PROJECT DOCUMENT REVISION No.1

Project Title: SUPPORT TO RURAL DEVELOPMENT IN GEORGIA (ENPARD II)
Project/output Number: 00087576/00094527
Implementing Partner: Ministry of Environment Protection and Agriculture of Georgia
Start Date: July 2016   End Date: December 2018   PAC Meeting date: 23-Jul-2016

Brief Description to Revision

Current Revision is made to reflect no-cost extension of the Project till 31 December 2018. The extension will allow to consolidate benefits achieved so far and facilitate the smooth transition between ENPARD II and ENPADR III projects. In particular, ENPARD II provides technical assistance to national and sub-national partners in developing and strengthening Rural Development Policy and Coordination Mechanisms. Extension of the ENPARD II will facilitate further institutional maturity of the established Rural Development systems to create conducive environment for effective implementation through ENPADR III. Extension of the duration will not require additional costs, but rather it can be achieved with the proposed reshuffling of the budget lines, as explained below:

- Initial budget of ENPARD III did not envisage management costs in 2018 since these costs were fully covered by ENPARD II. In order to ensure proportionate distribution of management costs during the overlap period of ENPARD II and ENPARD III, all management costs (salaries and operational costs) are now recalculated and shared between ENPARD II and ENPARD III in the period of May-December 2018 as per estimated workload in each project.
- Savings achieved in Management cost are redistributed to programmatic activities that will lay down background for smooth implementation of the ENPARD III and will entail the following: improving integrated delivery model needs through greater dialogue among IACC members, between IACC and local communities; strengthening local governance mechanisms to ensure more active engagement of Local authorities in Rural development, especially their awareness and engagement with LAGs and other local CSOs; developing Municipal Assessment Plans (MAP include analyses based on desk research, surveys, focus groups in eight municipalities), that will lay down basis for direct interventions under ENPARD III, which will allow evidence based planning under ENPARD III. Extension will also accommodate higher need for capacity building among non-government stakeholders; The project plans to give special focus to support civil society, private sector and rural communities (specifically, youth) for more active engagement and participation in rural development in line with EU LEADER approach and EU MS good practice. This involves building the confidence, understanding and skills required to influence rural development policy dialogue and decision making. As the new concept of rural development policy is gaining more support and interest, the capacity building continues to focus on strengthening cooperation within and among stakeholders, creating knowledge and experience sharing culture and environment for retention and sustainability of results.

Current Revision does not require any changes to the Project total EUR budget. However, total USD budget equivalent is adjusted per actual EUR/USD exchange rate of received instalments.

Contributing Outcome:
UNPSD 2016-2020 Outcome(s): Outcome 3. Growth and development are inclusive and sustainable, creating employment and livelihoods for the poor and excluded
CPD 2016-2020 Outcome: 1. Growth and development are inclusive and sustainable, creating employment and livelihoods for the poor and excluded

Indicative Output(s):
CPD 2016-2020 Output: Output 2.1. By 2020, national and local governments have greater capacities to promote user-centred, inclusive and sustainable rural and urban development policies

<table>
<thead>
<tr>
<th>Total resources required</th>
<th>3,054,917.72 USD</th>
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<tbody>
<tr>
<td>Total resources allocated:</td>
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<tr>
<td>EU: 2,919,307.90 USD</td>
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<td>Equiv. EUR 2,919,307.90 per average XRATE of received installments=0.85638736</td>
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<td>Ajarra AR Govt:</td>
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<td>Unfunded:</td>
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Agreed by (signatures)

UNDP
Niels Scott, Resident Representative

Ministry of Environmental Protection and Agriculture
Levan Davitashvili, Minister of Environmental Protection and Agriculture

Date: 26.08.2018
# ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AA</td>
<td>Association Agreement</td>
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<tr>
<td>DCFTA</td>
<td>Deep and Comprehensive Free Trade Area</td>
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<td>ENPARD</td>
<td>European Neighbourhood Programme for Agriculture and Rural Development</td>
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<td>ENRD</td>
<td>European Network for Rural Development</td>
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<td>EU</td>
<td>European Union</td>
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<td>ESC</td>
<td>ENPARD Steering Committee</td>
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<td>ESIC</td>
<td>ENPARD Stakeholder Committee</td>
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<td>FAO</td>
<td>Food and Agriculture Organisation</td>
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<td>GIS</td>
<td>Geographic Information Systems</td>
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<td>IACC</td>
<td>Inter-Agency Coordination Council</td>
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<td>KPI</td>
<td>Key Performance Indicator</td>
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<td>LAG</td>
<td>Local Action Group</td>
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<tr>
<td>LEADER</td>
<td>A French acronym meaning Links between actions for the development of the rural economy</td>
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<td>LFA</td>
<td>Less Favoured Area</td>
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<td>MEPA</td>
<td>Ministry of Environmental Protection and Agriculture</td>
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<tr>
<td>MRDI</td>
<td>Ministry of Regional Development and Infrastructure</td>
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<tr>
<td>MoESD</td>
<td>Ministry of Economy and Sustainable Development</td>
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<tr>
<td>MoENRP</td>
<td>Ministry of Environment and Natural Resource Protection</td>
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<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>NRN</td>
<td>National Rural Network</td>
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<td>RDC</td>
<td>Rural Development Council</td>
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<td>RDS</td>
<td>Rural Development Strategy</td>
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<td>Rural Development Programmes</td>
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<td>SADG</td>
<td>Strategy for Agriculture Development in Georgia</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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I. DEVELOPMENT

Background. The EU signed an Association Agreement with Georgia in June 2014. This aims to deepen political and economic relations between the EU and Georgia and to gradually integrate Georgia into the EU’s internal market. This entails, as one element, creating a Deep and Comprehensive Free Trade Area between the EU and Georgia. Under Article 333 of the Association Agreement (Cooperation between the Parties in the field of agriculture and rural development), there is provision for ‘facilitating the mutual understanding of agricultural and rural development policies’. This is the basis for the formulation of a Rural Development Strategy for Georgia which will in turn yield specification of measures which will benefit from funding under the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD). This will be the second phase of support to Georgia under ENPARD, with the first phase (ENPARD I) due for completion in 2016 and mainly oriented to assisting agricultural development.

Rural Development in Georgian Development Context. A Rural Development Strategy for Georgia will be prepared and adopted as a whole but, as an initial action, a Rural Development Strategy has been prepared for Ajara alone. As with support under ENPARD I (which was also first piloted in Ajara), this is informally seen as a pilot action preparatory to the formulation of the Rural Development Strategy and delivery of actions at the national level.

Rural development is the process of improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated areas. Rural development has traditionally focused on the exploitation of land-intensive natural resources such as agriculture and forestry. However, changes in global production networks and increased urbanisation have changed the character of rural areas. Increasingly tourism, niche manufacturers, and recreation have replaced resource extraction and agriculture as dominant economic drivers.

Rural Development can play an important role in transition economies where improving the quality of life for rural people and reducing absolute poverty levels by improving basic infrastructure, access to services and increasing economic opportunity are often the driving factors.

The need for rural communities to approach development from a wider perspective has created more focus on a broad range of development goals rather than merely creating incentive for agricultural or resource based businesses. Education, entrepreneurship, physical infrastructure, biodiversity protection and enhancement, climate change adaptation and resilience and social infrastructure all play an important role in developing rural regions. Rural development is also characterised by its emphasis on locally produced economic development strategies. In contrast to urban regions, which have many similarities, rural areas are highly distinctive from one another.

The EU and Rural Development. The EU has championed rural development for a number of years and has developed an architecture and framework within which Member States formulate strategies and seven-year programmes to address rural development challenges.

The EU’s three long-term strategic objectives for rural development covering the 2014-2020 period can be identified as:

2 The main areas of cooperation under the Association Agreement are:
Core reforms: reforms are foreseen in a number of key areas, including public governance, justice, law enforcement, economic recovery and growth, consumer protection and sectors such as energy, transport, environmental protection, industrial development, social development and protection, education, youth and culture.
Values: The Agreement puts a strong emphasis on democracy and the rule of law, human rights and fundamental freedoms, good governance, a well-functioning market economy and sustainable development.
Trade: The Agreements will offer their signatories a framework for modernising their trade relations and for developing their economies. Opening the markets through the progressive removal of customs tariffs and quotas, and harmonising laws, norms and regulations in various trade-related sectors will make this possible.
As well as contributing to stability and the promotion of democratic values in the EU’s neighbourhood, the agreements will benefit EU businesses by opening up new markets and providing for a more secure business environment when investing in these three countries.
3 http://www.enpard.ge/aboutus
• fostering the competitiveness of agriculture;
• ensuring the sustainable management of natural resources, and climate action; and
• achieving a balanced territorial development of rural economies and communities
  including the creation and maintenance of employment.

The EU has strategic guidelines for rural development\(^4\). While not explicitly designed as such,
these are used as guidelines for defining the objectives and scope of rural development under
ENPARD beneficiary countries and hence the measures that might be adopted.

Under these guidelines, actions under rural development fall within four axes (although, in fact, the
fourth of these axes – LEADER – is more properly an instrument rather than a definition of
objectives and measures). The axes are:

• Improving the competitiveness of the agricultural and forestry sectors;
• Improving the environment and countryside;
• Improving the quality of life in rural areas and encouraging diversification of the rural
  economy; and
• Building local capacity for employment and diversification (the LEADER axis).

The LEADER\(^5\) programme is an initiative to support rural development projects initiated at the local
level in order to revitalize rural areas and create jobs in a proactive and participatory manner.
LEADER projects are managed by local action groups (LAGs). Each project must involve a
relatively small rural area with actions aimed at one of three objectives: (a) to encourage
experiments in rural development; (b) to support cooperation between the main stakeholders from
different rural territories; several LAGs can share their resources; and (c) to network rural areas,
by sharing experiences and expertise in the development of rural areas by creating databases,
publications and other modes of information exchange.

