 – 50,000	Municipality local authority, the regional government, in coordination with the responsible parties	1.2							1.3							1.4							1.5						
n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart																																							
1.1							30,000 – 50,000	Municipality local authority, the regional government, in coordination with the responsible parties																																							
1.2																																															
1.3																																															
1.4																																															
1.5																																															

ACTION TITLE	P1-EC07 - ACCESS TO FINANCE PROGRAM
RATIONALE	Already covered by the current grant component.

108. Rural Policy 3.0. A Framework For Rural Development, OECD, 2018.; A New Rural Development Paradigm for the 21st Century - A Toolkit For Developing Countries, OECD, 2016.

ACTION TITLE	P1-EC08 – AFTER COVID-19 RE-LAUNCH OP-EX FINANCING
RATIONALE	During the COVID-19 pandemic, working capital for many SMEs dried up due to the combination of the contracted/diminished demand and the continuous running costs. In the post COVID-19 period, working capital financing will be needed for many companies to purchase inputs, pay to the workers and restart operations. Such financing products which targets working capital financing does not exist on the market. The program should be aimed at facilitating creation and offering specially designed working capital financing products by financial institutions (banks and MFOs) which considers specifics of the current situation. It is expected that the demand on such working capital will increase during the course of the post-pandemic period.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 3 and namely the 3.1. Access to Finances, especially for such new type of needs as working capital needs of the enterprises. Promoting access to finances for the rural enterprises in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
IMPLEMENTATION MODALITIES	IRDG program could specify the design of the program together with the leading finance institutions. The execution of the program could be done by ARDA and participating finance institutions.
FACILITATING ARRANGEMENTS	Special arrangements should be made within the existing scheme and framework of cooperation between the finance institutions and ARDA to offer such new product. Some synergies could be achieved with the ongoing other access to finance programs (e.g., credit guarantee scheme) offered by the GoG through the financial institutions recently as a response to the pandemic.
SPECIFIC MEASURES FOR COVID-19	Fully related to the needs created by COVID-19.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made the enterprises run by women and young managers as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Enterprises, potential beneficiaries of the working capital financing. Indirect beneficiaries: The local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Write detailed program 2. Secure funds 3. Identify and accept applications from eligible sectors and enterprises 4. Launching the program. Outputs: a) Program concept document b) Accepted budget c) Loan issuance

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							1,000,000-5,000,000	Municipality local authority, the regional government, in coordination with the responsible parties
2.								
3.								
4.								

ACTION TITLE	P1-EC09 – AFTER COVID-19 COMPLIANCE FINANCING
RATIONALE	Regulations following the post COVID-19 period in the country represent considerable additional burden for most companies in terms of both additional costs (additional equipment and consumable as well as staff responsible for the check-up) as well as decreased capacities (e.g., less guests for the restaurants considering the space limitations). These costs are particularly high for the enterprises from the tourism industry. In the conditions of the overall economic slowdown in the country, these additional expenses might represent significant obstacle for many small and medium businesses on their way to get back to business as usual. The program should be aimed at providing additional small grant financing for the companies to comply to the rules.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 3 and namely the 3.1. Access to Finances, especially for such new type of needs as compliance costs to new unforeseen regulations. Promoting access to finances for the rural enterprises in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
IMPLEMENTATION MODALITIES	IRDG program could specify the design of the program and detailed budget. The execution of the program could be done by ARDA. The separate financial resources should be allocated for this project.
FACILITATING ARRANGEMENTS	The grant will be aimed at providing up to 50% small/micro grants to the eligible enterprises for purchasing new equipment and making adjustments pursuant to the new regulations. Some synergies could be achieved with the ongoing other donor projects aimed at reducing the direct impacts of COVID-19 pandemic for private enterprise.
SPECIFIC MEASURES FOR COVID-19	Fully related to the needs created by COVID-19.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made the enterprises run by women and young managers as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Enterprises, potential beneficiaries of the compliance grant. Indirect beneficiaries: The local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Write detailed program; 2. Secure funds; 3. Identify and accept applications from eligible sectors and enterprises 4) Launch the program. Outputs: a) Program concept document b) Accepted budget c) Grant issuance

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							400,000-500,000	Municipality local authority, the regional government, in coordination with the responsible parties
2.								
3.								
4.								

ACTION TITLE	P1-EC10 - STRENGTHENING VOCATIONAL EDUCATION
RATIONALE	The project aims to develop a flexible vocational education mechanism that would be suitable for labour market requirements. These will provide the development of quality competences for the economically active population of the municipality. Also, the objectives of the project are the training of competent staff for the local labour market and their employment. Hence the national, regional, or municipal strategic documents, as well as based on the qualitative research tourism, Environmental Protection, and construction are the most priority sectors in the municipality. Several directions of tourism (ecotourism, rural tourism, adventure tourism, mountain tourism) have been identified, where qualified labour is required.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 1 (1.2. Limited Skills). Preparing a workforce for the tourism sector is in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating development of the skills.
IMPLEMENTATION MODALITIES	At the initial stage, the activities will be carried out as part of the ADB (Asian Development Bank) project. Further activities should continue as part of a public-private partnership. The Ministry of Education and Science will finance the implementation of vocational training programs.
FACILITATING ARRANGEMENTS	Some synergies could be achieved in connection to the Ministry of Education and Science and donor organizations, who are working in the same sectors and areas in the municipality/region.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus will be directed from the youth and women as well as vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Local population and the local community. Indirect beneficiaries: Future owners and employees of the tourism enterprises created or involved in the global value chains.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: Activities from 1.1. through 1.6. (creating the environment and implementing the training courses and programs); Outputs: 1. The capacity of educational institutions is being strengthened; 2. Qualified teaching staff have been trained; 3. Market-oriented, flexible training/retraining programs have been developed 4. An optimal and affordable educational network has been created

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	Approx. Costs (GEL)	Responsible
1.1. Creating a learning environment	■	■			The investment will be made by ADB	Vocational Colleges, Municipality, in coordination with the responsible parties
1.2. Teachers training in pedagogical and professional skills		■				
1.3. Implementation of training courses in Tourism vocations		■	■	■		
1.4. Implementation of training courses in Entrepreneurship		■	■	■		
1.5. Implementation of training courses in Construction voc.		■	■			
1.6. Implementation of training courses in Envir. Protection		■	■	■		
Total						

ACTION TITLE	P1-YU01. YOUNG CEO INCENTIVE PROGRAM
RATIONALE	Enterprises run by young entrepreneurs and managers, with higher education, show better productivity performance. The idea is to provide incentives of existing companies to bring new younger people on the positions of CEO/Manager. This could be accomplished by a financial subsidy as well as other types of assistance to the existing local enterprises to attract young managers, possibly from the same municipality, with higher education and skills and innovation mindset. This initiative will complement and make a perfect synergy and complement with the ongoing IRDG project by stimulating more active involvement of the youth into entrepreneurship and economic activity (For instance, as an experiment, the scheme might involve subsidising of the salary of the young managers up to 50% during 1-15 years).
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 5. Promoting economic participation of youth and raising overall output of the local economy is in line with the Local Development Strategy, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
IMPLEMENTATION MODALITIES	IRDG program could specify the design of the program and detailed budget. The execution of the program could be done by ARDA. The separate financial resources should be allocated for this project.
FACILITATING ARRANGEMENTS	Some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA. On top of the direct subsidy, other types of financial assistance such as income tax relief/arrangements could also be considered and discussed with the GoG.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on developing potential women managers as well as IDPs and other vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Local youth (potential candidates of for the program as well as eligible enterprises. Indirect beneficiaries: The local population and local community as a result of greater economic diversification.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Write detailed program; 2. Secure funds; 3. Identify and accept applications from eligible sectors and enterprises; 4. Launching the program. Outputs: a) Program concept document b) Accepted budget c) Subsidised cases (up 5 companies in each sector)

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart	
1.	■						300,000 – 500,000	Municipality local authority, the regional government, in coordination with the responsible parties	
2.	■	■							
3.		■	■						
4.		■	■						

ACTION TITLE	P1-YU02 - VULNERABLE YOUTH SOCIAL ENTREPRENEURSHIP AND SMALL GRANT PROGRAM
RATIONALE	Social entrepreneurship defiantly is one of the ways for economic diversification especially in remote and rural areas. A social enterprise is a legal entity focused on solving economic problems, which spends part of the profits of the enterprise to solve a social problem, for example for the needs of vulnerable groups. With this regard program will be effective to have positive impact on improved rural economic diversification.
RELEVANCE	Promotion of social entrepreneurship was one of the main priorities of Children and Youth National fund, during 2013-2016, it is one of the priorities of State youth agency as well. The intervention addresses the root-cause Group 5 (Limited economic participation of youth). The intervention is in line with Local Development Strategy of the municipality, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
IMPLEMENTATION MODALITIES	Involvement in training and other activities planned within the project will allow participants to improve knowledge and experience in business planning and financial accounting, product development and marketing. Participants will be able to learn more about the tasks and goals of social enterprises, establish a connection with peers, and plan together to carry out future activities. Successful participants will have opportunity to finance small scale social entrepreneurship ideas.
FACILITATING ARRANGEMENTS	Partnership between local municipal authority, IRDG, State youth agency and partner organization will support successful implementation of the project and contribute to the creation of jobs and the diversification of opportunities for young people.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Young Social Entrepreneurs Program aims at operating based on principals of entrepreneurship, but focuses on social mission, hence targeting the needs of special groups will be considered
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: youth, non-profit organizations or start-ups that have a sustainable business idea, clearly defined for social purposes. Indirect beneficiaries: youths who will be able to get employed in entrepreneurial activity.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Develop a detailed program; 2. Conduct training on social entrepreneurship; 3. Supporting social initiatives; 4. Program evaluation, completion Outputs: a) developed training program; b) up to 30 trained youth; c) Up to 5 supported startup initiatives; at least 10 employed youth.

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							10,000	Municipality local authority, Youth Agency, in coordination with the responsible parties
2.							20,000	
3.							40,000	
4.							5,000	
TOTAL							75,000	

ACTION TITLE	P1-YU03 - WORK-BASED VOCATIONAL TRAINING FOR BORJOMI YOUTH
RATIONALE	Young people with little or no work experience, have low chances to find a job. As a result, the numbers of NEET youth will increase. It is also notable that need for professional and skill workforce is increasing in Borjomi following to tourism and related sector development. With this regard work-based vocational training for youth will be the best option to reduce number of NEET youth and make effective and sustainable impact on improved rural economic diversification.
RELEVANCE	Based on Borjomi local development strategy, vocational education, training and skills development is one of the priorities of the municipality. With this regard proposed intervention will be relevant to the local needs of the young people. The intervention addresses the root-cause Group 5 (Limited economic participation of youth). The intervention is in line with Local Development Strategy of the municipality, Borjomi Municipality Tourism Development Masterplan 2020 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
IMPLEMENTATION MODALITIES	On the first step the project envisages to establish partnership with major private sector representatives in the field of tourism, agriculture, trade, natural resources and other developed industries and in cooperation with them to identify the need for professional and skilled staff needed for the sector, on the second stage project participants will be selected who will take the basic professional course and will be able for a certain period of time to practice their knowledge and skills in the real working environment.
FACILITATING ARRANGEMENTS	Synergy between private sector and vocational educational institutions will be important within the project. After the end of the project, participants will have more opportunities to find a job in a similar business sector as practical experience is always added value for employers.
SPECIFIC MEASURES FOR COVID-19	N/A
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	N/A
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: 15-25-year-old youth in the municipality; Indirect beneficiaries: Companies who will be able to give an employment opportunity to already trained youth for specific job.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Establish partnership with local business representatives; 2. Identify the areas where is a need for professional and skilled workers; 3. Develop vocational training programs for youth; 4. Conduct work-based trainings Outputs: a) Up to 30 young people have completed a basic vocational education course; b) Up to 30 participants have completed work-based vocational training; c) Up to 15 participants are permanently employed

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							5,000	Municipality local authority, GITA and Youth Agency, in coordination with the responsible parties
2.							10,000	
3.							25,000	
4.							20,000	
	TOTAL						60,000	

P1 - (Economy and Multisector Development) - Results Framework

Project Title: **Increasing Incomes Through Diversification and Elimination of Resource Misallocation**