A Local Action Group brings together individuals from local public, private and civil society who
have been delegated powers of strategy and delivery. Through an agreed Local Development
Strategy, LAGs are able to tackle important local priorities in a locally-specific, innovative and
participative way\(^6\).

Increasingly, it is being recognized that these local participatory bottom-up processes are an
integral factor toward building resilience within local communities.

Resilient communities recognise themselves as being:

• Knowledgeable and healthy, with the ability to assess, manage, and monitor community
  risks, learning new skills and building on past experiences.
• Organised, with the capacity to identify problems, establish priorities, and act.
• Connected, with relationships at various levels and with external actors (family friends, faith
  groups, government) who provide a wider supportive environment, and supply goods and
  services when needed.
• Supplied with good infrastructure and services, with strong housing supply, and transport,
  power, water, and sanitation systems, which the community has the ability to maintain,
  repair, and renovate.
• Aligned to a diverse range of employment opportunities, income and financial services,
  with a flexible and resourceful workforce with capacity to accept uncertainty and respond
  (proactively) to change.
• Able to manage its natural assets, recognizing their value with the ability to protect,
  enhance and maintain them.

\(^5\) A French acronym meaning Links between actions for the development of the rural economy
Lessons of experience: evaluation of EU support to rural development. There are few evaluations of EU support to rural development in the EU Member States and none yet of actions under ENPARD (for agriculture or rural development). There are, however, evaluations of the EU’s support to Least Favoured Areas¹, which involves aid to farmers as a way of maintaining the countryside in areas where agricultural production or activity is more difficult because of natural handicaps⁵.

A 2006 evaluation of the Least Favoured Area approach⁴ found, in summary, that:

- Continuity in agricultural land use has occurred against a backdrop of structural change unfurling both within and outside of the Least Favoured Areas, a key manifestation of which has been the rationalisation of holdings and a decline in the number of farmers. The role of the Least Favoured Areas measure in ensuring continued agricultural land use and in preventing land abandonment is not clear cut and there is little evidence about how recipients would have acted in the absence of a payment.
- While there were positive impacts on the recipients of support, it was not clear that the prolongation of agricultural land use is necessarily conducive to improving the viability of rural communities. Only farmers are direct recipients of Least Favoured Area payments and, although numerous, they represent only one section of rural societies. Payment structures favoured smaller farms which may help to prolong existing agricultural structures and perhaps more traditional rural societies, but not necessarily strengthen longer term viability.
- Changes in agricultural employment have been broadly similar in the Least Favoured Areas to those outside it. While Least Favoured Area payments will have played a part in preventing a more rapid decline in the labour force, their effect was difficult to separate from other factors.
- The Least Favoured Area measure has had little impact on rural demographic patterns and the proportion of the population employed in agriculture had remained small. In most case studies, the rural population has declined over the lifetime of the measure, and the average age had remained relatively high, or increased. In some Least Favoured Areas, the social make-up of rural areas had changed over time with the process of counter-urbanisation and/or the purchase of second homes by city dwellers.

Experience accumulated so far in Rural Development in Georgia. Under ENPARD 1 (2013-2017), the primary focus of the programme was on support to agriculture through institutional capacity building and support, support for the development of small farmers’ cooperatives and pilot activities on rural development in three areas, Borjomi, Stepansminda and Lagodekhi. The rationale for establishing the three rural development pilots is given as:

- Diversification of rural economic activities to address poverty and promote sustainable and inclusive growth.
- ENPARD experience in agriculture to help increased coverage and integration in rural development strategies and plans.
- Validation of EU approach to rural development.
- Inform the national strategy (contextual analysis, local level strategies).

Building on the existing support from ENPARD, the second phase of the programme will integrate support to agriculture, food safety, sanitary and phyto-sanitary and rural development. The

¹ http://ec.europa.eu/agriculture/rurdev/foa/index_en.htm
² In the early years of the LFA measure, Council Directive 75/268/EEC on 'mountain and hill farming in certain Less Favoured Areas' had one overarching objective and two sub-objectives: to 1) ensure the continuation of farming, thereby 2a) maintaining a minimum population level or 2b) conserving the countryside. The objectives were designed to address a number of needs, specific to certain LFAs characterised by least favourable production conditions. These included the need to avert the threat of the large-scale depopulation of farming areas, which would jeopardise their viability and continued habitation. In the longer term, this would lead to the abandonment of previously maintained land. The logic of intervention was to maintain a farming industry in such areas to prevent the process of rural depopulation and to take action against the abandonment of agricultural land or its conversion to alternative land uses. An exodus from farming could be prevented if farm business viability was maintained and therefore, raising farm incomes in these areas to a reasonable level was seen as central to achieving the objectives. Farm incomes were to be increased through the payment of an annual compensatory allowance which compensated farmers for permanent natural handicaps, the level of which reflected the severity of the handicap measured against a number of regional/national and European reference points.

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expected outcome will be to improve employment and living conditions in poor rural areas of Georgia, with subsequent impacts on poverty alleviation and growth. Specific measures will build resilience and improve food security and nutrition through diversification of rural activities and income sources, particularly for women and girls and the most vulnerable groups including conflict-affected people and ethnic minorities.

Under ENPARD II (2016-2018), the primary focus is to shift from agriculture to rural development support (while consolidating the agricultural support already given under ENPARD I). The roll out of rural development support is based, and conditional on:

- Adoption and implementation of a National Strategy and Action Plan
- Adaptation of EU best experiences and practices
- Complementarity of support programmes (EU, Government, other donors) for effective implementation of municipal development plans

The main rural development components under ENPARD II, include:

- Institution-building support for policy development
- Expansion of rural development projects to five new municipalities

A Rural Development Strategy for Georgia. Essentially, rural development is material and technical assistance given to the rural sector of society. The aim being to help local rural communities improve their quality of life, both socially and economically. This might include the production of more food in order to alleviate hunger, the provision of clean water to eliminate the spread of disease, or the assistance in income generation to provide the means for cash income.

So, by definition the development of a rural development strategy should involve integrated thinking at the policy level (to join-up and seek synergies across the three pillars) and wide scale and extensive consultation at the local level to ensure that the evolution of ‘national’ strategy is grounded and tested at the community level.

Ultimately, what most people want is economic development, but the three aspects (or pillars) are inseparable. Projects which set out to develop the social life of a community, including health care, sanitation, and education, find that they cannot only cater for social needs but that economic development must simultaneously take place. Similarly, economic focused projects which fail to take account of environmental impacts, and which fail to respond to the potential to enhance the local environment, will often incur greater costs over time associated with mitigating activities being necessary to offset negative project impacts.

An effective approach to rural development in Georgia, therefore, because of the interrelation (and complexity) of social, environmental and economic factors, demands clearly defined objectives on the part of the policy-making organizations. Failure to achieve this might result in interventions spread across too broad a front, resulting in a less than satisfactory outcome. Success will stimulate further success, and if one can deliver even a modest objective, then this will lead to higher and still higher attainment, building up the confidence between the development project staff and stakeholders and the people they are assisting, and building up the confidence of project staff and stakeholders in their own ability. This calls for a focused strategy framework, with clearly defined objectives, but with enough flexibility to respond to regional and local conditions.

Preparation of a Rural Development Strategy is therefore seen as a significant and important element of Georgia’s wider inclusive development policy. The Strategy will be prepared based on the EU’s experience, its architecture for rural development, its measures and programme methodology, but will ultimately reflect the Georgian reality.

A Strategy, which will improve living conditions for the rural population by increasing income from a range of diversified products and services, will be developed. The Strategy will take account of

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10 Under ENPARD I, three rural development pilots testing the LEADER/LAG approach, were established in Borjomi, Kazbegi and Logodekhi. It has been agreed that two similar pilots will be established in Ajara in the Keda and Khulo Municipalities. Under ENPARD II a further three pilots will be established in Georgia, bringing the total number of pilots to eight.

11 EU Architecture embraces: a axis covering competitiveness, the environment and rural diversification plus the LEADER approach, priority themes, possibility of thematic sub-programmes.
cross cutting issues impacting gender, the environment and climate change, will reflect regional and local differences, and will recognize the specific challenges associated with the upland and mountain areas. At the same time the Strategy will envisage elements of local development and regional development strategy methodologies, the involvement of stakeholders and civil society, and will seek to align with municipal development objectives. A core feature of the strategy will be to foster local engagement and ownership, through local action groups following the LEADER\textsuperscript{12} approach.

Work has been underway in 2015 and 2016 to enhance understanding of how a rural development strategy for Georgia should be developed. Some of the key milestones in this journey have included:

- The production of a rural development strategy for Ajara, including vision, identified priority outcomes and overseen by a cross-Ministerial Rural Development Council, ensuring integrated policy thinking and stakeholder engagement.
- The production of a draft rural development strategy for Georgia, brought together by a dedicated Working Group operating within the Ministry of Agriculture with FAO assistance.
- A Rural Development Conference, with International contributions, opened by the Minister of Agriculture, and including discussion about strategy development.
- Confirmation that the Ministry of Agriculture will lead and coordinate input from other Ministries into rural development strategy formulation (March 2016).

\textsuperscript{12} LEADER ("Liaison Entre Actions de Développement de l’Économie Rurale", meaning "Links between the rural economy and development actions") is a local development approach which allows local actors to develop an area by using its endogenous development potential.
II. STRATEGY

Overall Objective. The main objective of the support is, the establishment and implementation of Rural Development Strategies for Georgia and its Ajara region respectively, with associated capacity building for institutions charged with administering rural development in Georgia.