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program Goal: Increasing incomes of the municipality residents through non-farm employment and diversified economy</p>	<p>Measure of Goal Achievement:</p> <ul style="list-style-type: none"> • Growth of incomes from employment and entrepreneurship 	<ul style="list-style-type: none"> • Survey of businesses operating in the municipality • Survey of households in the municipality • Official statistics of Geostat 	<ul style="list-style-type: none"> • The key assumption is that other economic fundamentals remain stable
<p>Project Purpose: Maximizing overall output and value added in the municipality with limited existing labor supply, through reducing resource misallocation among and within individual sectors in the municipality, activating youth and women, and providing business opportunities to the local population</p>	<ul style="list-style-type: none"> • Dispersion of productivity of individual firms within the each of the industries is reduced considerably measured by the size of standard deviation in relation to the mean • Differences of the productivity of various sectors become smaller • Overall output and value added by business sectors is increased • More youth and women are involved into the economy (labor force, entrepreneurship) 	<ul style="list-style-type: none"> • Survey of businesses operating in the municipality 	<ul style="list-style-type: none"> • The key assumption is that other production factors such access to capital does not become limited and the sectors demand continue to grow.
<p>Outputs:</p> <ul style="list-style-type: none"> • Employees of the selected industries trained • Feasibilities/investment proposals prepared • New competitive sectors identified • Additional financial incentives provided • Additional incentives provided to youth and women to be involved into the economy • Facilitating arrangements made related to rural-urban linkages • Capacity of the regional DMO improved and assistance provided • New VET courses are developed and offered locally 	<ul style="list-style-type: none"> • At least 2 industries, with high dispersion of productivity among firms within the sectors and 2 industries, whose productivity are lower than the other sectors are addressed • At least 10 people retrained in each selected sector • At least 5 new feasibilities are prepared for non-farm businesses • New 10-20 new VET courses are offered locally • At least 2-3 projects are implemented under rural-urban linkages auspices 	<ul style="list-style-type: none"> • Project reports • Periodic assessments 	<ul style="list-style-type: none"> • The key assumption is that the people with new skills find new and better jobs in the same of different industry in the same municipality and they do not move elsewhere • Another key assumption is that new feasibility studies stimulate local and other entrepreneurs • There are enough economically feasible applications for financing
<p>Inputs: Design and implement programs under P1 (From P1-EC01 through P1-EC10 which are related to: a) Promoting rural industries; b) Promoting access to finance, credits and markets; c) Integrating rural areas into global value chains; d) Promoting sustainable tourism. On top of that, implement cross-cutting programs related to a) Activating youth women and involving them into the economy (P1-YU01, P1-YU02; P1-YU03 P1-GE01); b) Exploring and promoting rural-urban linkages (P1-RU01)</p>	<ul style="list-style-type: none"> • To be developed 	<ul style="list-style-type: none"> • Project reports and budgets 	<ul style="list-style-type: none"> • The key assumptions are that: a) There is enough interest among the people from the industry to upgrade skills b) The best trainers and the best training modules are selected c) there are sufficient number of feasible ideas

P2 - (Society) - (Social Dimension) - Interventions

ACTION TITLE	P2-SO01- SOCIAL SERVICE DEVELOPMENT PROGRAM							
RATIONALE	The main challenges for all municipalities in Georgia are: lack of services for vulnerable groups and adequate social protection of local population. Local municipality social programmes are limited and do not cover all groups of population. One-time cash benefits are ineffective. For providing adequate services and support inclusion of vulnerable groups, the municipality needs relevant databases and information on real needs of vulnerable groups, based on the assessment. All stakeholders agree that existing municipal social programmes are limited, are not effective and the transformation of cash benefit into services is main challenges for all municipalities.							
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 2 and 3 and namely the 2.1, and 3.1, 3.2, 3.3							
IMPLEMENTATION MODALITIES	Central government and local municipality							
FACILITATING ARRANGEMENTS	When it comes to the social service development, some synergies could be achieved with the ongoing other donor projects							
SPECIFIC MEASURES FOR COVID-19	Fully related to the needs created by COVID-19							
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on children, PWD, households who received TSA							
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: children for vulnerable families, persons and children with disabilities, the elderly, IDPs. Indirect beneficiaries: local community, who will benefit from reduction of social risks, as well as local population and local community as a result of inclusion of various groups							
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Develop databases of vulnerable groups; 2. Detailed assessments of needs of vulnerable groups in each of the 8 municipalities; 3. Transformation of local budget social programmes from one-time cash benefit to services Outputs: 1) Complete databases of vulnerable groups; 2) Needs assessment reports; 3) New social services portfolio for municipality.							
PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.								
n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							20 000	Local authority of the municipality, in coordination with the responsible parties
2.							50 000	
3.							500 000	

ACTION TITLE	P2-SO02 - CAPACITY BUILDING OF COUNSELING BOARDS
RATIONALE	In every municipality exist PWD councils but the participation of community is very low and the functions of the councils in many cases are formal.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 4 and namely the 4.1, 4.2, and 4.3
IMPLEMENTATION MODALITIES	Local municipality, Local NGOs
FACILITATING ARRANGEMENTS	When it comes to the trainings of community members, some synergies could be achieved with the ongoing other donor projects
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on PWD
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: persons with disability. Indirect beneficiaries: The municipality, who will benefit through better trained community leaders, as well as local population and local community as a result of full participation of community representatives in decision making process
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Trainings of community members; 2. Increase capacity of local councils Outputs: 1) Training materials and manuals 2) Trained community members (20-25 persons); 3) Adoption of new regulations for local councils.

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							10 000	Local authority of the municipality, in coordination with the responsible parties
2.							25 000	
3.							15 000	

ACTION TITLE	P2-SO03 - TRAINING OF PERSONNEL OF LOCAL AUTHORITIES
RATIONALE	Despite the recent changes (new law on social work, Code on the Rights of the Child), social units of the local municipalities still have a lot of challenges - limited and unskilled personnel, insufficient financial resources, lack of professional social workers. Also, the local community who represents the vulnerable groups is still in need of support and development. The new Law on Social Service increase the function of local social services and state new standards.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 1 and namely the 1.1 and 1.2
IMPLEMENTATION MODALITIES	Local municipality and central government
FACILITATING ARRANGEMENTS	When it comes to the trainings of the municipality staff, some synergies could be achieved with the ongoing other donor projects
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on representatives of vulnerable groups
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: The employees of the municipality. Indirect beneficiaries: local population and local community as a result of effective social policy and programmes
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: Increase capacity of municipalities social unit Output: 1) Training materials and manuals developed; 2) Trained Social unit staff (10 persons) of the local authorities.

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							5 000	Local authority of the municipality, in coordination with the responsible parties
2.							25 000	

ACTION TITLE	P2-SO04 - INSTITUTIONAL AND FINANCIAL CAPACITY BUILDING FOR SERVICE PROVIDERS AND SOCIAL ENTERPRISES
RATIONALE	The most important part of inclusion vulnerable groups is giving them needed social services and support their employment. Establishment of social service providers without governmental/donor support is practically impossible especially in mountainous regions. Nowadays, vulnerable groups from Borjomi municipality have limited access to social services and COVID-19 impact practically isolated this category from society. Vulnerable groups, especially in the post pandemic period, are not competitive on labour market and they need special condition and employment support. Social entrepreneurship is a great opportunity for income generation for such groups.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree Causes Group 2 and namely the 2.1 and 2.2
IMPLEMENTATION MODALITIES	Local government with support of donors
FACILITATING ARRANGEMENTS	When it comes to the establishment of service providers and financing of social enterprises, some synergies could be achieved with the ongoing or future donor projects
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on working age population receiving TSA, PWD
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: working age population. Indirect beneficiaries: socially vulnerable population who received social services, as well as local population and local community as a result of new services
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Special trainings for become service provider or social enterprise; 2. Access to financial resources Outputs: 1) Training materials and manuals 2) Trained social service providers and social enterprise. 3) New social programmes developed.

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							10 000	Local authority of the municipality, in coordination with the responsible parties
2.							40 000	
3.							600 000	

P2 - (Society) - (Social Dimension) - Results Framework

Project Title: **Development of Local Social Protection Framework and Serveries for Vulnerable Groups**

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><u>Program Goal:</u> Development of inclusive society</p>	<p><u>Measure of Goal Achievement:</u></p> <ul style="list-style-type: none"> Decrease of poverty in vulnerable groups and increase social services in Borjomi municipality 	<ul style="list-style-type: none"> Social service agency reports Borjomi municipality Social programmes social programmes for Borjomi municipality 	<ul style="list-style-type: none"> The key assumption is that other economic fundamentals and state budget remain stable
<p><u>Project Purpose:</u> Development of social services and programmes for vulnerable groups and decrease poverty and increase wellbeing of local community members</p>	<ul style="list-style-type: none"> The number of vulnerable groups household in TSA is decreased The number of persons form vulnerable groups receiving social services is decreased The number of persons form vulnerable groups working goes up 	<ul style="list-style-type: none"> SSA monthly report Local municipality programmes report Household survey 	<ul style="list-style-type: none"> The key assumption is that the local municipality budget is increased progressively, and donors supports social programmes
<p><u>Outputs</u></p> <ul style="list-style-type: none"> Development of the new social services for vulnerable groups Development local social protection schemes for vulnerable groups; Increase of participation of representatives of vulnerable groups in decision making process Creation income generation programmes for vulnerable groups 	<ul style="list-style-type: none"> At least 6 new services will be developed At least 4 new social protection programmes form local budget will be developed Local councils' (PWD, Gender) effectiveness will be increased New Social enterprises/ social services give possibility most vulnerable groups income generation 	<ul style="list-style-type: none"> Project reports Municipal reports 	<ul style="list-style-type: none"> The key assumption is that representatives of municipality agreed on real changes in social programmes Another key assumption is that a donor organization will support creation of new services/ social enterprises
<p><u>Inputs: Activities and Types of Resources</u> Activities envisioned by the proposed interventions from P2-SO01 through P2-SO04, including:</p> <ol style="list-style-type: none"> Trainings of local municipality staff Trainings of community members Creation of data base of vulnerable groups Need assessment of vulnerable groups Development of new social protection schemes and services based on the need assessment with participation of community members Increase capacity of municipalities social unit Increase capacity of local councils (PWD, Gender) 	<ul style="list-style-type: none"> To be developed 	<ul style="list-style-type: none"> Project reports and budgets 	<ul style="list-style-type: none"> The key assumptions are that: a) There is enough interest among the representatives of community and municipality b) The best trainers and the best training modules are selected c) there will be donor support additional to local budget to finance some activities

P2 - (Society) - (Healthcare Dimension) - Interventions

ACTION TITLE	P2-HE01 - TO STRENGTHEN PUBLIC HEALTH CENTER
RATIONALE	In COVID-19 pandemic, there is a need to strengthen local Public Health Center. They need equipment: PPE (personal protective equipment) material, laboratory equipment as well as trainings. One of the major challenges for the Public Health Center is a separate building. There are many mountainous villages in the municipality and having appropriate vehicle would be beneficial for the center. The center needs new Projector, Laptop and other material-technical resources.
RELEVANCE	Nowadays it is necessary to strengthen public health center. Public health is concerned with protecting the health of entire populations. This work is achieved by promoting healthy life-styles, researching disease and injury prevention, and detecting, preventing, and responding to infectious diseases.
IMPLEMENTATION MODALITIES	1.) Provide the Center with a separate building and proper equipment 2) Increase funding for the Center.
FACILITATING ARRANGEMENTS	Communicate with NCDC and MoH, to purchase PPE material, laboratory equipment and conduct trainings for the staff.
SPECIFIC MEASURES FOR COVID-19	Considering the anticipated second and third waves of the pandemic, it would be beneficial that Municipal Budget include some sources for ensuring provision of basic urgent needs of the health sector during crises.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	N/A
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: staff of Public health centre Indirect beneficiaries: Population of Borjomi
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1.1) to assess the situation 1.2) to allocate money Outputs: a) strong public health center

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							40 000	Local authority of the municipality, in coordination with the responsible parties
2.							40 000	

ACTION TITLE	P2-HE02 - TO ENSURE ACCESS TO INTERNET
RATIONALE	Various electronic programs are being implemented by the state. It is necessary to collect information and to fill in electronic forms. therefore, it is important to improve access to the Internet due to work effectively. It became evident that rural ambulatories do not have access to Internet. This obstacle is surely hindering the process of information flow, which is crucial for representatives of medical sector. Also Public health Center has problem regarding the computers and access to internet.
RELEVANCE	Access to internet is crucial for continuous medical education as well as for developing the health information system for the whole country. In addition, in the COVID era, during the shift to extensive online communication, access to internet is to be a priority. Therefore, an improved access to internet among medical personal and public health staff is critical.
IMPLEMENTATION MODALITIES	Ensure installation and operation of high-quality Internet in all rural ambulatories in Borjomi municipality.
FACILITATING ARRANGEMENTS	(1) Ensuring allocation of funding from Municipal Budget on installation and operation of Internet in rural ambulatories (2) Ensure the funding sustainability
SPECIFIC MEASURES FOR COVID-19	Internet is needed to provide distance/online consolation during the COVID outbreak. Also to attend online training for primary health care personal on coronavirus issues.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	N/A
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: rural doctors and nurses, public health canter, hospitals Indirect beneficiaries: population of Borjomi
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1.1) Installation of high-quality Internet Outputs: a) Better statistics/improved health information system b) access to up to date materials, guidelines, and protocols c) effectively work in electronic system

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							40 000	Local authority of the municipality, in coordination with the responsible parties

ACTION TITLE	P2-HE03 - DEVELOPMENT/REHABILITATION OF THE RURAL AMBULATORIES' INFRASTRUCTURE
RATIONALE	Borjomi Municipal budget includes the infrastructure development budget line and it is mainly considered for road, transportation, water system developments, construction and rehabilitation of communal infrastructure, etc. During the development of the presented document, information was collected regarding the operation, needs and challenges of rural ambulatories in Borjomi. In majority of cases, ambulatories have its own building with exemption of two villages Daba Tsagveri, and Chobiskhevi, which have not PHC facilities and rural doctors and nurses are located in the different buildings. Mostly rural doctors assess the conditions of their facilities as bad or satisfactory.
RELEVANCE	Health care infrastructure constitutes a major component of the structural quality of a health system. A well-developed health care infrastructure is the key determinant of good health.
IMPLEMENTATION MODALITIES	Arrangement of infrastructural problems of rural ambulatories according to their needs. Construction of new ambulatories for villages Daba Tsagveri and Chobiskhevi.
FACILITATING ARRANGEMENTS	Ensuring allocation of funding from Municipal Budget, namely from infrastructure budget line
SPECIFIC MEASURES FOR COVID-19	All relevant arrangements for safeguarding COVID-19 specific hygienic measures should be ensured for all rural ambulatories in the Municipality
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on People with disabilities and their needs
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: rural doctors and nurses. Indirect beneficiaries: population of Borjomi.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1.1) rehabilitation of buildings. Outputs: a) Adequate health care infrastructure at rural ambulatories

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							120 000	Local authority of the municipality, in coordination with the responsible parties
2.								