As such, the proposed assistance is consistent with the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD Georgia) which, as noted, is designed to enhance agricultural production and rural development\(^\text{13}\). Specifically, the proposed assistance is designed to ensure achieving the ENPARD’s results, namely: the adoption and implementation of a National Rural Development Strategy and Action Plan; the adaptation of EU best experience and practices; complementarity of support programmes (EU, Government, other donors) for effective implementation of municipal development plans. The project supports institutions building for policy development and the expansion of rural development projects to five new municipalities (two in Ajara and three in wider Georgia).

The project outputs will contribute toward improved employment and living conditions in the rural areas of Georgia and Ajara through the diversification of the rural economy.

In the course of achieving these objectives, the project is responding to the priorities set out in the Strategy for Agricultural Development in Georgia 2015-2020 (SADG), under Measure 3.4.1 – Defining and supporting rural development and investment strategies for each region, which concludes:

"Clearly, agriculture by itself cannot generate sufficient employment and job opportunities to generate sustainable enterprises and incomes for the entire rural population. Therefore, the Government intends to promote and develop a concept of non-farm rural enterprise development in areas such as, services (shops, repair, crafts etc.), processing enterprises or agro-tourism (hunting, fishing, historical monuments etc.). Successful initiatives at regional and local level will be identified and examples disseminated of successful practices. The Ministry of Agriculture will work with other branches of Government to look at the potential for technical or financial programs of support and to facilitate their realization."

The key outcome resulting from the support, will be:
- Improved employment and living conditions through the diversification of the rural economy\(^\text{14}\)

Proposed approach. The support will be characterised by being professional, open, sharing, responsive, transparent, inclusive, accountable and engaging in delivering two main outputs:

1. Institutional capacity in place for the development and implementation of a National Policy on Rural Development in Georgia.

   and

2. Institutional capacity in place for the implementation of the Rural Development Strategy in Ajara AR.

Currently Georgia has no stand-alone Rural Development Policy framework, no strategic direction for this policy area, no mechanisms for integrating different policy strands within a single framework and institutionally no capability to design and administer rural development: publicly-funded interventions.

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\(^{14}\) Result 3: Technical and Administrative Provisions, Annex 1 to Financing Agreement No EN/ 2015/037-856
Proposed Theory of Change

<table>
<thead>
<tr>
<th>National Rural Development Policy Elaboration and Implementation</th>
<th>Institutional capacities for implementation of the Rural Development Strategy in Ajara AR</th>
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<tbody>
<tr>
<td><strong>Activities</strong></td>
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<tr>
<td>1.2. Supporting participatory multi-stakeholder process leading to adoption and implementation of the RDS Action Plan</td>
<td>2.2. Support to the improvement of Ajara regional policy capacities in rural development</td>
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<tr>
<td>1.3. Support to the improvement of institutional capacities in rural development policy</td>
<td>2.3. RDS Ajara Action Plan implementation support</td>
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<table>
<thead>
<tr>
<th>Activity (intermediary) Results</th>
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<tbody>
<tr>
<td>1.1. Government of Georgia is supported to develop and adopt a National Rural Development Strategy for Georgia</td>
</tr>
<tr>
<td>1.2. Integrated model for delivery of the rural development Action Plan developed and adopted</td>
</tr>
<tr>
<td>1.3. Enhanced capacity and capability within the public sector and stakeholders to deliver rural development policy</td>
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<table>
<thead>
<tr>
<th>Activity (intermediary) Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. An Integrated Rural Development Action Plan for Ajara developed and adopted</td>
</tr>
<tr>
<td>1.2. Enhanced capacity within the public sector and stakeholders to deliver rural development in Ajara AR</td>
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<tr>
<td>1.3. Enhanced understanding of the critical success factors for effective rural development</td>
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<th>Output Results</th>
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<td>Output 1 Result: Institutional capacity in place for the development and implementation of a National policy on Rural Development in Georgia</td>
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<th>Output Results</th>
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<tr>
<td>Output 2: Institutional capacity in place for the implementation of the Rural Development Strategy in Ajara AR</td>
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The project envisages implementation of targeted capacity development activities with the aim of establishing strong institutional capacities, coordination and partnership based policy framework. Various layers: national institutions, regional and local government, non-public and private entities will be targeted with relevant support.

Through ENPARD, the EU has agreed with the Georgian government the provision of a package of support to assist in the adoption of a new Rural Development Strategy for Georgia that will assist the establishment of support programmes in many rural areas of the country.

The policy process was energised by a Rural Development Conference in Tbilisi on 11th December 2015, where officials from the European Union, the Food and Agriculture Organisation (FAO) and the Georgian Government, under the leadership of the Ministry of Agriculture, gathered with stakeholders in Tbilisi to present European experiences in rural development and to discuss the vision for rural development in Georgia, with the objective of defining a concrete roadmap for the development of an integrated policy framework to support rural development in the country.

It is perceived that many rural areas of Georgia could develop their local potential much further beyond agriculture, given the great opportunities offered by their unique natural landscape, culture and traditions. In this respect it was felt that the European experience of support to rural areas, and in particular the emphasis placed on bottom-up participatory processes, could assist the process of rural development in Georgia.

Across Europe, the support to rural development over the last decades has helped strengthen the ownership of local development processes, improving capacities and providing local actors with
resources and incentives to access better rural services and jobs in a variety of activities related to agriculture, eco-tourism and other rural businesses.

The rural development approach recognises that each territory has its own unique features, and that communities and local authorities need capacities and resources to implement their local strategies for development. This approach has helped large portions of the rural population across the EU to improve infrastructure, services and living conditions, generating multiplying effects in terms of attracting larger public and private support.

Under ENPARD I, support has been provided for three pilot initiatives to test and learn from the EU’s LEADER approach through the establishment and operation of Local Action Groups. In addition, work has commenced on drafting a Rural Development Strategy framework.

There is the need for more discussions between Ministries as to how rural development policy might be integrated across economic, environmental and rural community interests, and there has been zero engagement with regions as to what they require from a rural development approach.

While Georgian government is in process of preparing a Rural Development Strategy, a Rural Development Strategy has been prepared by the Ajara AR already. As with support under ENPARD I (which was also first piloted in Ajara), this is informally seen as a pilot action preparatory to the formulation of the Rural Development Strategy and delivery of actions at the national level.

Some of the features of the process leading to the development of the RDS for Ajara have included:

- The establishment of the Interagency unit, the Rural Development Council as the vehicle for agreeing the Strategy and ensuring the integration of economic, environmental and social priorities in Ajara RD policy implementation
- An extensive baseline assessment
- Participatory and consultative activities with a wide range of stakeholders to agree a vision and priority target outcomes for Ajara
- Discussions at the municipal and local level as to appropriate targets and actions to improve life in rural areas

The RDS for Ajara has agreed on the following vision for rural development in the region:

"The population in rural areas of Ajara enjoys a high standard of living and quality of life thanks to its vibrant, resourceful and enterprising rural communities, the sustainable use of natural resources and a diversified rural economy based on agriculture."

Taking account of the current situation in Ajara as reflected in the baseline assessment and with due regard to the SWOT analysis undertaken, the Rural Development Council considered the focus of the Rural Development Strategy in Ajara to be on:

- Enhancing farm viability and competitiveness of all types of agriculture in Ajara and promoting innovative farm technologies and sustainable management of forests, and,
- Promoting social inclusion, poverty reduction and economic development in rural areas

While the focus will lie on achieving the two priorities above, the Strategy will not exclude other listed priorities. The programming and Action Planning phase will need to take this into account. In addition, in setting goals for rural development in Ajara, particular attention will also need to be given to ensuring equity of opportunity in its widest sense, and complementarity with other Strategies developed in Ajara and Georgia, particularly the Municipal Development Plans which currently are absent in Ajara. These programming challenges are to be tested through pilot activity (funded under ENPARD II) in Keda and Khulo, starting in 2016.
III. **RESULTS AND PARTNERSHIPS**

The Project responds to Intended Outcome 3 in the Country Programme Document (2016-2020): Results and Resource Framework: Growth and development are inclusive and sustainable, creating employment and livelihoods for the poor and excluded.

Relevant UNDP Strategic Plan (2014-2017) outcome/output: Outcome 1. Growth and development are inclusive and sustainable incorporating productive capacities that create employment and livelihoods for the poor & excluded with relevant Output 1.1. National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment - and livelihoods-intensive.

The project will be implemented in close cooperation with Georgian Ministries with direct competence in rural development under the coordination of the Ministry of Agriculture of Georgia and the Rural Development Council of the Government of Ajara Autonomous Republic.

The Support is built around the two outputs:

1. Institutional capacity in place for the development and implementation of a National Policy on Rural Development in Georgia, and
2. Institutional capacity in place for the implementation of the Rural Development Strategy in Ajara AR.

**OUTPUT 1: INSTITUTIONAL CAPACITY IN PLACE FOR THE DEVELOPMENT AND IMPLEMENTATION OF A NATIONAL POLICY ON RURAL DEVELOPMENT IN GEORGIA**

The target results for this output, therefore, are:

1.1: Government of Georgia is supported to develop and adopt a National Rural Development Strategy for Georgia 1.2: Government of Georgia is supported in developing a Rural Development Action Plan based on an integrated model for delivery
1.3: Capacity amongst the public sector and stakeholders to deliver rural development policy is built

This result will be delivered by support to participatory multi-stakeholder processes leading to adoption of the National Rural Development Strategy, through:

**Activity 1.1: Government of Georgia is supported to develop and adopt a National Rural Development Strategy for Georgia**

1.1.1: An Interagency Coordination Council (IACC) effectively advocates and steers the Rural Development Policy implementation (IACC) consisting of officials from the Ministry of Environmental Protection Agriculture (MEPA), the Ministry of Regional Development and Infrastructure (MRDI), the Ministry of Economy and Sustainable Development (MoESD), will be facilitated to oversee the development of the Rural Development Strategy (RDS) for Georgia.

This action will also assess (i) how this working group might evolve beyond simply overseeing RDS development to a de facto Programme Board role, and (ii) how it might best relate to the ENPARD Steering Committee (ESC).
There is a general lack of knowledge in Georgia about the role that rural development can play to improve the lives and well-being of those living in rural areas. Engagement with the IACC will seek to bridge knowledge gaps amongst government officials by:

- Providing awareness raising activities about RD outcomes as supplementary to regional development and local municipal development priorities
- Articulating and mapping the process for RD Strategy development and how it fits in to the policy cycle and with reference to the SADG 2015-2020 and Regional Development Programmes and other strategic policy outcomes
- Discussing the nature of integrated policy development and the concept of targeted multiple outcomes in territorial areas

Specifically relating to RDS development, the IACC will be facilitated to discuss and agree on how individual Ministries might contribute to RDS development and agree where synergies need to exist. For example:

- The Ministry of Agriculture (MEPA), have its role in identifying priority sectors for added-value agricultural products and activities and will have identified gaps in processing and storage capacity for example, areas where targeted rural development measures could have a significant impact on rural incomes
- The Ministry of Regional Development and Infrastructure (MRDI), through the Regional Development Fund and development of Municipal Development Plans, may have a potential vehicle for disbursement of targeted rural development funds
- The Ministry of Economy and Sustainable Development (MoESD), are developing verifiable indicators for rural areas making possible the measurements of impact of rural development interventions and lead application of targeted support to rural economy diversification related initiatives
- The Ministry of Environment and Natural Resource Protection (MoENRP), should be able to identify high risk areas for climate change impacts this affording a mechanism for risk assessment when developing an economic or social intervention under rural development

Under this activity the project will build on work delivered to date by the FAO in establishing an effective technical working group within the Ministry of Agriculture, and will work with the identified ‘focal points’ in other Ministries responsible for co-ordinating their technical input into strategy development. The project support will use the IACC to refine, amend and clarify priority areas.

### 1.1.2: The ENPARD steering committee and the ENPARD stakeholder committee (ESTC) is ensured with information and other support for delivery of their functions

To date there has been limited stakeholder engagement beyond core Tbilisi based Ministries. To test how relevant is the RDS to rural communities and disadvantaged and vulnerable groups a more extensive and participatory process needs to be adopted in RDS development. The project will liaise with the ESTC to develop such a process and ensure complimentary to the whole ENPARD programme.

### 1.1.3: A strategy drafting team is facilitated and supported in production of the RDS ensuring its synergy with the existing sectorial strategies

The project will ensure full compliance and synergy of the RD Strategy with the existing sectorial, regional development strategies and National Strategy papers which outline the main dimensions of inclusive development in Georgia. The government have recently introduced standard requirements for national Strategy papers in terms of their content and their structure. The project support will ensure that the final RDS complies with all necessary requirements, through the formation and management of a dedicated and professional drafting and formulation team.

### 1.1.4: National and regional consultation with private sector and CSOs is facilitated by the project in support and preparation of RDS approval

The project will energetically engage beyond Tbilisi on consultation of the RDS, feeding in a regional rural perspective.

**Activity 1.2: Government of Georgia is supported in developing a Rural Development Action Plan based on an integrated model for delivery**
This result will be delivered by support to participatory multi-stakeholder processes leading to the adoption of the RDS Action Plan, through:

1.2.1: The IACC has developed an integrated delivery model

The RDS implementation could be via a number of different routes as seen in the EU, where there is no standard way of delivering national rural development programmes. The project support will seek to assist the authorities as they decide on the appropriate model for Georgia, which should reflect the ‘Georgian reality’, but which should also comply with the need for clarity and transparency of any funding decisions made.

The project will provide expert advice to MEPA and IACC for ensuring quality reporting on RDAP 2018, establishing systems of M&E effective targeting and content revision of RDS if needed. The Project will support to more effective and pro-active leadership IACC members in implementing RDS.

1.2.2: Engagement of regional stakeholders in ensured and Regional Chapters development for the RDS Action Plan

As in activity 1.1.4, the project will engage beyond Tbilisi on consultation to help formulate regional specific priorities to the RDS, working to an agreed template to capture the regional rural perspective in terms of vision and priority outcomes sought. This activity will help to target interventions based on the evidence gained via this bottom-up participatory process.

1.2.3: Facilitating AP Drafting Team ensuring its compliance with the Government’s requirements for Action Plan taking account of sustainability, gender, diversity and climate change considerations

As at 1.1.3, the project support will ensure that the final RDS Action Plan complies with all necessary requirements, through the formation and management of a dedicated and professional drafting team. The action plan will reflect national as well as regional priorities, which will be informed by the regional needs assessment activity outlined at 1.2.2.

Activity 1.3: Enhanced capacity within the public sector and stakeholders to effectively deliver rural development policy

This result will be delivered by supporting improvements in institutional capacities in rural development policy, through:

1.3.1: Relevant Ministry officials are supported to design and deliver a targeted capacity building programme

The support will involve needs assessments of individuals and operational units’ to identify capacity building interventions and enable some measurement and tracking to be made at the end of the support on the efficacy of this activity. The support will also look at the merit or otherwise of a dedicated policy advice unit (within the MEPA), as a way of ensuring project legacy and of building a more sustainable environment for future policy development. The support will look at how such a policy advice unit can be ‘hard-wired’ into current EU thinking on policy development and effective delivery mechanism for rural development.

The support will also embrace the establishment and development of an Intra-Agency Coordination Council (IACC) to enable integrated policy thinking to evolve. A learning and development programme will be designed for and delivered to build capability in the IACC, to enable them to deliver an informed mid-term review of the implementation of the RDS in 2018.
The project will draw on EU experience including the EUs Rural Development Gateway as source material for training and on-going support http://enrd.ec.europa.eu/en/policy-in-action/cap-towards-2020/rdp-programming-2014-2020 As a best was of this the Project will also facilitate establishment of close connection between EU policy makers and public service representatives.

1.3.2: Capacity building programmes are designed and delivered for public sector staff and other stakeholders

The project support will champion the role of rural networks as a way of sharing experiences and adopting best practice. The European Network for Rural Development (ENRD) contributes to the efficient implementation of Rural Development Programmes (RDPs) throughout the European Union (EU). Each Member State has established a National Rural Network (NRN), which brings together the organisations and administrations involved in rural development. At EU level, the ENRD ensures the networking of these NRNs, national administrations and European organisations: http://enrd.ec.europa.eu/en/en-rd-presentation.cfm

1.3.3: An effective learning network is established in accordance with best practice

The project will support the building of strong working relationships (e.g. between national and regional players) and encourage and facilitate networking as well as information sharing and knowledge transfer mechanisms. Information exchange is an important aspect of rural development operations, and the project support will seek to establish a Georgian 'place' within the wider EU network.

As at 1.3.1 the project will use available EU material as source material for training and on-going support e.g. the National Rural Network Guidebook found at http://enrd.ec.europa.eu/sites/enrd/files/assets/pdf/guidebook/nrn_handbook_webversion.pdf

Activities under this support will also include study tours, internal experience sharing visits and the use of modern web based media.

1.3.4. A Chief Technical Adviser is in post for the provision of expertise and advise

The Chief Technical Adviser (CTA) in Rural Development shall support the UNDP Georgia in effective implementation of the project and act as a resource person for UNDP Georgia CO, the project teams, and the project’s counterparts through the provision of advice, expertise and guidance in planning, implementing and monitoring of Rural Development Policy development. At the same time, the Chief Technical Adviser is expected to provide support in communication and co-ordination with EU and international stakeholders playing active role in rural development in Georgia. The Chief Technical Adviser will communicate with the EU Delegation and take part in the Steering Committee Meetings of the EU supported ENPAD 2 Programme.

The major tasks and responsibilities of the CTA shall include Provision of policy advice to UNDP Georgia and to the international, national and sub-national public and non-public counterparts, Support in designing and implementing capacity development measures for national public and non-public stakeholders; Support in establishing and/or strengthen professional partnerships and networks; Support in developing knowledge products such as (analytical reports, working papers, strategies/concepts, surveys, studies, mapping exercises and others); and Advising the Project Team on all substantive aspects of planning, implementing and monitoring the project activities with the aim of achieving planned objectives.

1.3.5. Baseline socio-economic studies and capacity assessments are undertaken

The Project will implement baseline socio-economic studies and capacity assessments which will inform rural development policy agenda and will prove a viable mechanism for (1) enhancement of
the effectiveness of the national implementation framework and government interventions in rural development; (2) facilitation of initiation of effective longer-term policy decisions; (3) identification and design of comprehensive assistance strategies and targeted interventions with an objective of capacity development of institution(s) in charge of rural development policy design and delivery.

This activity will also help government and all relevant stakeholders to implement interventions based on the evidence gained via the baseline studies and capacity assessments at municipal level, specifically, to be used for defining relevant direct interventions, rural service delivery modalities in relevance with existing public, private and donor support programs and projects. The studies will target the needs of special target groups: women, youth and other special groups such as IDPs, PWD, ethnic and other minorities. The studies will produce quantitative and qualitative information which will serve for elaborating the Municipal Assessment Reports (for 8 target municipalities) for proposing initial options for delivery mechanisms for further discussion and achieving consensus to support (1) improved local rural economic diversification, employment and services and (2) sustainable management of natural resources and climate action.