P2 - (Society) - (Healthcare Dimension) - Results Framework

Project Title: **Patient centered care and better population health**

NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><u>Program Goal:</u> Improving health status of the population</p>	<p><u>Measure of Goal Achievement:</u></p> <ul style="list-style-type: none"> • <u>Increase in life expectancy at birth</u> • <u>Increase in birth rate per 1000 population</u> • <u>Decrease in infant mortality rate per 1000 population</u> • <u>Decrease in prevalence of the top chronic conditions</u> 	<ul style="list-style-type: none"> • Geostat • NCDC 	<ul style="list-style-type: none"> • Socio-economic conditions improve • Wellbeing improves
<p><u>Project Purpose:</u> Enhancing access to quality essential health-care services</p>	<ul style="list-style-type: none"> • The number of out-patient facilities grows • Percentage of total population with access within 15 minutes by normal means of travel to a facility where they would normally see a doctor, is increased • The number of outpatients visits per capita is increased 	<ul style="list-style-type: none"> • NCDC 	<ul style="list-style-type: none"> • UHCP remains stable
<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Empowerment of patients • Satisfaction with health services • Utilization of health service • Coverage of essential health services • Access to essential medicines • Water and sanitation 	<ul style="list-style-type: none"> • Percentage of patients reporting that they were involved as much as they wanted to be in decisions about their care and treatment • Average number of outpatient consultations (all types) per person per year • % of population who reported being sick with any condition in the 6 month and consulted a health care provider. • Average availability of 14 selected essential medicines in public and private health facilities • % of Population using safely managed drinking-water services • % of Population using safely managed sanitation services 	<ul style="list-style-type: none"> • Local survey (Health care utilization survey) • MoH/SSA • Household surveys, population census 	<ul style="list-style-type: none"> • Continued public investment in the health sector • Out-of-pocket payments decrease • New regulations are introduced
<p><u>Inputs: Activities envisioned by the proposed interventions from P2-HE01 through P2-HE04, including:</u></p> <ul style="list-style-type: none"> • Training of medical staff; (rural doctors) • Rehabilitation of ambulatories • Building 3 new ambulatories • Introducing new Health care municipality programs to support the local needs of the population • Improving access to internet services among rural doctors 	<ul style="list-style-type: none"> • Detail budget to be designed 	<ul style="list-style-type: none"> • MoH/ local municipality • MoH/ local municipality 	<ul style="list-style-type: none"> • Continues medical education is implemented in the country • PHC reform is launched

P2 - (Society) - (Youth Dimension) - Interventions

ACTION TITLE	P2-YU01 - MUNICIPAL YOUTH WORKERS DEVELOPMENT PROGRAM
RATIONALE	Information received from the local authority of the municipality has revealed that municipal employees responsible for youth issues has never participated in professional development programs. As a result, municipal services provided for the youth mainly include sport and cultural directions, which is important. However, in response to the modern challenges of young people, it is also necessary to plan appropriate programs for them, which includes diverse range of youth programs and activities in order to ensure this, it is necessary to raise the professional level of the employees responsible for the youth programs of the municipality.
RELEVANCE	This program addresses the causes of the main problem from the Problem Tree (Youth Dimension of Society) Causes Group 1. Professional development of municipal youth workers is strategic directions of State youth Agency, therefore local needs and state policies are in line with each other.
IMPLEMENTATION MODALITIES	The main aim of the project is to provide municipal youth workers with training and knowledge about how to develop modern municipal program for youth. On the first stage consultations with local and regional authorities should be carried out in order to ensure successful implementation of the project. On the second stage relevant training program for professional development of the local youth workers should be implemented and as a result new municipal youth program should be adopted.
FACILITATING ARRANGEMENTS	Joint efforts of local municipality and private sector will create synergy to successfully implement the project.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Youth and woman participation will be ensured in different implemented activities.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Employees responsible for the youth programs of the municipality. Indirect beneficiaries: youth who will be able to take part in programs and activities planned by municipality.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Presenting project Idea to the municipal authorities and other state and regional stakeholders; 2. Developing training program; 3. Implementation training for municipal youth workers; 4. New municipal youth program developed. Outputs: a) Agreement on cooperation reached with the municipality; b) municipal youth workers professional development training program is created c) Training program is implemented. d) New municipal youth program adopted.

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							5,000	Municipality local authority, Youth Agency, in coordination with the responsible parties
2.							10,000	
3.							10,000	
4.							5,000	
TOTAL							30,000	

ACTION TITLE	P2-YU02 - PROJECT "YOUTH SPACE"
RATIONALE	Youth Space is a safe and youth-friendly multifunctional environment where youth can spend their free time, improve personal skills, plan activates, brainstorm, use free wifi, develop ideas and recommendations for local authorities and other stakeholders, let young people with disabilities to be part of social life. "Youth Space" initiative will stimulate youth activism and will help to revitalize the rural atmosphere. Project implementation will support the sustainable development of youth capacity.
RELEVANCE	The proposed project is directly linked to the needs and challenges of local youth, as the analysis reviled main problem problematic issues are connected to an environment where youth can come together and productively spent their time as well as take some initiative to positively change local reality. Project is linked to the Local development strategy Municipality and addresses the causes of the main problem from the Problem Tree (Youth Dimension of Society) Causes Group 2.
IMPLEMENTATION MODALITIES	Under the "Youth Space" initiative concept of youth-friendly environment will be created. "Youth Space" will be a specially designated location for young people, which will be managed and led by youth. For a successful realization of the project equal involvement of municipality, donor organization and business sector will be important. Municipal authorities should give a space for the project in one of the municipal property. Donor organizations should empower a team of young people with related knowledge and skills for running the space, and youth should be able to implement their initiatives and maintain running of the space.
FACILITATING ARRANGEMENTS	Support from the local LAG and local authority will contribute to the project implementation.
SPECIFIC MEASURES FOR COVID-19	N/A
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus will be made on youth with disabilities and participation of young woman and other minorities from remote areas will be foreseen
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries of the program are 15-25-year-old youth living in the municipality. Indirect beneficiaries of the program will be youth who will be able to participate in programs and activities planned with the involvement of the direct beneficiaries.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Identify stakeholders and establish partnership; 2. Recruit youth and enhance their capacity; 3. Develop an organizational chart and establish "youth space"; 4. To find an appropriate location in a municipal building for the project; 5. Implement youth initiatives Outputs: a) Group of local youth has been recruited; b) Youth Space established; c) Appropriate space is provided by the municipality; d) Number of youth initiatives are implemented;

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							5,000	Municipality local authority, Youth Agency, in coordination with the responsible parties
2.							15,000	
3.							5,000	
4.							10,000	
5.							25,000	
Total							60,000	

ACTION TITLE	P2-YU03 - PROMOTION DIFFERENT WAYS OF YOUTH PARTICIPATION
RATIONALE	The analysis has revealed that there is a lack of youth engagement in the decision-making process. On one hand municipal youth programs does not support participatory youth programs and on the other hand youth does not have enough experience, skills and knowledge in order to use different ways of youth participation. Promotion different ways of youth participation will influence on decision making process and as a result it will have positive influence on living conditions and economic diversification of rural youth.
RELEVANCE	The analysis has revealed that there is a problem of youth engagement in the decision-making process. To facilitate the elimination of the mentioned problem it is suggested to provide trainings on different ways of youth participation. "Participatory youth policy development" is one of the strategic directions of State youth Agency, therefore local needs and state policies are in line with each other. This program addresses the causes of the main problem from the Problem Tree (Youth Dimension of Society) Causes Group 2.
IMPLEMENTATION MODALITIES	Under the project local youth will have an opportunity to attend to the specially designed training program about different ways of youth participation. According to the Council of Europe's Youth Department there is five innovative forms of youth to participation in decision making process: 1. Youth councils and other formal structures; 2. Co-management and co-production Approach; 3. Deliberative youth participation; 4. Youth activism and protest; 5. Young people's digital participation.
FACILITATING ARRANGEMENTS	Joint efforts of local municipality and private sector will create synergy to successfully implement the project.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Ethnic minority youth and woman participation will be ensured in different implemented activities.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Active youth from the rural areas of the municipality; Indirect beneficiaries: Local youth and community population who will be able to benefit from the results of the youth participation.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Presenting project Idea to the local municipal authorities; 2. Developing training program; 3. Implementation training for local youth; Outputs: a) Agreement on cooperation reached with the municipality; b) Relevant training program is created c) Training program is implemented.

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							5,000	Municipality local authority, Youth Agency, in coordination with the responsible parties
2.							15,000	
3.							10,000	
TOTAL							30,000	

ACTION TITLE	P2 -YU04 - KEY PERSONAL COMPETENCIES FOR ECONOMIC EMPOWERMENT
RATIONALE	The study of the local needs of the youth has revealed that there is lack of entrepreneurial competencies and knowledge, which is important matter for self-employment opportunities. Considering the aforementioned situation, it would be reasonable to offer to youth programs and services for developing key entrepreneurial competencies. Entrepreneurship competence refers to the capacity to act upon opportunities and ideas, and to transform them into values for others. Entrepreneurial competencies are founded on creativity which includes imagination, strategic thinking and problem-solving, and critical and constructive reflection within evolving creative processes and innovation.
RELEVANCE	Promotion of entrepreneurial competencies and knowledge is one of the key personal competences for lifelong learning of the Council of Europe and same time one of the strategic priorities of State Youth Agency. Promoting economic participation of youth is in line with the Local Development Strategy, as well as the intervention addresses the root-cause Group 3 (Youth Dimension of Society).
IMPLEMENTATION MODALITIES	The program covers different topics for development entrepreneurial competencies, such as creativity, critical thinking and problem solving, taking initiative, active citizenship, employment, social entrepreneurship and leadership; it helps youth in realizing their potential fully in social, civic and economic life.
FACILITATING ARRANGEMENTS	Adapt the program training module to enable turning the program into municipal service that will ensure scaling up the program and covering more youth.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Training will target youth affected by the closure of the borders and other youth vulnerable groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: 15-25-year-old youth in the municipality; Indirect beneficiaries: youths from the municipality who will be able to take part in programs and activities planned by the Program participants.
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Working with municipality representatives; 2. Develop training module in line of key personal entrepreneurial competences for lifelong learning; 3. Project implementation; 4. Implement a program module as a municipal service Outputs: a) 15-25 economically inactive youths enhanced economic knowledge and skills; b) Training module is created; c) Training integrated to municipal program

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							5,000	Local LAG, Municipality local authority, Youth Agency, in coordination with the responsible parties
2.							10,000	
3.							15,000	
4.							5,000	
TOTAL							35,000	