1.3.6. On-demand consultancy funds will be provided matching pre-agreed criteria

The Project will provide policy Advice through On-Demand Consultancy mechanism to respond to complexity of government needs. UNDP will initiate the mechanism for technical support aimed at enhancement of the government capacity to effectively plan and implement rural development policy. Such initiatives imply on-demand provision of a combination of national and international advisory services and technical expertise for the public agencies to develop their capacity for rural development policy implementation and advancement of reform agenda. Typical activities could be expert advice in priority areas, preparation of policy suggestions, exchange of experience through recognized policy leaders and high-level academic figures, study visits, facilitation of dialogue and interaction to develop consensus around the reform process, etc. The expected outputs of such initiatives could be either recommendations and/or other reference materials for the partner agencies. The On-Demand support will be primarily focused on provision of advisory services that inform policy formulation at national level. Follow up activities necessary for enforcement of proposed policy changes could be addressed through the capacity development initiatives.

**OUTPUT 2:**

**Institutional capacity in place for the development and implementation of the policy for Rural Development in Ajara**

The target results for this output, are:

2.1: To develop and have adopted an integrated Rural Development Action Plan for Ajara
2.2: Enhanced capacity within the public sector and stakeholders in Ajara AR to effectively deliver rural development policy
2.3: Enhanced understanding of the critical success factors for effective rural development to deliver improved employment and rural conditions in rural areas through the diversification of the rural economy in Ajara

**Activity 2.1: An Integrated Rural Development Action Plan for Ajara developed and adopted**

This result will be delivered by supporting participatory multi-stakeholder processes leading to the adoption of the Action Plan in Ajara AR, through:
2.1.1: The Rural Development Council (RDC) are supported to elaborate an integrated delivery model

UNDP has supported to establishment of RDC and developed a good working format within its members. UNDP, from its wide presence in Ajara region and through its well-developed support to Ajara Government and network of contacts within the region, it is well placed to continue to offer targeted and added value support.

The RDS for Ajara (developed by the UNDP) includes a number of 'programming' sectors, including:
- Programming, scheme design and action planning
- Development of indicators and a monitoring and evaluations system
- Implementation framework, governance and institutional roles
- Financial controls and sanction
- Stakeholder engagement strategy, and
- The need for training, studies, demonstration projects and pilots

The project support will work with the RDC to develop a costed Action Plan, will go further and capture other initiatives to improve the lives of the rural population. The UNDP support will draw on recent research and field work at the municipal level to inform the RDC and help shape an evidence-based targeted action plan.

The project will provide expert advice to Ajara MOA and RDC for ensuring quality reporting on RDAP 2018, establishing systems of M&E for effective targeting and content revision of Ajara RDS if needed. The Project will support to achieve more effective and pro-active leadership of RDC members in implementing Ajara RDS.

2.1.2: Action Plan indicators for the RDS in Ajara are produced

The RDS for Ajara identified two priority areas as:
1. Enhancing farm viability and competitiveness of all types of agriculture in Ajara and promoting innovative farm technologies and sustainable management of forests, and
2. Promoting social inclusion, poverty reduction and economic development in rural areas

The project support will facilitate the RDC to develop measures and interventions to address the priority areas. The support will also assist in identifying measurable indicators at the project and, if appropriate, at the regional level for use in the Action Plan.

2.1.3: The Action Plan Drafting Team are supported to ensure compliance with good international practice and the Government’s requirements

As at 1.1.3. the project support will ensure that the RDS Action Plan for Ajara complies with all necessary requirements, through the formation and management of a dedicated and professional drafting team.

Activity 2.2: Enhanced capacity within the public sector and stakeholders in Ajara AR to effectively deliver rural development policy

This result will be delivered by support to the improvement of Ajara regional policy capacities in rural development, through:

2.2.1: The Government of Ajara is supported to design and deliver a targeted capacity building program for relevant staff

The support will involve needs assessments of individuals and operational units including Ministry of Agriculture, Ministry of Finance and Economy, Ministry of Education, Culture and Sport, Ajara Tourism and Resorts Agency, municipalities to target capacity building interventions and enable some measurement to be made at the end of the support on the efficacy of this activity. The
support will also engage in discussion with the RDC as to its future role once the Action Plan has been signed-off. Potentially it could play an important role in monitoring and evaluation, stakeholder consultation evolving as an ‘expert integrated policy group’.

The Project will apply targeted capacity development programme for institutional strengthening of the Ajara governmental agencies. The Project will pay special attention to the Ministry of Agriculture of Ajara AR in building its capacity in leading the Ajara Rural Development Strategy and Action Plan implementation. The project will draw particular attention to the capacity development of the Ministry of Agriculture of Ajara AR which will be compliant to the needs to be identified through various sectorial and institutional studies. The support will be provided to technological advancement of the agriculture sector including support to applied research and knowledge transfer to farmers to contribute to the “Priority Goal #1: Fostering Knowledge Transfer and Innovation in Agriculture, Forestry in Rural Areas” and “Priority Goal #2: Enhancing Farm Viability and Competitiveness of all Types of Agriculture in Ajara and Promoting Innovative Farm Technologies and Sustainable Management of Forests”\(^1\). Relevant capacity development programme will be based on on-job trainings and coaching approach\(^1\).

The project will draw on EU experience including the EUs Rural Development Gateway as source material for training and on-going support \[http://enrd.ec.europa.eu/en/policy-in-action/cap-towards-2020/rdp-programming-2014-2020\]. The Project will ensure connecting the Ajara AR and Georgian Government with EU policy makers and public agencies with each other.

Activity 2.3: Enhanced understanding and sharing of the critical success factors for effective rural development to deliver improved employment and rural conditions in rural areas through the diversification of the rural economy in Ajara

This result will be delivered by enhanced understanding of the critical success factors for effective rural development, through:

### 2.3.1: A robust monitoring framework is established to monitor the delivery of target indicators

Prior to implementation of the Action Plan the project will facilitate the development of a monitoring framework with the RDC, which will then be used to update and inform and acquire lessons for future developments including Action Plan amendments and the development of the Ajara RDS post 2020.

There have been a number of sector assessments made in Ajara in recent years, including one most recently looking at agriculture competitiveness in 2014\(^1\). The project support will build on this body of evidence to assess the feasibility of sectorial approaches through further targeted studies and through the piloting of ‘rural enterprise’ incentives embracing for example, processing and marketing, capacity building and value chain activities where reasonably quick returns can be evidenced from targeted support.

In addition, the project support will demonstrate the value of employing Geographic Information Systems (GIS) as a targeting and monitoring tool, enabling amongst other things multiple outcomes to be generated through a single targeted package of measures.

### 2.3.2: Processes and capacity development activities are put in place to facilitate dialogue between the RDC and stakeholders and updating on delivery progress


\(^1\) These particular activities will be implemented with Ajara AR Government cost sharing supported from UNDP and Ajara Government Project “Sustainable Agriculture in Ajara AR” in 2016-2017.

\(^1\) \[http://www.ge.unDP.org/content/dam/georgia/docs/publications/UNDP_GE_ED_Ajara_agriculture_201506.pdf\]
The project support will provide feedback to the RDC and update on progress, via on-site visits in the field to see the Action Plan in action. The specific focus of these meetings will change at each meeting to maximise learning opportunities and include:

- extent of local community involvement in local development strategies;
- the role of private sector in Local Action Groups;
- the need for advice, economic data and viability studies of rural development options
- the role of intermediaries (e.g. extension officers) in delivering ad facilitating rural development in rural areas.

2.3.3: Half-yearly meetings of the RDC are facilitated and supported by the project

The learning gained through the quarterly meetings will be channelled through a half-yearly workshop session with a focus on improvements in the process, these outputs being shared with officials in Tbilisi. By formalising the learning of lessons of a new approach and the developed processes it is hoped that rapid learning will be acquired to build capacity and capability for the future.

2.3.4: An Annual Rural Development Conference in Batumi is launched

Through a combination of the quarterly targeted site visits and the half-yearly opportunity to focus on improvements to the process, critical success factors can be identified which can be used to shape key performance indicators (KPIs) for future interventions. The factors addressed should include processes (from policy to delivery) but also human resource issues. The outcomes from these activities should lead to better and more effective processes (thereby improving public services). And ideally they should provide a template for the skills and capabilities required of an effective and trusted rural enterprise/ development adviser making things happen at the local level for the benefit of local community.

2.3.5: RD Projects are piloted on the ground

Successful rural development requires a number of factors to deliver sustainable outcomes on the ground. These factors include:

- Shared identification of needs
- Clear quantification of programme outcomes on the ground (indicators)
- Effective targeting to achieve quantified goals
- Strong linkages between the policy and interventions and operations on the ground (strong intervention logic)

Additionally, effective delivery will require support from a range of individuals and organisations including extension services, NGOs and municipal staff. These ‘agents of change’ who have the potential to energise rural enterprise and make things happen on the ground will require training in hard and soft skills to effectively engage with local communities, advocate rural development options, facilitate options assessment and advise on enterprise viability. Through the project, and via the RDC, it will be the intention to pilot a capacity building programme for these ‘rural agents’ to enable them to energise local communities and deliver innovative and sustainable rural solutions.

During the Inception phase the potential for piloting projects to demonstrate RD on the ground will be scoped and designed. The projects will be launched in 2017, with clearly articulated outcomes, identified outputs and measurable indicators. During 2018 these pilots will be actively used to demonstrate RD in practice. Potential projects will be selected from the indicative list of measures and activities shown in the RDS for Ajara, some examples of which are shown in the footnote of the results framework in section V. Relevant lessons learned will be recorded and shared with the stakeholders with the aim of facilitating replication and upscaling of good practices. Thus, the pilots will help in minimising risks related to implementation a ground RD actions, especially those which require interagency coordination for implementation.

*Resources Required to Achieve the Expected Results*
UNDP staff: Economic Development Team Leader and respective Programme Associate. It supports the Project Board by carrying out objective and independent project oversight and monitoring functions. The Project Assurance team will act as an objective quality monitoring agent, avoiding the potential “self-serving bias”. In addition, the project assurance will verify the products’ or outputs’ quality. UNDP Economic Development Team Leader and Programme Associate will play the Project Assurance role.