P2 - (Society) - (Youth Dimension) - Results Framework

Project Title: **Increasing Youth Engagement in Society**

NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><u>Program Goal:</u> : Increase youth engagement in public and social life through supporting youth and municipal stakeholders responsible on youth</p>	<p><u>Measure of Goal Achievement:</u></p> <ul style="list-style-type: none"> • Different ways of youth participation in decision making process has established • New municipal youth program has been adopted • Number of youths participating in decision making process 	<ul style="list-style-type: none"> • Study on local youth participation and inclusion in public and social life 	<ul style="list-style-type: none"> • All counterparts will have corresponding commitment for cooperation
<p><u>Project Purpose:</u> Support development of capacity of municipal youth workers, promote innovative ways of youth participation, providing youth with opportunities of active citizenship possibility to develop key personal competencies</p>	<ul style="list-style-type: none"> • Trainings on different ways of youth participation has been conducted • Level of professional development of municipal youth workers has raised • Youth space for participation and development established 	<ul style="list-style-type: none"> • Local youth program has been adopted 	<ul style="list-style-type: none"> • The key assumption is that active youth participation and inclusion will have a positive impact on Increasing youth engagement in society • Municipal Budget for youth programs will be increased, donor financial support will be available
<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Agreement on cooperation reached with the municipality • Different TCs are developed and offered locally • Municipal youth employees are trained • Training on different ways of participation is conducted • Multifunctional youth space established • Level of public and social participation has increased • Key entrepreneurial competencies and knowledge developed 	<ul style="list-style-type: none"> • Professional skills of at least 22 municipal youth employees are improved from 11 administrative unit • At least 40 young persons participated in training about five innovative forms of youth to participation in decision making process • Youth activism as well as public and social inclusion opportunities are provided by the established “youth Space” • At least 30 young persons have developed their entrepreneurial competences 	<ul style="list-style-type: none"> • Project evaluation report • Report of the partner organization 	<ul style="list-style-type: none"> • The key assumption is that private sector will be ready to provide youth skills development opportunities • New professional skills of municipal youth employees will let them to adopt new modern youth municipal youth programs • Trained youth will have multiplying effect in municipal administrative unites and level of inclusion will be increased • Youth will be actively involved in development of the “youth space”
<p><u>Inputs:</u> Activities and Types of Resources: Design and implement programs under P2 (From P2-YU01 through P2-YU04 which are related to: a) Providing education and training; b) Building government capacity; c) Building social capital; b) Promoting community driven development</p>	<ul style="list-style-type: none"> • To be developed 	<ul style="list-style-type: none"> • Project manager’s evaluation report 	<ul style="list-style-type: none"> • The key assumptions are that: a) Municipal authorities will fully support the project ideas; b) Partner organization will be fully able to fulfil own responsibility; c) A space for youth entertainment and recreation will be added to the municipality

P2 - (Society) - (Gender Dimension) - Interventions

ACTION TITLE	P2-GE01. GENDER MAINSTREAMING IN MUNICIPAL PROGRAMS							
RATIONALE	In 2019, with the decree N63 of the Municipality, Gender Equality Council of Borjomi was established, which consists of 25 members (17 women and 8 men). There is one CSO representative in the Gender Equality Council-Samtskhe-Javakheti Media Center.							
RELEVANCE	The Gender Equality Council approved the Municipal Gender Equality Action Plan for 2018-2019, order # 4403. One of the priorities of the plan is women's economic empowerment (Article 2.7. Article 2.8), according to which programs and activities that support the employment of the population, including professional creative educational programs for rural women and socially vulnerable women should be guaranteed. According to the plan, financial participation in micro and small business support programs should be provided.							
IMPLEMENTATION MODALITIES	The Gender Equality Council approved the 2017-2018 Municipal Gender Equality Plan, for which a budget of 12,000 GEL was allocated. Then the action plan for 2019 was developed - the budget of 4,000 GEL was allocated Due to the COVID 19 pandemic The Action Plan of 2020 has not been approved. The budget for 2002 was set to be 12,000 GEL.							
FACILITATING ARRANGEMENTS	<ol style="list-style-type: none"> 1.Meeting with municipal Gender Equality Council 2. Initiation that more women opinion leaders/CBOs/CSOs become member of the GE council 2.Meeting with local CSOs and community women 3.Support municipality to conduct needs assessment survey, which is one of the current obligations as well 4.Advocacy of community needs to be included in the priorities of the municipality 							
SPECIFIC MEASURES FOR COVID-19	<ul style="list-style-type: none"> • Emergency Response Plan supporting women's economic activities during crisis periods to be created and adopted by the municipality, which includes priorities of different ethnic vulnerable groups • Specific budget to be allocated for the implementation of the Response Plan 							
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Specific focus should be made on vulnerable people, persons with disabilities, single mothers, as well as other groups identified to be included in the process of creation of municipal Gender Equality Action Plan, as well as during elaboration of Emergency Response Plan.							
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Representatives of the Gender Equality Council of the municipality, women's organizations and other local CSOs and opinion leader women; Indirect beneficiaries: Population of Borjomi municipality							
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. Meeting with stakeholders; 2. Meeting with local women's organizations, CSOs 3. Needs assessment survey; 4.Advocacy Outputs: a) Adopted Gender Equality Action Plan with a focus on women's economic empowerment with allocated budget b) Women's NGOs, as well as opinion leaders engaged in the work of GE council c) Needs and priorities of the population reflected in the Action Plan							
PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.								
n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-2							21,000	Municipality, in coordination with the responsible parties
2-3							22,000	
4							25,000	

109. Legislative Herald of Georgia, Sakrebulo of Borjomi Municipality

110. Gender Equality Information Portal, Gender Equality Action Plan of Borjomi Municipality 2018-2019

ACTION TITLE	P2-GE02. STHRENTHEN WOMEN'S ROOM IN THE MUNICIPALITY
RATIONALE	Women's Room is a municipal service created to support women and girls. The manager of Women's Room provides consultations and information to every person interested in different municipal services in person, as well as during community field trips. There are two people employed in Women's Room in Borjomi municipality- Women's Room manager and PR specialist.
RELEVANCE	WIC developed a guideline for Women's Room in cooperation with Women's Rooms and Ministry of Regional development and infrastructure of Georgia, in which the role of Women's Room in women's economic empowerment was identified.
IMPLEMENTATION MODALITIES	However, in many cases Women's Room managers have limited capacities, which need to be developed. Creation of database of beneficiaries and collection of data of the visitors is another important issue. WR manager should also be able to conduct field visits and collect information about needs and priorities of the population.
FACILITATING ARRANGEMENTS	<ol style="list-style-type: none"> 1. Meeting with Women's Room Manager and representative of GE council 2. Elaboration of Action Plan of Women's Room 3. Creation of a database of relevant programs and program providers by WR manager 4. Action Plan of Women's Room to be supported by the Gender Equality Council of the municipality 5. Women's Room managers to provide women with information, about existing services and possibilities for their economic empowerment and to support them to participate in them. The women's NGOs and community groups should be actively involved in this process.
SPECIFIC MEASURES FOR COVID-19	Considering the anticipated second and third waves of COVID-19, it would be beneficial that Women's Room provide Gender Equality Council and other relevant stakeholders with information about women's, including ethnic minority women's needs and challenges during the crisis, including about economic challenges.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	With an aim "leave no one behind" Women's Room managers will be responsible to cover and provide information to every member of the community, including the most vulnerable ones, also with active involvement of women's organizations and community-based groups and opinion leaders.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Women, and Women's Room managers; Indirect beneficiaries: Gender Equality Council of Municipality of Borjomi
DESCRIPTION OF INPUTS AND OUTPUTS	<p>Inputs: 1. Meeting with WR Manager and GE representatives; 2. Creation of Action Plan of Women's Room 3. Creation of database of services and programs; 4. Support of Action Plan of Women's Room by the GE council; 5. Information dissemination among different communities regarding women's empowerment via involvement of women's NGOs, community groups and opinion leaders</p> <p>Outputs: a) Created Action Plan of WR; b) Created database of programs and services; c) Municipal support and budget allocation for specific activities; d) informed population about existing services and programs for women's empowerment</p>

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-4							26,000	Municipality, in coordination with the responsible parties
2-4							27,000	
2-4							30,000	

ACTION TITLE	P2-GE03. STRENGTHEN THE CAPACITY OF WOMEN'S ROOMS
RATIONALE	Women's Room is a municipal service created to support women and girls. The manager of Women's Room provides consultations and information to every person interested in different municipal services in person, as well as during community field trips. Women's room Manager in Akhalkalaki is also the person responsible for gender issues and member of the Gender Equality Council.
RELEVANCE	WIC developed a guideline for Women's Room in cooperation with Women's Rooms and Ministry of Regional development and infrastructure of Georgia, in which the role of Women's Room in women's economic empowerment was identified. The capacity of WR manager is not enough and needs to be developed, moreover, the WR did not collect the data of the visitors and a database needs to be created.
IMPLEMENTATION MODALITIES	The activities of Women's Room directed towards women's empowerment, including economic empowerment to be included in the Gender Equality Action Plan and the budget should be allocated. As population of Akhalkalaki have high trust in information received from NGOs and community groups, Women's room, as well as the municipality should cooperate with these organizations and use them as information disseminators between population and local government.
FACILITATING ARRANGEMENTS	<ol style="list-style-type: none"> 1. Meeting with Women's Room Manager and representative of GE council 2. Women's Room Manager to create a database of relevant programs and program providers 3. Women's Room to elaborate Action Plan of Women's Room 4. Women's room to develop a database of ethnic and religious minority women 5. Action Plan of Women's Room to be supported by the Gender Equality Council of the municipality 6. Women's Room managers to provide women with information, including ethnic minority languages about existing services and possibilities for their economic empowerment and to support them to participate in them. The women's NGOs and community groups should be actively involved in this process.
SPECIFIC MEASURES FOR COVID-19	Considering the anticipated second and third waves of COVID-19, it would be beneficial that Women's Room provide Gender Equality Council and other relevant stakeholders with information about women's needs and challenges during the crisis, including about economic challenges.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	With an aim "leave no one behind" women's room managers will be responsible to cover and provide information to every member of the community, including the most vulnerable ones, including ethnic and religious minority women, also with active involvement of women's organizations and community-based groups.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: women, including women with different ethnic backgrounds and Women's Room Managers; Indirect beneficiaries: Gender Equality Council of Municipality of Akhalkalaki
DESCRIPTION OF INPUTS AND OUTPUTS	<p>Inputs: 1. Meeting with WR Manager and GE representatives; 2. Creation of database of services and programs, translated into ethnic minority languages; 3. Creation of Action Plan of Women's Room; 4. Support of Action Plan of women's room by the GE council; 5. Information Dissemination among different communities regarding women's empowerment via involvement of Women's NGOs and community groups.</p> <p>Outputs: a) Created Database of programs and services into ethnic minority languages; b) Created Action Plan of WR; c) Municipal support and budget allocation for specific activities; d) informed population about existing services and programs for women's empowerment.</p>

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-5							15,000	Municipality, in coordination with the responsible parties
1-5							17,000	
1-5							18,000	

ACTION TITLE	P2-GE04. AWARENESS-RAISING CAMPAIGN ON GENDER SENSITIVITY OF OPINION-LEADER MEN AND WOMEN
RATIONALE	There are stereotypical attitudes towards women in the society, double working load of women and unpaid work limit the opportunities for women and lower their self-esteem. Therefore, all this lowers the opportunity of women to be involved in socio-economic life.
RELEVANCE	According to the research, women in Borjomi municipality are almost twice less economically active as men. 26.3% of respondent women and 24.7% of men are unemployed. Research data show that in all sectors except for family business in Borjomi municipality, women are less employed than men. 3.4% of women and 0.9% of men are employed in family business.
IMPLEMENTATION MODALITIES	The Constitution of Georgia and other policy documents of Georgia recognize that real equality and women’s participation in socio-economic processes is crucial. In the process of Gender Policy localization, municipalities also have obligation of women’s empowerment and engagement. Despite all this, existing stereotypes and social norms hinder the advancement of real equality. Moreover, according to the target 5C of SDG 5 government should Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.
FACILITATING ARRANGEMENTS	Awareness campaign to cover all communities, including vulnerable population. Young opinion leaders will also be identified and engaged in all awareness raising activities.
SPECIFIC MEASURES FOR COVID-19	During COVID-19 limited the access of women to some services and information. Opinion-leaders will be engaged in the information dissemination campaigns.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	The activity will ensure the engagement of men and women of different communities of the municipality.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Opinion leaders, decision-maker women and men, youth Indirect beneficiaries: Population of the municipality
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. To identify opinion leaders/decision-makers 2. Train opinion leaders/decision-makers 3. To hold a campaign Outputs: a) Database of opinion leader women, men and youth is created in different communities b) Increased gender sensitivity of opinion leaders/decision-makers c) Opinion-leaders/decision-makers are involved in awareness raising campaign of the population

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-3							17,000	Municipality, in coordination with the responsible parties
2-3							19,000	
2-3							22,000	

ACTION TITLE		P2-GE04. SUPPORTING WOMEN'S INITIATIVES AND COMMUNITY GROUPS						
RATIONALE	Civic involvement in Borjomi municipality is very low, although there are several local NGOs working mainly on environmental issues. One of the organizations is Samtskhe-Javakheti Media Center, a member of the Gender Equality Council of the Borjomi municipality, mainly working on civic engagement, environmental and gender issues.							
RELEVANCE	More than half of the population has high or fairly high level of trust in environmental and non-governmental organizations. 69.8% of women and 69.6% of men respondents have a fairly high or very high trust in the environmental organization. 61.6% of respondent men and 58.1% of women have high or rather high trust in non-governmental organizations. 54% of female and 37.2% of men respondents have high or rather high trust in receiving information from women's organizations.							
IMPLEMENTATION MODALITIES	Opinion leader women, CBOs as well as local municipalities will be involved in the process. The grants will be issued for women's initiative groups in cooperation with the municipality.							
FACILITATING ARRANGEMENTS	1. To initiate the establishment of the community groups 2. To issue grants to support the initiatives of community groups in cooperation with the municipality 3. To conduct awareness raising activities to support CSOs and CBOs involvement in the municipal policy creation and share success stories							
SPECIFIC MEASURES FOR COVID-19	In case of the additional waves of the COVID-19, women's special needs will be supported during the crisis period. The information and other materials will be disseminated.							
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Women's Room managers and the representatives of the Mayor in administrative units of all communities will be informed about the possibilities to involve in community groups and so on.							
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Leader women from communities, Indirect beneficiaries: Community and the families of the women.							
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1.To identify opinion leader women. 2. To inform women about CBOs. 3. To initiate creation of CBOs 4. Capacity Building of CBOs; 5. To issue small grants to support CBO initiatives. 6. To support involvement of CSO/CBOs into the municipal policy creation Outputs: 1. Created CBOs; 2. Awareness-raised, confident leader women 3. Issued grants and supported initiatives 4. Engaged CSOs/CBOs in GE council and municipal policy creation							
PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.								
n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-3							40,000	Municipality, in coordination with the responsible parties
2-3							45,000	
2-6							50,000	