Various Consultants will be recruited as required for provision of high level expertise in rural development, organizational capacity assessment and development measure planning and implementation as well as for implementing of rural development policy related studies, provision of technical expertise to the main national and sub-national stakeholders.

UNDP will provide operational support to the project in the following areas: human resources management services, financial services, procurement and contracting services, as well as with logistics and administration. UNDP will be responsible for the provision of all project inputs upon a formal request from the National Project Manager and Ajara Project Manager. They will provide UNDP with the necessary documents authorizing payments to be made in connection with project activities. Official summary records of all transactions will be provided by UNDP to National Project Manager and Ajara Project Manager who will in turn keep appropriate and complete records for future project auditing.

**Partnerships**

Successful Rural Development programming is based on strategic choices about what to support and how through:

1. a thorough analysis of the context (SWOT analysis);
2. a detailed assessment of needs;
3. the definition of priorities and areas of intervention (focus areas);
4. the choice of relevant measures,
5. the appropriate monitoring ad evaluation indicators and
6. the allocation of financial resources on the basis of the expected outcomes.

![Figure 1: Partners Consultation](image)

All of these stages will require a proactive approach to partnerships, for consultation and feedback and 3rd party scrutiny as well as enabling the development of networks of learning. In the context of Georgia, the project will learn from the 3 pilot areas trialing the LEADER approach, which has involved public and private partnership activity through the Local Action Groups (LAG) mechanisms. The manner by which these pilots deliver outcomes will be a valuable learning resource for the project, particularly the definition of local priorities via the local development strategies employed by the LAGs.

There are a number of donor supported interventions in Georgia that will have a direct impact on the delivery of positive rural development outcomes, for example the development of agricultural co-operatives. The project will seek to establish how donor and partner interventions can be
mapped and coordinated, and will seek consensus as to how such a ‘platform’ could be funded and operated in a sustainable way. The goal for such an approach would be open access to and transparency about donor activities, clarity about project objectives across a number of related areas and activities impacting on rural development, and potential synergies and more effective targeting of resources.

**Risks and Assumptions**

Risk management commences with adherence to programming logic, which presumes the following:

1. The Managing Authority and stakeholders wish the change (the achievement of the vision) based on the actual situation in the Country or Region or area.
2. The analysis of the current situation in the area in which the programme will be implemented uses area related context indicators.
3. Sorting out the analysis of the current situation through the analysis of S-W-O-T (using again context indicators),
4. Identifying the most relevant needs and problems justified from the analysis of the current situation and SWOT to be addressed with interventions.
5. Intervention logic linked to needs justified by the description of the situation and the SWOT and composed of what politically:
   a) is decided to be achieved (objectives and expected effects),
   b) how we do it (measures and actions) and
   c) for what price (allocation of funds)
6. Setting up a monitoring and evaluation framework with indicators, including the context indicators to be used in assessing of impacts (their baseline and target values, if possible and also evaluation questions)

Establishing an effective monitoring and evaluation framework, therefore is seen as an essential pre-requisite for programme risk management, enabling lessons to be learnt about the effectiveness of programme interventions and inform future policy design and the next programme or intervention.

On-going management of operational risks and assumptions will be delivered through the construction and regular updating of risks and issues logs, escalation of identified gaps in performance, performance reporting, minutes of meetings and Project Boards and an adequately skilled and fully resourced project management function.

With regards to indicators selected:

- Context indicators shall reflect the characteristics of the rural areas, which we wish to improve
- As a consequence, the main impact indicators are often included in the list of context indicators
- Programme specific indicators may also be used as impact and result indicators
- Operational indicators are linked to/identical with output indicators

These indicator levels are reflected in the graphic below.
Stakeholder Engagement

Effective stakeholder participation is an important element that can make a significant contribution to achieving sustainable outcomes. Developing and running an effective participatory process is likely to deliver an outcome that is better supported, bought-into and built on the knowledge and experience of individuals from different backgrounds.

At the EU level, Member States are required to establish ‘partnerships’ with, amongst others, “...any other appropriate body representing civil society, non-governmental organisations including environmental organisations...” in the development of the national strategy plan and RDP. In addition, Member States are required to provide information to the general public and certain types of organisations on the national strategy and RDP and should “ensure the transparency of funding assistance”.

Finally, the development of an axis dedicated to Leader strongly signals the priority given by the European Commission to the effective participation of a wide range of stakeholders and statutory interests in rural development programming, and provides funding to support it.

Increasingly central governments, local authorities and environmental and other agencies, including NGOs are becoming sensitive to the need for greater public participation in their day-to-day activities. This is often also prompted by legal requirements to do so. Experience shows that measures designed and implemented with the involvement of farmers and other stakeholders from a very early stage tend to be much more effective than measures drawn up by authorities and then offered to potential beneficiaries as a fait accompli.

Experience\(^{18}\) has identified that the programming approach to rural development has encouraged competent authorities to involve more than solely agricultural interests in the programming process. However, the involvement of a broader range of stakeholders, and in particular non-governmental ones, continues to lag. In particular stakeholder involvement has been generally more common in the plan preparation process than in the implementation phase e.g. “in Germany: economic, social and environmental partners participated to varying degrees in rural development programming at Federal level but performance has been poorer in the implementation stage”.\(^{19}\)

\(^{18}\) ELCo and Europe's Rural Futures (ERF)
\(^{19}\) S Schubert, D. (2005) page 9 section 2.2.2
Public participation responds to the rights of individuals to be informed, consulted and to express their own views. It also provides for a ‘bottom up’ approach to decision-making and for enhanced social learning and responsibility. Participation offers opportunities to build trust, capacity and understanding, particularly when it is instigated at an early stage in the decision making process. Besides individual engagement, participation can be delivered by non-governmental organisations.

Transparency and timeliness of engagement is critical to a more successful rural development planning process and outcome. It is important to remember that not all stakeholders want or need to be involved at all stages of the development and implementation of programmes. However, for those who want or need to be involved, clear processes, early information about timelines and budgets to cover time and travel are often essential: “A more systematic process of participation is needed .... to develop their capacity to participate effectively”.20 NGOs are not always recognised as legitimate stakeholders, which can reflect a weak tradition of engagement. This situation is further exacerbated by capacity issues (e.g. knowledge, resources), and clearly limits the scope for programmes to learn from stakeholder experience as they are implemented and reviewed. Complexity in design and delivery structures, and a lack of continuity, also lead to disengagement.

Proposed Engagement Strategy: The following questions will help to ensure that effective participation of stakeholders is integrated in programming:

- How will the key rural, land management, environmental, economic and social stakeholders be identified at national / regional / local levels, and engaged in the process?
- Which steps will be put in place to ensure that the identified stakeholders can effectively be involved from the first stages of programme development, through to delivery on the ground, according to the capacity and means of each?
- What type of participation process will be used (e.g. face to face meetings, internet consultations) to engage the partners? How does this relate to the capacity of the partners selected?
- Have the partners been informed about which role, and what type of contribution is envisaged for them?
- How will the results of the stakeholder participation be communicated? How will the stakeholder input be considered and the final decision reached?

Knowledge

There are a number of knowledge products that will be produced by the project, including:

2. Case Study material on rural enterprise.
3. An enterprise costing booklet for rural business.
5. Guidance on establishing a rural tourism enterprise.
7. Video material showcasing examples of best practice in rural development

Special training programme will be developed for different professionals to be involved in the policy implementation stressing on the analytical, policy planning, stakeholder engagement and other important skills. The training programme will be made available to all interested parties for delivery of the training with the aim of developing highly qualified and skillful professionals for national and sub-national institutions.

The Project will codify all used materials, methodologies and lessons learned particularly drawing on experience in Ajara to inform the national process, and will share the knowledge widely to stimulate the national application of an effective integrating mechanism.

Various baselines (the final list of which will be identified during the Inception Period) will be implemented with the aim of defining the baselines related to the National and Ajara AR Rural Development Strategies implementation related indicators, as well as capacities of the main stakeholder institutions.

**Sustainability and Scaling Up**

Ensuring sustainability of the project outcomes will remain the highest priority for UNDP, and this is reflected in the project strategy, which is characterised by being fully inclusive, supportive of participatory processes both at the national and regional level, with a strong emphasis on networks of learning and capacity building activities to ensure a meaningful project legacy.

The approach taken to working with the Intra-Ministerial Working Group will have a strong focus on the role of the group beyond the project life cycle considering for example a de facto *Programme Board* role, and embedding deep understanding within the group of the rural development policy landscape and how well targeted rural development interventions can make a difference to rural lives and livelihoods.

This focussed and targeted capacity and capability building is also evident in the proposed approach to stakeholders where the support will seek to formalise the role of stakeholders in the process liaising with the ENPARD Stakeholder Committee to establish appropriate approaches toward reaching out to disadvantaged, vulnerable and hard-to-reach groups.

In addition, the support will engage energetically beyond Tbilisi on consultation of the RDS. This will also embrace activity designed to elicit regional input for the Action Plan, in the form of regional chapters, ensuring regional buy-in and a more representative locally ground-truthed RDS.

While there is a focus on strategy development in the support provided, there is also a clear recognition that any strategy without a recognisable means of delivery, will struggle to have any impact. Discussion on delivery mechanisms for rural development, beyond the pilot activity, has been virtually non-existent, but the project support will engage early with this issue taking a holistic and flexible approach to what could work in Georgia. This will necessitate a national-regional dialogue and engagement with NGOs as well as state-funded institutions including the extension service. Getting this right, and agreeing on an integrated model for delivery will be a fundamental element of the overall sustainability of the project.

The capacity building activities described herein will draw on existing EU references and will seek to develop the concept of learning networks. The Project will support the building of strong working relationships (e.g. between national and regional players) and encourage and facilitate networking as well as information sharing and knowledge transfer mechanisms. Information exchange is an important aspect of rural development operations, and the project support will seek to establish a Georgian ‘place’ within the wider EU network.