ACTION TITLE	P2-GE05 TO DEVELOP A TRAINING MODULE TO SUPPORT WOMEN'S ECONOMIC ACTIVITY
RATIONALE	Active economic participation of women is a crucial part of a healthy economic and social environment; it promotes active healthy economy and democracy. It is important to have interventions that integrate civil rights and freedoms into sustainable development and increases women's economic and social participation. Women's Participation in economics is low in Borjomi municipality. Women in Borjomi municipality are almost twice less economically active as men. Women's participation is low in private sector and business, in self-employment as well. The public sector employs 8.3% of female while the private sector employs 12.2% of women, 5.1% of women are self-employed. 3.4% of women are employed in family business.
RELEVANCE	Major barriers to active participation of women, such as lack of access to financial and information services, etc. can be solved if women are given necessary skills and knowledge as well as confidence to believe in themselves. In this particular region, self-efficacy of women is very low, as well as outlook for the future and building up their confidence together with their skills will lead to higher economic and social participation.
IMPLEMENTATION MODALITIES	The training program will focus on women participation, confidence building, educative and informative aspects of business development and empowerment. The program will help women in the region to expand professional horizons and strive for career and personal goals.
FACILITATING ARRANGEMENTS	To revise existing database of women of Women's Room in order to identify leader women who wish to be engaged in economic activities.
SPECIFIC MEASURES FOR COVID-19	A special group, which will include women who have suffered as a result of COVID19 crisis will be created and their specific problems and needs will be discussed for further advocacy.
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	During the selection process of participants, representatives of special groups will be given priorities.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries: Women engaged in economic activities Indirect beneficiaries: Their families
DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: 1. To develop a training module 2. To select participants 3. To conduct training for women 4. To support their further economic development (coaching) Outputs: a) Women in the municipality are active participants and have increased representation at decision-making levels during planning, implementation and monitoring of economic programs that support women; b) Women are more open to the idea of starting a business, have less "risk fear factor," and believe that they can manage an enterprise; c) Women are knowledgeable of information for career development and sources from where additional information and support can be obtained.

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-3							24,000	Municipality, in coordination with the responsible parties
4							25,000	
4							27,000	

P2 - (Society) - (Gender Dimension) - Results Framework

ARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><u>Program Goal:</u> Boosted economic activity of women and improved conditions for their engagement</p>	<p><u>Measure of Goal Achievement:</u> Allocated municipal financial resources/services offered by the state and non-state actors for women and the number of women/girls who received and used these services</p>	<ul style="list-style-type: none"> • Municipal allocated Budget • The list of women /CBOs / entrepreneurs who received benefits from the municipality, state and non-state actors • Independent assessment reports of CSOs and public defender 	<ul style="list-style-type: none"> • The key assumption is that for municipality women's empowerment becomes priority and continue programs that support improvement of women's conditions • Another assumption is that other state –non-state services are available for women and girls
<p><u>Project Purpose:</u> Improving conditions for women so that they have access to education, information and opportunities for economic engagement and activity</p>	<ul style="list-style-type: none"> • Women's initiatives and engagement for economic development 	<ul style="list-style-type: none"> • Women's proposals • WR database of economically active women 	<ul style="list-style-type: none"> • The key assumption is that women are confident enough to start economic activities
<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Adopted Gender Equality Action Plan with a focus on women's economic empowerment and allocated budget for action plan • Women's organizations, community groups and opinion leaders, CBOs and CSOs engaged in the work of GE council • Created Database of programs and services by WR • Created Action Plan of WR; • Municipal support and budget allocation for specific activities • informed population about existing services and programs for women's empowerment • Database of opinion leader women, men and youth is created in different communities, increased gender sensitivity of opinion leaders • Opinion-leaders/decision-makers involved in awareness raising campaign of the population and also in the GE policy activities of the municipality • Created CBOs • Awareness-raised, confident leader women • Issued grants and supported initiatives • Engaged CSOs/CBOs in GE council and municipal policy creation • Training module developed • Trained and strengthened women open to the idea of starting a business, have less "risk fear factor," and believe that they can manage an enterprise 	<ul style="list-style-type: none"> • Adopted GE Action Plan, in the program and awareness-raising part of which focus is made on economic empowerment of women • At least 10% of users of the WR have used programs and services from database • At least 5,000-6,000GEL allocated for specific activities of WR • At least 7 CBO's created • At least 5 grants awarded for initiatives • At least 10,000 GEL allocated for the grants for CBO initiatives • Up to 40 women trained 	<ul style="list-style-type: none"> • Project reports • Periodic assessments 	<ul style="list-style-type: none"> • The key assumption is that women's economic empowerment is priority of the municipality, budget is allocated and municipal population, especially women receive education, information on property rights and credits and use programs and services from the database • Another key assumption is that municipal programs are planned with informed participation of women and girls • Another key assumption is that municipality, men and religious leaders are more gender sensitive
<p><u>Inputs, Activities and Types of Resources:</u> Design and implement programs under P2 (From P2-GE01 through P2-GE04 which are related to: a) Gender Mainstreaming in Municipal Programs b) Creation of Women's Room c) Awareness-raising Campaign on Gender Sensitivity Opinion-leader/decision-maker Men and Women d) Supporting Women's Initiatives and Community Groups e)Develop a training module to support women's Economic Activity</p>	<ul style="list-style-type: none"> • To be developed 	<ul style="list-style-type: none"> • Project reports and budgets 	<ul style="list-style-type: none"> • The key assumptions are that: a) women are mobilized and ready to receive services and be empowered economically • Other key assumption is that municipality is also supporting women's economic participation and men that are more gender-sensitive and support women's initiatives as well

P3 - (Environment) - Interventions

ACTION TITLE	P3-EN01 – SUPPORT TO SUSTAINABLE ENVIRONMENT AND NATURAL RESOURCES MANAGEMENT
RATIONALE	The intervention aims at increasing the knowledge, capacities and application of sustainable environmental and natural resource management policies, practices and technologies in Borjomi municipality. In the area of environmental protection, the special focus will be on MSW, since municipal waste is one of the major pressures on all natural resources and also, hinders rural development (agriculture, tourism, etc.). In terms of natural resources management, the focus will be made on soft and hard measures that will remove/reduce anthropogenic and natural pressures on water, land, and biological resources.
RELEVANCE	The intervention will address key environmental (in particular, waste management) and natural resource (water, land and biological resources, including forests) management issues and some of their critical underlying and root causes, identified through rapid pressure-impact and problem tree analysis conducted under this municipal assessment. They are also listed as priorities in various national and local strategies and plans, such as NEAP, rural development strategy, agriculture development strategy, regional development strategy, tourism development strategy, local development strategy, municipal solid waste management plan, protected area management plan; Moreover, measures to be implemented under the given intervention were identified as priorities by local stakeholders, including LAG members during 2 consultations conducted under ENPARD 2 and ENPARD 3.
IMPLEMENTATION MODALITIES	National-wide environmental NGO/NGOs having strong experience in integrated natural resource management and grassroots network, in cooperation with local NGO(s), municipality and LAG. Small-scale initiatives (small grants) should ensure co-funding from project proponents/grant recipients either cash or in-kind. Co-funding from any of following source will be allowed: state and local budget, private investment, NGO/SCO funding, international donor financing. The project can be implemented in cooperation with UNDP/GEF small-grants programme, ENPARD-3, as well as UNDP/GCF MHEWS project that will work with up to 100 vulnerable communities across the country on integrated natural resources management and CCA.
FACILITATING ARRANGEMENTS	Joint efforts of the MEPA, MRDI, Ministry of Economy and Sustainable Development, local municipality, LAG, community-based organizations/community incentive groups, other local NGOs and private sector will create a synergy to successfully implement the project.
SPECIFIC MEASURES FOR COVID-19	Not identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Along with local authorities and farmers, specific focus will be made on rural communities, school children and women
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries of the program are local communities, where pilot activities will be implemented, local municipality, farmers, Borjomi-Bakuriani forestry unit of NFA/MEPA, Administration of BKPA, school children, women. Indirect beneficiary is general public.
DESCRIPTION OF INPUTS AND OUTPUTS	<p><u>Inputs:</u></p> <ul style="list-style-type: none"> • Consultants to conduct field and desk studies and development of policy documents • Meetings, consultations with local stakeholders • Training, education information and promo materials • Meetings and consultations with the local population • Small grant financing for community initiatives • Ecoawards <p><u>Outputs and output targets:</u></p> <p>1.1 Studies on natural resources conducted in priority areas - at least 4 studies in water, land, forest and biodiversity management</p> <p>1.2 Policy/planning frameworks developed in priority areas - at least 4 strategic/planning documents</p> <p>1.3 Local stakeholder consultations on priority interventions and other issues – at least 8 consultations</p> <p>1.4 Small-scale community environmental and natural resource management initiatives - at least 13 sustainable environment and integrated natural resources management initiatives to be implemented in administrative-territorial units, state forests and BKPA, etc.</p> <p>1.5 Awareness raising seminars for local communities and other stakeholders – at least 5 trainings</p> <p>1.6 Ecoclubs/school children initiatives:</p> <ul style="list-style-type: none"> • at least 15 awareness raising seminars/trainings, consultations, meetings • at least 4 on-the-ground environmental awareness actions (e.g. clean-up, greening, etc.) • at least 4 research/education excursions • at least 11 eco-awards for ecoclubs member and nonmember school children

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1.1							80,000	National-wide NGO in a partnership with local NGO and in close cooperation with relevant national authorities, local municipality, LAG and local communities
1.2							35,000	
1.3							40,000	
1.4							650,000	
1.5							25,000	
1.6							100,000	
TOTAL							930,000	

ACTION TITLE	P3-EN02 – SUPPORT TO ENHANCEMENT OF COMMUNITY RESILIENCE TO CLIMATE-INDUCED NATURAL HAZARDS
RATIONALE	The intervention aims at enhancing local resilience to climate-induced natural hazards – mudflows, landslides, avalanches, flashflood and wild fires which are major natural pressures on natural and economic assets causing deterioration of local environment and livelihood and ultimately leading to increased rural poverty and hindered rural development. The intervention will focus on awareness raising and CCA/DRR prevention, preparedness and response capacity building of national authorities represented in target municipality (forest and PA rangers), local municipality and communities, including school children. This will be achieved through knowledge building (update of existing CC vulnerability and risk assessment study, creating disaster preparedness skills development, developing/expanding hydrometric, geological and agro-meteorological monitoring network and supporting design and implementation of CCA/DRR measures, such as rehabilitation/construction of stormwater drainage systems, river bank revetment structures, slope stabilization and erosion control measures, afforestation/reforestation, etc.
RELEVANCE	The intervention will address key CCA/DRR issues that are one of the key underline and/or root causes for degradation of local environment, natural resources and economic assets. CCA/DRR as part of the climate action is one of the key priorities of NEAP, rural and agricultural development strategies, national DRR strategy and action plan, regional development strategy, local development strategy. Moreover, CCA/DRR was identified as one of the top priorities by local stakeholders, including LAG members during ENPARD 2 and ENPARD 3 projects.
IMPLEMENTATION MODALITIES	National-wide environmental NGO in a partnership with local NGO(s) and close cooperation with National Environmental Agency/MEPA, NFA/MEPA, State Emergency Management Service/MoIA, local municipality, community-based organizations/local NGOs and LAG. The project can be implemented in closed cooperation with UNDP/GCF MHEWS project.
FACILITATING ARRANGEMENTS	Joint efforts of National and local NGOs, central government – MEPA, MRDI, Emergency Management Service/MoIA, local municipality, LAG and private sector will create synergy to successfully implement the project.
SPECIFIC MEASURES FOR COVID-19	Not identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Along with the government and local communities special focus will be made on schoolchildren and women.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries of the program are local municipality, local communities, including youth, farmers, MEPA, schoolchildren. Indirect beneficiaries.
DESCRIPTION OF INPUTS AND OUTPUTS	<p><u>Inputs:</u></p> <ul style="list-style-type: none"> • Consultants to conduct CC vulnerability and disaster risk assessment study and develop policy recommendations • Consultants to support development of disaster preparedness and response plan and CCA/DRR plan • Meetings trainings, consultations with local stakeholders, including youth • Training, information and education materials • Hydrometeorological, geo-hazard monitoring (inclinometers, Doppler/video surveillance equipment) and agrometeorological equipment • Consultants to design and monitor implementation of structural and non-structural CCA/DRR measures • Small grants for on-the-ground structural and non-structural CCA/DRR measures <p><u>Outputs:</u></p> <ol style="list-style-type: none"> 1.1 CC and vulnerability, hazard and risk mapping and assessment, including assessment for each community – 1 study 1.2 CCA/DRR policy/planning documents – 1 CCA/DRR/resilience plan and 1 disaster preparedness and response plan 1.3 Consultations with local stakeholders on CCA/DRR risks and priority interventions as well as on disaster preparedness and response – at least 4 consultations 1.4 Awareness raising seminars and trainings of local stakeholders – at least 31 trainings/seminars: <ul style="list-style-type: none"> • 14 (including 11 administrative territorial-units, local municipality, staff of Borjomi-Bakuriani forestry section and administration of BKPA) • 11 in public schools/ecoclubs of each administrative territorial unit 1.5 Purchase and installation of hydro-meteorological, geological and agrometeorological equipment – 2 hydro-meteorological stations and 2 hydro-meteorological posts, 2 agrometeorological stations, inclinometers, doplers (at least 20 units), fire-fighting equipment 1.6 At least 13 on-the-ground CCA/DRR initiatives