The Rural Development Strategies, in both Ajara and Georgia, will need to feed into their respective municipal strategies (where available), adding value to both. Municipalities, through the stakeholder engagement exercise and the development of regional chapters to inform the Action Plan for Georgia, will have a possibility (and an obligation, in fact) to reflect their strategies into the Action Plan budgets.

The project will codify all used materials, methodologies and lessons learned particularly drawing on experience in Ajara to inform the national process, and will share the knowledge widely to stimulate the national application of an effective integrating mechanism.
The project will facilitate the strengthening of participation in the reform process of those stakeholders that have been relatively passive so far. These stakeholders would include state institutions, non-governmental organizations and regular citizens. Individual line ministries have a unique role to support the MEPA in guiding the regions in the development of regional input into the RDS. Establishment of regular coordination and cooperation among these ministries will be sought in all relevant areas.

Local government has the right to voice their considerations at the national level, and this is a feature of the proposed support. The project will support regional and local authorities to pursue the all-inclusive and participatory process in all stages of the strategic deliberations.

Lastly, the project will pursue all means to involve a wide range of public into the reform deliberations. This may include discussions with involvement of academia, students, people from regions and villages through means of traditional and social media, town-hall meetings and others.

Visibility
A key to the success of the proposed support is a wide public support of the proposed interventions which will be achieved by the projects’ activities with sufficient media visibility. The Visibility and Communication Plan is worked out and agreed upon with the EU Delegation in Georgia (Annex 6) in order to promote media coverage at important delivery points. The signing ceremonies of the project document, cooperation agreements with implementing partners, launching of trainings to stakeholders, etc. will be properly highlighted and communicated to local and national media.

Each entity and facility engaged into the implementation of the proposed activities will have a sign naming the donor and implementer logos and names. Presentations and public coverage will ensure where special attention will be given to the role of the EU in developing relevant institutional capacities and supporting measures for farmers.

The equipment, as well as relevant teaching and training materials, as well as certificates for graduated students and trainees will have EU insignias.

The National Project Manager will be primarily responsible for ensuring the distribution of press statements to the media, organizing open days and other outreach activities, thus guaranteeing proper visibility of the EC as the main donor of this project. The Project will also receive support from the UNDP communication officer in promotional activities.

Human Rights Based Approach
The project will be guided by the human rights based approach. All project activities will be based and will apply human rights principles such as: Equality and non-discrimination, participation and inclusion, accountability and rule of law. Regional and local development will be approached as a means for safeguarding the basic rights of rights-holders (local citizens, women, vulnerable and other groups) and enabling proper satisfaction of their fundamental rights, needs and interests. Whilst, at the same time, it will provide the duty-bearers at central, regional and local level stronger capacities and opportunities to effectively fulfil their obligations and increase accountability.

Promoting gender equality and women’s empowerment
The project will make sure that its activities promote gender equality and empowerment of women. The project will seek to secure stronger representation of women in local and regional deliberations, as well as help local women to get empowered economically. Inter alia, in synergy with the UNDP Gender Equality project and the partner organisations supporting gender equality nation-wide, it will actively lobby for specific measures advancing local women to represent their interests among the constituency.

In the process of elaboration of the Rural Development Strategies and Action Plans, special surveys in respective regions will be carried out to identify the vulnerable and marginalized groups (rural women, IDPs, persons with disabilities, etc) and collect data on their specific needs. The outcomes of such surveys will be carefully taken into consideration and adequately reflected in the
Rural Development Strategy Action Plans. Proper participation of representatives of the vulnerable and marginalised groups in the Action Plan working processes will be ensured.

Related to the above, the project will proactively seek an equal participation of women and men, when it comes to elaborating Action Plans in their region/municipality. Any sub-projects nominated for pilot funding by regional and local authorities will be assessed for gender sensitive benefits to the extent possible, and the sub-projects providing at least equal benefits to women (then men) will be especially encouraged.

The project support will encourage and pay a strict attention to participation of female staff members from the Ministries, regional and local administrations in training and other activities. The training providers will be encouraged to introduce topics of Gender Equality in their curriculum, where it may be applicable. Sex-disaggregated data will be collected and codified throughout the project activities, in all relevant circumstances.

**Promoting environmental sustainability**

Environmental sustainability is at the core of rural development planning and strategy development. The proposed support will be implemented with the due consideration of the environmental impact having in mind institutional, policy and operational aspects.

The policy institution will be provided with technical assistance on following good practice of implementing environmentally sustainable policy through incorporating these aspects in the process for rural development strategy and action plan development and any further studies and study tours proposed by this initiative.

Relevant trainings and capacity development measures will be implemented for the staff of implementing partners and stakeholder organisations. The proposed support will promote sustainable natural resources management and raise awareness of climate change aspects and mitigation strategies.

UNDP and implementing partners will ensure compliancy of any equipment and other inputs procured with internationally recognised environmental standards.

**IV. PROJECT MANAGEMENT**

The Project will be implemented under the National Implementation (NIM) modality with full Country Office support. The Project will have inception phase – initial 6 months, which will result in defining more detailed work-plan, identifying the needed partnerships, TA support and define more detailed operational side of the Project (revision of work-plan and budget if needed). The Project will implement baseline surveys (especially the surveys of the main institutions’ capacities) to ensure traceability of the Project’s performance, quantification of the targets and results. This will help to ensure high effectiveness of the project support. The survey results will help the Project in identification a quantifiable and qualitative indicators and their reflection in consequent detailed monitoring and evaluation framework to be created during the Inception Phase (please see for more details the section "VI. Monitoring and Evaluation").

The project will be implemented by two teams and respectively will have two project offices: one in Tbilisi and one in Batumi. National Project Manager will be recruited by UNDP according to UNDP rules, regulations and procedures as part of UNDP support to manage the project on a day-to-day basis. His/Her primary responsibility will be, jointly with the project implementation units, to ensure that the project achieves results that are capable of delivering the outputs described in this document. The National Project Manager will be in charge of requesting funds to cover project-related expenses.

The National Project Manager will be reporting periodically to UNDP on the implementation of the project. Ajara Project Team will be managed by Coordinator for Ajara Component, who will be
responsible for the management of Ajara related Output (Output #2). Coordinator for Ajara Component will support the Project Board members and National Project Manager by communicating the progress and coordination of all efforts for ensuring the quality and timeliness of delivery of results.

The Project Office in Tbilisi will consist of National Project Manager, Project Technical Leader, Sectoral Coordinator: Capacity Development (Idem: Capacity Development Adviser), Sectoral Coordinator for Economic Diversification, Sectoral Coordinator for Environment, Monitoring and Evaluation Coordinator and Administrative-Financial Assistant. The Project Office in Batumi will consist of Coordinator for Ajara Component and Project Officer. Technical and logistical support will be provided by driver and cleaner for both teams.

The Project Manager and the Project Technical Leader will be jointly accountable towards the project Steering committee for achievement of the project objectives. Internally within UNDP, the project manager will report to UNDP Economic Development Team Leader, and the Project Technical Leader will report to UNDP Deputy Resident Representative.

Various Consultants will be recruited as required for provision of high level expertise in rural development, organizational capacity assessment and development measure planning and implementation as well as for implementing of rural development policy related studies, provision of technical expertise to the main national and sub-national stakeholders.

Project activities will be managed as close to the grass root level as is feasibly possible, in close cooperation with the regional/local administrations and private sector representatives. Namely close partnerships will be established with the IACC and the Rural Development Council of Ajara, the Ajara AR Ministry of Agriculture, the Ajara Ministry of Finance and Economy, wider stakeholder groups, NGOs delivering pilot activity, the Agroservice Centre, Batumi Business Incubator and others.

UNDP will provide operational support to the project in the following areas: human resources management services, financial services, procurement and contracting services, as well as with logistics and administration. UNDP will be responsible for the provision of all project inputs upon a formal request from the National Project Manager and Coordinator for Ajara Component. They will provide UNDP with the necessary documents authorizing payments to be made in connection with project activities. Official summary records of all transactions will be provided by UNDP to National Project Manager and Coordinator for Ajara Component who will in turn keep appropriate and complete records for future project auditing.

List of staff directly attributed to the Project

1. National Project Manager (SB4Q3), (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III), responsible for administrative oversight and internal controls, coordination and supervision of institutional relations with concerned government institutions.

2. Project Technical Leader (P4), (40% during May-December 2018, since shared with ENPARD III). Will be responsible for Coordination and technical supervision of rural development policy and implementation, Communication and reporting to the EU Delegation.

3. Sectoral Coordinator: Economic Diversification (SB4Q1) (40% during May-December 2018, since shared with ENPARD III). Will be responsible for implementation of economic diversification activities.

4. Sectoral Coordinator: Environment (SB4Q1), (40% during May-December 2018, since shared with ENPARD III). Will be responsible for implementation of Environment, Sustainable Management of Natural Resources, Climate Action related activities.

5. Sectoral Coordinator: Capacity Development (SB4Q1), (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III), responsible for implementation of capacity/institutional development part of the project.
6. Monitoring and Evaluation Coordinator (SB4 Min), (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III), responsible for the project related M&E activities and the support to development and implementation of the institutional M&E systems related to RD Strategies (National and Ajara) and respective Action Plans.

7. Coordinator for Ajara Component (SB 4Min) (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III), responsible for the management of Ajara related Output (Output #2), provision of support the Project Board members and National Project Manager by communicating the progress and coordination of all efforts for ensuring the quality and timeliness of delivery of results. Project Officer (SB3 Mid), (60% during May-December 2018, since shared with ENPARD III), located in Batumi and responsible for liaising with, and providing support to Sectoral Coordinators for implementation of respective activities in Ajara AR; providing technical support in financial, contractual and organisational matters.