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1.1							40,000	National-wide NGO in a partnership with local NGO and close cooperation with relevant national authorities, local municipality, LAG and communities
1.2							20,000	
1.3							20,000	
1.4							20,000	
1.5							500,000	
1.6							650	
TOTAL							1,250,000	

P3 - (Environment) - Results Framework

Project Title: **Reducing environmental degradation through sustainable environmental management and enhanced community resilience to CC**

NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Program Goal: Enhanced environmental quality, natural resource base and wellbeing of municipality</p>	<p>Measure of Goal Achievement:</p> <ul style="list-style-type: none"> • State of the environment of natural resources of municipality • Waterborn diseases 	<ul style="list-style-type: none"> • State of the environment assessment of Borjomi municipality • Geostat • NEA/MEPA • NCDC • Local municipality • LAG • Donor projects 	<ul style="list-style-type: none"> • Environmental sustainability stays one of the major strategic directions for national RDS LDS • Relevant environmental financing is available
<p>Project Purpose: Knowledge and capacity building and demonstration of sustainable natural resource management practices</p>	<ul style="list-style-type: none"> • Increased access to safe drinking water, % coverage rate • Increased access to irrigation water, % coverage and ha under irrigation • Connection rate to sewerage systems, % • Losses in water supply systems, % • Losses in irrigation systems, % • Losses in sewerage systems, % • Untreated and treated wastewater discharges, % • MSW collection service coverage rate, % • Street cleaning coverage rate, % • # and area of illegal dumpsites, % • # of dumpsites cleaned, % • # of pilot source separation and recycling activities, including biowaste composting activities • Quantities of MSW streams recycled, tonnes per year • Surface water and soil quality of Borjomi municipality meeting national and EU standards • Drinking water quality in urban and rural areas meeting national and EU standards • Total area of degraded lands, ha • Total area of degraded forests, ha • Total area under erosion control measures, ha • Total area under reforestation, afforestation and natural generation measures, ha 	<ul style="list-style-type: none"> • Project assessments and progress reports • Project evaluation • Geostat • NEA/MEPA • NCDC • Local municipality • Updated river basin plan, with field survey results 	<ul style="list-style-type: none"> • MEPA, local municipality and LAG support the programme • Financial resources, including matching funds are available, well-identified and effectively mobilized for programme implementation • Target communities are willing and have adequate capacity for participation in the programme • Multi-stakeholder coordination/cooperation mechanism is established and effective

	<ul style="list-style-type: none"> • Total area of forests under forest protection measures (sanitary cutting, pest control measures, etc.) • Total area of floodplains restored, ha • Ecological status of surface and ground water bodies • Total area of ecosystems under special protection regime (e.g. being a part of Emerald system), ha • Presence of effective biodiversity and forest monitoring system (yes/no) • Presence of effective law enforcement system against poaching and illegal logging (yes/no) • Presence of policy and planning frameworks for pasture management (e.g. pasture management plan and norms) • Presence of reliable up-to-date data on biodiversity, forests, water and soils • Presence of effective law enforcement system against waste dumping and littering 		
<p>Outputs:</p> <ul style="list-style-type: none"> • Enhanced knowledge, capacities and application of sustainable environmental and natural resource management policies, practices and technologies • Enhanced knowledge, capacities and application of CCA/DRR policies/practices 	<ul style="list-style-type: none"> • # of studies conducted in the areas of environment and natural resources management CCA/DRR and RE&EE • # of community-level sustainable environment and integrated natural resource management and CCA/DRR practices and/or technologies demonstrated • # of small-scale environmental infrastructure improved • # of awareness seminars and/or trainings for authorities and local communities on integrated natural resources management, MSW management, CCA/DRR and RE&EE conducted • # youth initiatives supported • # of outreach and environmental advocacy campaigns conducted • # of policy/strategy documents developed • # and type of equipment purchased for relevant authorities 	<ul style="list-style-type: none"> • Project assessments and progress reports • Project evaluation • Stakeholder feedback 	<ul style="list-style-type: none"> • Local municipality and LAG actively participate in the programme • Local communities are interested and have capacities to participate in the programme • Local municipality and communities commit to sustain project results beyond the project
<p>Inputs:</p> <p>Activities envisioned by the proposed interventions:</p> <ul style="list-style-type: none"> • Policy/planning framework • Studies/research • Demonstration projects in the areas of sustainable natural resources management, CCA/DRR and RE&EE practices • Communities, farmers and school children environmental education and awareness raising activities • Promotion and advocacy activities 	<ul style="list-style-type: none"> • To be developed 	<ul style="list-style-type: none"> • To be developed 	<ul style="list-style-type: none"> • To be developed

LIST OF REFERENCES AND SOURCES OF INFORMATION

- # 13 Government Resolution on the approval of technical regulation on the management of Borjomi-Kharagauli National Park
- 2018 Yearbook of Major Water Use Indicators, Integrated Management Department, MEPA
- A New Rural Development Paradigm for the 21st Century - A Toolkit For Developing Countries, OECD, 2016
- Adaptive Sustainable Management of Forests in Borjomi. Nino Sulxhanishvili. Faculty of Geography, Tbilisi State University, Tbilisi, Georgia. Earth Science.
- ARDA
- Borjomi Amenity and Cleaning Service, 2020
- Borjomi Local Development Strategy 2020-2024
- Borjomi Local Development Strategy 2020-2024
- Borjomi Local Development Strategy 2020-2024
- Borjomi municipality Tourism Masterplan, UNDP, 2020.
- Borjomi-Kharagauli Protected Areas Administration
- Borjomi, Samtskhe-Javakheti, Georgia, Georgia Interactive Forest Map, Global Forest Watch (GFW)
- BTC Project Georgia. Final ESIA
- Business Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019
- Draft Environmental and Social Impact Assessment Of The Black Sea Regional Transmission Project Prepared for: Ministry of Energy of the Republic of Georgia Prepared by: Black & Veatch, Building a World of Difference. May 2009.
- Employment Survey, Goestat, 2018
- Enterprise Georgia (<http://www.enterprisegeorgia.gov.ge>)
- Evolution of the Late Cenozoic basins of Georgia (SW Caucasus): A review. Shota Adamia & Nino Sadradze. Ivane Javakhishvili Tbilisi State University. Article in Geological Society London Special Publications · September 2010
- Explanatory Note. Tender for rehabilitation of Tashiskari irrigation system. <https://tenders.procurement.gov.ge>
- Forest fires. NFA. <http://forestry.gov.ge/>
- GEDF. <https://gedf.com.ge>
- Gender and financial inclusion through the post, 2015, UN Women
- Gender Equality Information Portal, Gender Equality Action Plan of Borjomi Municipality 2018-2019
- Gender Equality Institutional Map , Women Information Center, 2020
- General Population Census 2014, Geostat
- Geomorphological assessment of Borjomi Municipality, Analysis of Exo-dynamic Processes. Khatia Kacharava. MS of Geography thesis. Master's program: Geomorphology, Cartography and Landscape planning. Ivane Javakhishvili Tbilisi state university
- Georgia at Work: Assessing the Jobs Landscape, The World Bank, 2018.
- Georgia Health Utilization and Expenditure Survey WHO, USAID, World Bank, MoLHSA, 2017
- Georgia Welfare Monitoring Survey Fifth Stage 2017 (UNICEF)
- Geostat
- GFSIS policy Paper on NEET by Tinatin Ramishvili (Regional Level)
- <http://www.epfound.ge/>
- <https://matsne.gov.ge/>
- <https://www.seag.ge/>
- <https://www.who.int/news-room/fact-sheets/detail/primary-health-care>
- Human Capital Development, UNDP
- Impact on Georgian Economy, Galt & Taggart, March 25, 2020
- Law of Georgia on Public Health
- Legislative Herald of Georgia, Sakrebulo of Borjomi Municipality
- Mapping Emerging and Potential Clusters in Georgia, UNIDO, 2020
- Ministry of Education, Science, Culture and Sport of Georgia, 2020
- National Agency of Mines, 2020
- National Center for Disease Control and Public Health
- National Environmental Agency (NEA), MEPA
- NEET Assessment - Technical Assistance to Ministry of Sports and Youth Affairs, World Bank, June 2017;
- Ordinance #724, 2014 of the GoG
- Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019
- Rural Policy 3.0. A Framework For Rural Development, OECD, 2018

Samkhretis Karibche; <http://sknews.ge>

Social Service Agency

Solar resource maps of Georgia. World Bank Group, funded by ESMAP, and prepared by Solargis

Solid Waste Management Company of Georgia (SWMCG)

South Caucasus in Motion, The World Bank, 2019

Statistical Yearbook NCDC, 2018

UWSCG, <http://water.gov.ge>

wikipedia.org

LIST OF CONSULTED KEY STAKEHOLDERS

NAME	ORGANIZATION	POSITION
Shalva Berdzenishvili	Administration of State Representative - Governor in Samtskhe -Javakheti Region	Deputy Representative-Governor
Marina Gachechiladze	Administration of State Representative - Governor in Samtskhe -Javakheti Region	Head of Regional Development Service
Otar Arbolishvili	Borjomi Municipality Sakrebulo	Acting Head of Sakrebulo
Davit Zaalishvili	Borjomi Municipality Mayor's Office	Acting Mayor
Marina Khujadze	Borjomi Municipality Mayor's Office	Head of Culture Department
Keti Berozashvili	Borjomi Municipality Mayor's Office	Senior Specialist In Tourism Issues
Natia Muladze	Administration of Borjomi-Kharagauli National Park	Deputy Head
Otar Chukhrukidze	Borjomi LAG	Member
Salome Khelisupali	Borjomi LAG	Member
Mariam Metreveli	Borjomi LAG	Member

TEAM OF EXPERTS

N	NAME	ROLE/THEME
1	Ana Katamidze	Desk Research and Infrastructure
2	Elene Rusetskaya	Gender Issues
3	George Berulava	Survey Data Analysis
4	Gia Kakachia	Social Issues
5	Maia Guntsadze	Data Collection, Rural-Urban Linkages
6	Mariam Shotadze	Environment
7	Nino Mirzikashvili	Health
8	Revaz Sakvarelidze	Labor Market, Vocational Education
9	Vakhtang Asanidze	Youth Issues
10	Tengiz Lomitashvili	Team Leader / Author of the Report / Economy and Multisector Development

METHODOLOGY OF SSA/LOCATION QUTIENT

Identifying the sectors which have explicit comparative advantages in the municipality, as well as relative specialization of the municipality is a complex analytic work and requires statistical analysis of the business sector at present and in the past while. Instruments of Shift-Share Analysis (indicating the growth of the sector contributing to the region-specific factors) and Location Quotient (indicating to the relative sector specialization of the municipality) were used for this purpose. The data from Revenue Service related to salary income tax paid was used as a close proxy to the employment, the latest being the main variable used in such analysis.

The Basic Model. A shift-share analysis, actually, shows which part of regional economic growth is due to the growth in national, industrial or regional component. In particular, the analysis decomposes the change over time in employment variable (income or any other variable of interest) into three components: the national growth component; the industry-mix component; and regional growth component. The first two components are considered as the share portion of the model, while the latter one is regarded as the competitive or differential-shift component. The differential-shift component reflects the attractiveness and competitive advantages of the region.

The following set of equation can be employed for the estimation of the shift share model (Edwards, 2007):

$$d_{ij} = E_{ij1} - E_{ij0} \quad (1)$$

$$d_{ij} = g_{ij} + m_{ij} + c_{ij} \quad (2)$$

$$g_{ij} = E_{ij0} * r_B \quad (3)$$

$$m_{ij} = E_{ij0} * (r_{iB} - r_B) \quad (4)$$

$$c_{ij} = E_{ij0} * (r_{ij} - r_{iB}) \quad (5)$$

$$r_B = \frac{(E_{B1} - E_{B0})}{E_{B0}} \quad (6)$$

$$r_{iB} = \frac{(E_{iB1} - E_{iB0})}{E_{iB0}} \quad (7)$$

$$r_{ij} = \frac{(E_{ij1} - E_{ij0})}{E_{ij0}} \quad (8)$$

Where,

d_{ij} - is the regional change in employment of industry i in region j ;

E_{ij1} - is the number of employees in industry i within region j in the new period;

E_{ij0} - is the number of employees in industry i within region j in the time 0;

g_{ij} - is a national growth component;

m_{ij} - is a industry-mix component;

c_{ij} - is a competitive effect component;

r_B - is the overall growth rate of the country;

E_{B0} - is the total number of employees in the country during period 0;

E_{B1} - is the total number of employees in the country during period 1;

r_{iB} - is the overall growth rate of industry i in the country;

E_{iB0} - is the total number of employees of industry i in the country during period 0;

E_{iB1} - is the total number of employees of industry i in the country during period 1;

r_{ij} - is the overall growth rate of industry i within region j ;

Esteban-Marquillas Extension. An important extension to the shift-share analysis was proposed by Esteban-Marquillas (1972). One problem with conventional shift-share analysis is that it doesn't account the fact that the competitive effect is actually a combination of the concentration of regional employment by industry and the growth rate of that industry. This extension corrects the problem by calculating "homothetic employment." Homothetic employment is the level of employment that sector *i* of region *j* would be expected to have if this region had the same structure as the nation or state. Using homothetic employment allows to tie the shift-share analysis to the location quotient method and substantially improves the reliability of this model. Within this extension the competitive effect is redefined by adding a fourth component—the allocation effect (*a_{ij}*). Thus, the redefined competitive effect is formulated as follows:

$$c'_{ij} = E'_{ij0} * (r_{ij} - r_{iB}) \quad (9)$$

where E'_{ij0} is homothetic employment:

$$E'_{ij0} = E_j * (E_{iB}/E_B) \quad (10)$$

The allocation efficiency a_{ij} is calculated by the following equation:

$$a_{ij} = (E_{ij0} - E'_{ij0}) * (r_{ij} - r_{iB}) \quad (11)$$

where the first term on right-hand is the **specialization effect**, while the second represents a measure of **comparative advantage**.

This equation provides four possible combinations of specialization and comparative advantage, which imply different policy prescriptions. A positive allocation effect takes place, where the specialization effect and the comparative advantage are either both positive or both negative, signifies an efficient allocation of resources by market forces. This will exist if either the region is specialized and has comparative advantage or if it is not specialized and does not have comparative advantage. The positive allocation effect suggests that the market is working efficiently without outside intervention. Negative allocation effect suggests an incorrect industry mix for the region. This will happen if a region is specialized but does not have comparative advantage or if the region is not specialized but does have comparative advantage. The incorrect industry mix suggests that perhaps the market is not working efficiently and further study is necessary to determine how best to remedy the problem. The policy options are summarized in the below table.

ALLOCATION EFFECT AND POLICY INTERVENTIONS

		Comparative Advantage	
		Positive	Negative
Specialization	Positive	The industry is healthy, and intervention is unnecessary	Intervention may be useful but further study is required
	Negative	Intervention may be useful but further study is required	The sustainability of intervention is questionable. The industry cannot efficiently expand

This analysis will facilitate identification of the industries where a particular region has competitive advantages over the whole economy. Also, the analysis will show the causes of the growth or decline in regional employment.

POTENTIAL SKILLS DEMAND-SUPPLY BALANCE






Problems and Challenges





NECESSARY SKILLS	CURRENT SITUATION
<p>TOURISM</p> <ul style="list-style-type: none"> • MANAGEMENT SKILLS FOR FAMILY HOTELS • SKILLS FOR HOTEL SERVICES • COOKING SKILLS • HIKING GUIDE SKILLS • CULTURAL HERITAGE GUIDE SKILLS • ECOTOURISM GUIDE SKILLS 	<p>NONE OF THE COLLEGES IN BORJOMI MUNICIPALITY PROVIDE VOCATIONAL EDUCATION OR VOCATIONAL TRAINING/RETRAINING ACCORDING TO THE FOLLOWING TOPICS:</p> <ul style="list-style-type: none"> • FAMILY HOTELS MANAGEMENT • ECOTOURISM GUIDE • CULTURAL HERITAGE GUIDE • HOTELS SERVICE • HIKING GUIDE • COOKER
<p>BUSINESS</p> <ul style="list-style-type: none"> • ENTREPRENEURIAL SKILLS AND KNOWLEDGE 	<p>APPROPRIATE BUSINESS SKILLS PROGRAMS ARE PARTIALLY COVERED BY THE "OPIZARI" COLLEGE.</p>
<p>AGRICULTURE</p> <ul style="list-style-type: none"> • ANIMAL BREEDING AND CARE OF SKILLS • VETERINARY SERVICE SKILLS 	<p>"OPIZARI" COLLEGE PROVIDES THE "VETERINARY" AND „LIVESTOCK" PROGRAMS IN AKHALTSIKHE</p>
<p>INFRASTRUCTURE</p> <ul style="list-style-type: none"> • WATER SUPPLY AND SEWAGE SYSTEMS JOBS IMPLEMENTATION SKILLS • PIPE WELDING SKILLS • ELECTRICIAN SKILLS 	<p>"OPIZARI" COLLEGE PROVIDES THE "WELDING" AND „ELECTRICITY" PROGRAMS IN AKHALTSIKHE</p>
<p>ENVIRONMENTAL PROTECTION</p> <ul style="list-style-type: none"> • FOREST SUSTAINABLE RESOURCE MANAGEMENT SKILLS • WASTE MANAGEMENT SKILLS 	<p>NONE OF THE COLLEGE IN BORJOMI MUNICIPALITY PROVIDE VOCATIONAL EDUCATION OR VOCATIONAL TRAINING/RETRAINING ON THE FOLLOWING TOPICS:</p> <ul style="list-style-type: none"> • WASTE MANAGEMENT <p>"OPIZARI" COLLEGE PROVIDES THE "FORESTRY" PROGRAM IN AKHALTSIKHE</p>

Required Vocations and Readiness of The Vocational Education System

REQUIRED VOCATIONS	RELEVANT PROGRAMS	LEARNING ENVIRONMENT	HR	FORM OF VOCATIONAL TRAINING OR RETRAINING
TOURISM	1	2	3	4
HOTELS SERVICE	Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Teaching - dual
FAMILY HOTELS MANAGEMENT	Does not exist	Exists	Does not exist	Vocational retraining
COOKER	Does not exist in Borjomi; Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Teaching - dual
HIKING GUIDE	Exists in Adventure Tourism School	Exists	Exists	Teaching / Certificate Programs
CULTURAL HERITAGE GUIDE	Exists in Adventure Tourism School	Exists	Exists	Teaching / Certificate Programs
AGRO-ECOTOURISM GUIDE	Exists in Adventure Tourism School	Exists	Exists	Teaching / Certificate Programs
SKI GUIDE	Does not exist	Exists sectoral program	Exists	Vocational retraining
CULTURAL HERITAGE GUIDE	Does not exist	Exists	Does not exist	Vocational retraining
ECOTOURISM GUIDE	Does not exist	Exists	Does not exist	Vocational retraining
FOLK CRAFT	Exists	Exists	Exists	Vocational retraining
BUSINESS	1	2	3	4
ENTREPRENEURSHIP	Partially exists in Opizari college	Exists	Exists	Vocational retraining
AGRICULTURE	1	2	3	4
CATTLE-BREEDING VETERINARY	Does not exist in Borjomi; Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Teaching - dual
CONSTRUCTION				
WELDING	Does not exist in Akhalkalaki; Exists in Opizari college	Does not exist in Akhalkalaki; Exists in Opizari college	Does not exist in Akhalkalaki Exists in Opizari college	Teaching - modular
ELECTRICITY				
ENVIRONMENTAL PROTECTION	1	2	3	4
WASTE MANAGEMENT	Does not exist in Borjomi; Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Does not exist in Borjomi; Exists in Opizari college	Teaching - modular
FORESTRY				

Detailed Program of Proposed Trainings

POLICY INSTRUMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	DETAILED COMMENT	PROPOSED INTERVENTIONS
PREPARING A WORKFORCE FOR THE TOURISM SECTOR			PREPARING A WORKFORCE FOR THE TOURISM SECTOR
FAMILY HOTEL MANAGEMENT		Borjomi has a long tradition of tourism and it represents one of the key sectors of the municipality. Mineral waters, natural heritage such as Borjomi-Kharagauli National Park, recreation-curative facilities, and spa centers shaped the profile of Borjomi over decades as a recreational and spa destination. Later, developing skiing infrastructure in Bakuriani, added a completely new profile and became a winter destination for many. The municipality has a rich natural and cultural heritage. During the last few years, tourism has been growing in the municipality, reflected in the growing numbers of visitors as well as the growing supply of accommodation facilities. To keep tourists in the municipality longer, it is advisable to improve the quality of certain infrastructure and existing services, and family hotels effective management.	1.1.1. Training of teachers for Borjomi VET Center 1.1.2. Develop a vocational training program 1.1.3. Implementation of training courses
HOTEL SERVICE COOKER		In the municipality, there is an increased demand for staff with professional skills, services from hosting providers (Hotels, Café-Bars, and Restaurants), However, most adults either do not have access to education outside the municipality or do not consider vocational education and employment in this sector as suitable for the activities, which, on the one hand, creates a shortage of labor in the local labor market and increases the number of unemployed.	1.1.4. Creating a learning environment at the Borjomi VET Center 1.1.5. Training of teachers for Borjomi VET Center 1.1.6. Implement vocational training courses 1.2.1. Carrying out dual training with state funding
HIKING, ALPINE AND SKI GUIDE;		The presence of certified guides in these specialties is very important for the development of winter and summer mountain tourism. These vocations have a fairly high potential for employment, including in the country's winter resorts. In Georgia, there is only one vocational school - the Gudauri Adventure Tourism School, which trains the staff of this vocation.	Conducting training and certification courses at the Adventure Tourism School
CULTURAL HERITAGE GUIDE ECOTOURISM GUIDE		It is very important to create a unified information base of cultural heritage in Borjomi municipality, Synchronization of cultural heritage sites, and marked tourist trails with navigation systems. The municipality has the opportunity to develop and popularize agro-tourism products, transform empty villages into cultural-ethnic complexes.	1.1.7. Training of teachers for Borjomi VET Center 1.1.8. Developing Vocational retraining programs 1.1.9. Implementation of training courses
PREPARING A WORKFORCE FOR THE BUSINESS SECTOR			2. Workforce growth program in Business sector
ENTREPRENEURSHIP (BUSINESS PLANNING, MANAGEMENT, MARKETING)		It is advisable to introduce entrepreneurship training for young people, where hundreds of young people from Borjomi will take courses. It is necessary to create a pilot module tailored to the informal teaching of one hundred adults and a methodology support guide for teachers. The module will be based on innovative and modern approaches to entrepreneurship teaching - Business Model canvas, design thinking, which is considered to be the best way to teach young people.	2.1.1. Develop a learning module 2.1.2. Develop a methodological guide for trainers 2.1.3. Conducting training courses for young people by the invited trainer

PREPARING A WORKFORCE FOR THE CONSTRUCTION SECTOR			3. Workforce growth program in Construction sector
WATER SUPPLY AND SEWERAGE		Appropriately qualified labor force for mentioned vocations will be very important during implementing large-scale infrastructural projects in Borjomi	3.1.1. Teachers training 3.1.2. Implement vocational training courses
WELDING			
PREPARING A WORKFORCE FOR THE ENVIRONMENTAL PROTECTION SECTOR			4. Workforce growth program in Environmental Protection sector
FORESTRY		Borjomi is very rich in natural resources. Unfortunately, the care of these resources is currently insufficient. This is evident in the example of forests where illegal logging has led to degradation and endangered forest protection functions. Additional environmental problems are related to air and water pollution and inefficient waste management. Therefore, the local population must take more responsibility for the natural environment and take more measures at the municipal level to improve waste management and environmental protection.	4.1. Teachers training 4.2. Implementation of training courses
WASTE MANAGEMENT			

Social Programs

PROGRAMS FINANCED/PLANED FROM LOCAL MUNICIPALITY BUDGET IN 2019/2020

ONE TIME CASH BENEFIT TO CHILDREN	For new burners for first child -150GEL, for second 200GEL, for third 300GEL, for firth and following -1000 GEL	46 650	155	50 000	300
CASH BENEFIT TO CHILDREN	Cash benefit to orphanage 250 GEL monthly,	6 000	2	6 000	2
CASH BENEFIT TO CHILDREN	Cash benefit for families with four and more children -200 GEL plus 50 GEL for additional child	189 500	99	223 200	130
ONE TIME CASH BENEFIT TO VULNERABLE GROUPS	One time Cash benefit to families registered in TSA, PWD, single parents and others	438 000	864	423 200	900
FREE CAFETERIA	Persons who received TSA	250 500	-	278 400	-
ONE TIME CASH BENEFIT FOR FUNERAL SUPPORT OF VETERANS AND IDPS	For families of veterans -200 GEL and IDPs -100GEL	2 100	6	2 100	10
ONE TIME CASH BENEFIT TO VETERANS	One time cash benefit for veterans 100-500GEL	11 300	65	11 300	65
HOUSING	Financial support to household with emergency housing	2 000	-	36 900	-

Source: Local Municipality

BIODIVERSITY OF BORJOMI-KHARAGULI NATIONAL PARK AND KTSIA-TA-BATSKURI MANAGED RESERVE

Borjomi-Kharaguli National Park (BKNP), the largest part of the Borjomi-Kharaguli Protected Areas (BKPA) represents the central part of the Caucasus Ecoregion. Due to its distinctive biodiversity and the vulnerability, the ecoregion is included in WWF's (World Wildlife Fund) 35 priority ecoregions and 34 biodiversity hotspots identified by IUCN (International Union for Conservation of Nature). 75% of BKNP is intact pristine mixed forest, with unique fragments of relict Colchian woods and underwoods. About a quarter of the park is subalpine and alpine meadows occupied by relict Caucasian rhododendron vines. At an altitude of 1,400-1,800 m ASL spruce and pine groves are met, all being Caucasus endemic plants, including Oriental Spruce (*Picea orientalis*), Caucasian Fir (*Abies nordmanniana*) and Caucasian pine (*Pinus kochiana*). Georgian oak (*Quercus iberica*) and hornbeam (*Carpinus caucasica*) predominate in the lower belts of broadleaf forests, while in upper belts beech (*Fagus orientalis*), chestnut (*Castanea sativa*), one of the Georgian Red List species and other deciduous wood species are prevailing.

In sub-alpine areas, crooked birch (*Betula litwinowii*) is met. Apart from chestnut, there are following Georgian Red List species: *Ostrya carpinifolia*, *Staphylea colchica*, Oak (*Quercus macranthera*), *Ulmus glabra*. From the tertiary relict species characteristic of the typical moist Colchian forests following under-wood shrubs are met: *Rhododendron ponticum*, *Rhododendron flavium*, *Laurocerasus officinalis*, *Ich aquifolium*, Colchic ivy (*Hedera colchica*) and others. The location of protected areas on the edge of the Iranian-Anatolian ecoregions has led distribution of oriental species, including *Celtis caucasica*, *Campanula crispa*, *Papaver pseudoorientalis*, etc.

Forests and highlands are particularly rich in relict, endemic, rare and fauna species. There are 64 species of mammals in BKNP, of which 11 are endemic to the Caucasus and 8 – the Georgian Red List species. There are 217 species of migratory and nesting birds, of which 13 belong to the Georgian Red List species. Furthermore, 30 species of reptiles are found in the moist forests of the protected area, 3 of which are endemic to the West Caucasus, and 2 – Georgian represent Georgia's Red List species. Important Concerning reptiles following endemic species are met: Caucasian Salamander (*Mertensiella caucasica*), parsley frog (*Pelodytes caucasica*), Adjara lizard (*Darevskia mixta*), Caucasian snake (*Vipera kaznakovi*) and others. BKNP shelters such Georgia's Red List mammals and birds as: Caucasian noble deer (*Cervus elaphus*), brown bear (*Ursus arctos*), lynx (*Lynx lynx*), chamois (*Rupicapra rupicapra*), European lynx (*Barbastella barbastellus*), Giant osprey (*Nyctalus lasiopterus*); Caucasian squirrel (*Sciurus anomalus*), Caucasian otter (*Lutra lutra*), White-tailed eagle (*Haliaeetus albicilla*), swan (*Aegypius monachus*), mountain eagle (*Aquila chrysaetus fulva*), Levant sparrowhawk (*Accipiter brevipes*), long-legged buzzard (*Buteo rufinus*), Caspian bream (*Tetraogallus caspius*), Caucasian grouse (*Tetrao mlokosiewiczi*), Robert otters (*Chinomys roberti*), etc. BKNA's forests also inhabited by wild boar (*Sus scrofa*), roe deer (*Capreolus capreolus*), wolf (*Canis lupus*), forest cat (*Felis silvestris*). 20 species of fish are also registered in Borjomi-Kharaguli National Park. Numerous river trout (*Salmo fario trutta*) are preserved in mountain rivers Population.¹¹¹

Ktsia Valley, Lake Tabatskuri and the associated wetlands are all part of the Ktsia-Tabatskuri Managed Reserve. The Reserve is situated in Borjomi and Akhalkalaki districts. BirdLife International puts Lake Tabatskuri on the list of Important Bird Areas. A number of the species recorded for the site are noted on the Red Lists of endangered/rare species of IUCN and Georgia. The management objectives for the site are: Protection of unique high-mountainous wetlands located in the vicinity of the River Ktsia (Figure 4.1-10). Protection of fresh water ecosystem of Lake Tabatskuri, which provides refuge to migratory birds. Protection of bird species (black stork (*Ciconia nigra*), white stork (*Ciconia ciconia*), grey crane (*Grus grus*), mute swan (*Cygnus olor*), whooper swan (*Cygnus cygnus*), great white egret (*Egretta alba*)) and their habitats, including the unique mountain wetlands along the headwaters of the River Ktsia and around Lake Tabatskuri. Plant communities characteristic to wetland, upland steps and meadows, as well as shrubs and remnants of relict forest are met here. Forests are composed of sub-alpine crooked beech, aspen, and mountain oak. The latter is on the Red List of Georgia. Shrubby plants include rhododendron (*Rhododendron caucasicum*) and cowberry, over large areas. Rhododendron and fragments of mountain oak forest have especially high conservation value. Wetland landscapes are common in the Managed Reserve. These wetlands mostly associate with Lake Tabatskuri and Ktsia-Nariani hydrographic system. Special attention should be given to the wetlands dominated by *Carex wiluica*, as belonging

111. Source: Management Plan of Borjomi-Kharaguli National Park

to rare cenoses of the Caucasus and spreading only in Javakheti upland. Caucasian endemic vegetation of the Reserve include Squill (*Scilla rosenii*) and Chervil (*Chaerophyllum humile*), highly ornamental Fritillary (*Fritillaria lutea*) and Saffron (*Colchicum speciosum*), and representatives of the orchid family - *Coeloglossum viride* and *Dactylorhiza urvillleana*. Animal populations are especially abundant, including: 45 species of mammals, including Brown Bear (*Ursus arctes*), Lynx (*Lynx lynx*), Wild Cat (*Felis silvestris*), Wolf (*Canis lupus*), Red Fox (*Vulpes vulpes*), European Hare (*Lepus europaeus*), as well as different species of voles and moles. Seven of these 45 species are on the Red List of Georgia, including Brown Bear and Marbled Polecat (*Vormela peregusna*), both of which are classified as endangered; Common Otter (*Lutra lutra*), Nehring's Mole Rat (*Nannospalax nehringi*), Brandt's Hamster (*Mesocricetus brandti*) and Grey Hamster (*Cricetulus migratorius*), classified as vulnerable; and Lynx (*Lynx lynx*), classified as Critically Endangered. Nearly 150 species of birds, with waterfowl and birds of prey especially abundant. Nearly 150 species can be found there seasonally. These include Corn Crake (*Crex crex*), Caucasian Black Grouse (*Tetrao mlokosiewiczi*), Common Quail (*Coturnix coturnix*), Grey Partridge (*Perdix perdix*), Great White Pelican (*Pelecanus onocrotalus*), Dalmatian Pelican (*Pelecanus crispus*), Imperial Eagle (*Aquila heliaca*), Greater Spotted Eagle (*Aquila clanga*), the Na above mentioned black stork (*Ciconia nigra*), white stork (*Ciconia ciconia*), crane (*Grus grus*), mute swan (*Cygnus olor*), whooper swan (*Cygnus cygnus*), great white egret (*Egretta alba*), etc. Imperial Eagle, Caucasian Black Grouse and Greater Spotted Eagle are on the Georgian Red List as well as the IUCN Red List of Threatened Species. Six amphibians and ten reptile species are also met in the national park, with amphibians represented by Southern Crested Newt (*Tryturus karelini*), Caucasian Parsley Frog (*Pelodytes caucasicus*), Green Toad (*Bufo viridis*), European Tree Frog (*Hyla arborea*), Eurasian Marsh Frog (*Rana ridibunda*) and Long-legged Wood Frog (*Rana macrocnemis*). Out of these Caucasian Parsley Frog (*Pelodytes caucasicus*) is endemic. Two reptile species - Adjara Lizard (*Darevskia mixta*) and Giant Green Lizard (*Lacerta media*) - are on the Red List of Georgia.¹¹²

NATURAL HAZARD PROFILE OF BORJOMI MUNICIPALITY

Sakire, Tori, Tsikhisjvari, Bakuriani, Mitarbi, Toneti zone of Borjomi municipality is highly susceptible to landslides. This territory is formed with fragile rocks, characterized by low resistance to erosion-denudation processes. Therefore, the terrain formed with these sediments is characterized by gentle hilly morphology and is significantly fragmented by erosion and landslide processes. The rocks described above, with an inclination of less than 45°, are almost everywhere covered with various capacity (2-15 m), mostly clayey-loamy young slopes, which are most damaged by landslides. Only in 1980s, geological and geodetic surveys revealed over 35 landslides and more than two dozens of gravitational sites together with 60 flood-transformable erosive water channels/beds. Large-scale development of landslide processes has been observed in Upper Eocene and Oligocene sediments and their sloping formations. Gravitational rocks and boulders associated with gravitational processes are mainly related to the Middle Eocene volcanic rocks, areas of distribution of Upper Cretaceous carbonate and Paleogene flysch rock and magmatic effusion lavas. They are characterized by a deep slow movement, occupying large areas. Coastal landslides, directly related to erosive washing of river banks, under the conditions of floods and flashfloods are noted on the banks of the Mtkvari River and its large tributaries - Kvibisiskali, Baniskhevi, Gujaretistskali, Tetrighela, Chincharaulisghele, Gogiaskhevi. Landslide-gravity events located in the zones of tectonic faults are characterized by large-scale development and complex mechanism of movement. These tectoseismogenic-climatic landslide deformations are tens of meters in depth and hundreds of hectares in size (area). The most known tectonic-climatic landslide body is the Dgvari-Kodiana landslide. Both progressive and regressive activation of landslide processes began especially after 2000 and is still in an active phase. The most prevalent are climate-induced (climatogenic) landslides. Because geologically the clayey-crushed sediments of the surface are easily subject to atmospheric precipitation. Most of these types of landslides are found on the territory of Borjomi, Vashlovani, Tadzrisi, Sakire, Didi Toneti, Tori, Didi Mitarbi and Dqvari, Tskhratskaro and others. All landslide bodies of this type experience deformation with up to 10-m depth.

Rockfalls caused by gravitational processes are frequent phenomena in the target area which are one of the important factors in the development of avalanches. They are widely developed on the slopes void of vegetation, 20-300 and higher inclination. The development of this type of gravitational processes takes place in the rocky and semi-rocky sediments of the main rocks and mainly produces stone-crumbly slabs and gravels built of coarse-grained material, rock flows (Shavnabada, Tabatskuri, Tskhratskaro, Red Mountain, etc.).

112. Source: DRAFT ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT OF THE BLACK SEA REGIONAL TRANSMISSION PROJECT Prepared for: Ministry of Energy of the Republic of Georgia Prepared by: Black & Veatch, Building a World of Difference. May 2009.

Rivers of Borjomi municipality are prone to seasonal floods and flashfloods. Their development and periodic activation are due to the mountainous terrain, frequent occurrence of erosive processes and the dominance of rocks with a high sensitivity to erosion-denudation processes. In the catchment areas of the Mtkvari tributaries, mudflows are very common and are associated to frequent recurrences of heavy rains during the warm period of the year. Almost all rivers originating on the Trialeti and Meskheta ridges have mudflow basins, including rivers: Zupretistskali, Kvabiskhevi, Likani, Baniskhevi, so-called "Tsopiani Khevi" in Borjomi city, Borjomula, Gujaretistskali, Khramiskhevi, Sakirula, Gujriskevi, Kvibistskali, Nedzistskali, Dviri, Bvir and others. The gorge of the Chobiskhevi River is highly susceptible to floods, flashfloods, landslides and mudflows. Floods are also characteristic to the Gujaretistskali and its tributaries, Tsaghveristskali, Timotesubani gorge, Kerzen, Tsinubnistskali, Naghvarevistskali (Damiskhevi). Of the tributaries of the Gujareti basin, the Nagvarevistskali floodplains in the village deserve special attention. The right tributaries of the Gujaretistskali between the villages of Toneti and Mzetamze are formed with volcanic-resistant rocks of the Middle Eocene, at least periodically producing hundreds of cubic meters of flood material and cause significant damage to roads and railways, agricultural lands. In this respect, following rivers stand out: Kvibistskali, Kortanetistskali, Nedzistskali and Khevi.

Unfortunately, the full picture of the development-activation of landslide-gravity and flood events within the territory of Borjomi Municipality is not obtained in a multi-year mode, but the analysis of the available.