8. Driver/logistician in Tbilisi and Batumi offices (100% during July 2016 - April 2018, 60% during May-December 2018 since shared with ENPARD III).

9. Cleaners in Tbilisi and Batumi offices, (50% during July 2016 - April 2018, 30% during May-December 2018 since shared with ENPARD III).

Economic Development Team Leader (NoB, part-time) (25% in July 2016 April 2018, and 15% during May-December 2018). Is responsible for quality assurance of the project, supporting the project Steering committee, facilitating coordination within UNDP, other UN agencies and concerned stakeholders.

Programme Associate (G6, part-time) (10% in July 2016 - April 2018, 6% during May-December 2018). Is responsible for providing administrative advice and supporting project implementation from the Country Office. S/he will provide administrative, financial, contractual, reporting and procurement related support to ensure compliance of administrative processes with respective UNDP rules and regulations, and the respective Country Office Standard Operational Procedures.

Project Office Costs

The Project will cover all costs required to implement all project activities, listed in the Budget for the Project.

The Project will have 2 project offices, one in Tbilisi and the other in Batumi. The Project budget includes the following costs for both offices:

- Rental costs, including security charges, for Tbilisi and Batumi offices, (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III).
- Cost of IT and telecommunication such as internet, telephone, etc for both offices. (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III).
- Cost of Utilities for Tbilisi and Batumi offices, such as Electricity, water, heating, etc., (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III).
- Consumables and stationery supplies for operation of Tbilisi and Batumi offices, (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III).
- Maintenance, insurance, fuel and depreciation costs for Tbilisi and Batumi vehicles (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III).
- IT/Computer and office equipment purchase and maintenance for Tbilisi and Batumi offices.
- Costs of travel and field trips for the project activities, (100% during July 2016 - April 2018, 60% during May-December 2018, since shared with ENPARD III).
- Costs of project communication and visibility activities (as spelled out in the communication and visibility plan).
The project will be subject to UNDP policies and procedures for internal and external audit.

Concerning venues, catering and other logistical arrangements for activities will be sourced with constant attention to prudence and exemplarity in the use of EU and Georgian taxpayer’s money at times of fiscal constraints, as well as to the carbon print. Public venues will be prioritised over private ones, distance from the usual work places of respective audience will be minimal, and use of five-star hotel or resorts will be avoided except in exceptional circumstances duly authorised by the EU Delegation with 3 weeks of prior notice.

Consistent with numerous UN Security Council resolutions, including S/RES/1269 (1999), S/RES/1368 (2001) and S/RES/1373 (2001), the parties are firmly committed, amongst others, to the international fight against terrorism, and in particular, against the financing of terrorism.

It is the policy of EU to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism or under which there are restrictive measures.

The UN will not provide funds to third parties, whether individuals or entities, included in the Consolidated United Nations Security Sanctions List (the "UN Sanctions List") at the time such funds are to be allocated.

The UN will cooperate with the EU in identifying whether the UN’s final selection of third parties, whether individuals or entities, in connection with the UN’s undertakings under this Agreement would result in the provision of funds or support to third parties, whether individuals or entities, that the EU has included in the EU sanctions list. Additionally, the UN and the EU will cooperate if the EU has identified that funds that the EU has contributed to the UN under this Agreement are being or have been used to support third parties, whether individuals or entities, that the EU has included in the EU sanctions list. In either case, the UN and the European Commission will discuss and determine the appropriate course of action bearing in mind their respective applicable legal frameworks. Such course of action may include, without limitation, the reallocation of remaining funds contributed by the EU to the UN under this Agreement (net of any costs for the UN in having undertaken any procurement or implementing partner selection exercise), or the suspension or termination of this Agreement, together with the return of any unspent funds contributed by the EU to the UN, if so requested by the Commission.
Correspondence of Program Management and Monitoring budget lines in two projects is presented in the table below:

<table>
<thead>
<tr>
<th>Line #</th>
<th>Description</th>
<th>ENPADZ Initial Grand Total</th>
<th>ENPARD Initial Grand Total</th>
<th>Comments</th>
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<td>Programme Analyst (NGO VT)</td>
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<td>Programme Associate (GS)</td>
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<td>3.3</td>
<td>National Project Manager (SBM-MO) (Tbili)</td>
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<td>59,650</td>
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<td>Project technical leader (IP)</td>
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<tr>
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<tr>
<td>3.11</td>
<td>Cleaner (SBM-MO) (Batumi)</td>
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<td>907</td>
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<tr>
<td>3.12</td>
<td>Computers, office equipment, maintenance</td>
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<td>Computers, office equipment, maintenance (Nationwide/Ajara)</td>
<td>4,077</td>
<td>10,500</td>
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1) Under ENPADZ III, equipment costs were increased to reflect real needs. 3 additional laptops for new staff, as well as depreciation costs for increased number of laptops and equipment purchased under ENPADZ which will be transferred to ENPADZ II.  
2) Under ENPAD II, due to the fact that the project rented office, which was not equipped and furnished, it had to incur higher costs on office equipment and furniture than initially envisaged. Therefore, budget line for equipment line is increased. However, project managed to make savings on the office wear, which fully offsets equipment overexpending.
<table>
<thead>
<tr>
<th>Line #</th>
<th>Description</th>
<th>Initial Grand Total</th>
<th>Revised Grand Total</th>
<th>Line #</th>
<th>Description</th>
<th>Initial Grand Total</th>
<th>Revised Grand Total</th>
<th>Comments</th>
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<td>4,891</td>
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<td>Communications (internet, telephone, etc.)/Batumi</td>
<td>7,821</td>
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<td>2,927</td>
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<td>3.21</td>
<td>Travel (field trips)</td>
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<td>5.28</td>
<td>Travel (field trips)/Nationalwide/Ajara</td>
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<td>25,656</td>
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<td>Visibility/Nationalwide/Ajara</td>
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<td>35,943</td>
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<td>3.23</td>
<td>Purchase of Vehicle for PIU Tbili &amp; insurance</td>
<td>20,306</td>
<td>4,550</td>
<td>5.16</td>
<td>Vehicle fuel and maintenance (Tbili)</td>
<td>27,373</td>
<td>29,236</td>
<td>1) Under ENPARD II, initial budget included total cost for purchase of vehicle for Tbili Office. However, based on PSAS, accounting principles UNDP charges project only for depreciation, which is accrued on a monthly basis. 2) Under ENPARD II, Office depreciation and vehicle fuel/maintenance costs were distributed under separate budget lines (5.1.21, 5.1.24), while under ENPARD II, Office depreciation costs are integrated under budget line 5.1.6, vehicle fuel and maintenance (Tbili).</td>
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<td>3.24</td>
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<td>Vehicle fuel and maintenance (Batumi)</td>
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<td>External Evaluation</td>
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<td>5.3</td>
<td>External mid-term and final evaluation (Nationalwide/Ajara)</td>
<td>49,920</td>
<td>49,920</td>
<td>Under ENPARD II, these line items correspond to one line “External Evaluation”</td>
</tr>
<tr>
<td>3.27</td>
<td>Monitoring and Evaluation Coordinator (50% MIN)</td>
<td>24,688</td>
<td>5.8</td>
<td>5.26</td>
<td>CD monitoring support (NOA, Nationwide/Ajara)</td>
<td>5,366</td>
<td>5,366</td>
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</tr>
</tbody>
</table>

**Grand Total**: 572,770 544,025 2,279,205 2,255,065

**General Comments**:

1. Initial ENPARD II budget did not envisage management costs in 2018, since these costs were fully budgeted in ENPARD I, in order to ensure proportionate distribution of management costs during the overlap period of ENPARD II and ENPARD I. All management costs (salaries and operational costs) are now recalculated to that 60% is charged to ENPARD II and 40% to ENPARD I for the period of May-Dec, 2018. Therefore, all management budget lines under ENPARD I increased, through no changes were applied to its rates, except Equipment (5.2.27) and Travel (5.2.8) explained under respective budget line comments.

2. Under ENPARD II, if a unit for staff worked at the end of the project, including extensions period, their salaries were included in the related budget line of the last years of the project period, respective budget line comments.

3. Under ENPARD II, the staff costs for the period between ENPARD II and ENPARD I (May-Dec, 2018) salaries and operational costs are split, with a proportion of 40% ENPARD II and 60% ENPARD I, respectively.

4. Under ENPARD II, new budget line (5.3.27) is introduced for the position of M&E Coordinator (project staff), which was added per agreement with the EU delegation starting from Sept. 2017.

5. ENPARD I salaries are lower than respective costs under ENPARD II, due to the fact that, possible salary scale increases were factored in ENPARD II unit costs calculations.
### V. Results Framework

**Intended Outcome in the Country Programme Document (2016-2020): Results and Resource Framework:**

CPD Outcome 2/UNPSD Outcome 3: Growth and development are inclusive and sustainable, creating employment and livelihoods for the poor and excluded.

**Outcome Indicators as stated in the Country Programme Document (2016-2020): Results and Resources Framework, including baseline and targets:**

**Indicator 1.** Number of new policies, systems, institutional measures at national and subnational levels to generate/strengthen employment and livelihoods

Baseline (2014): 3 policies/programmes to support private sector development, including agricultural loan programmes (Ministry of Agriculture), support for cooperatives, ICSs and produce in Georgia (Ministry of Economy and Sustainable Development), EDA and GNITA programmes; Target (2020): At least 2 new policies for supporting inclusive business development, application of innovations and rural development

**Indicator 2.** Unemployment rate (disaggregated by sex, youth, rural/urban); Baseline: 15 (2013); Target: 12 – Georgia 2020 target

**Indicator 3.** Percentage (self) employment among vocational education (VET) graduates disaggregated by sex, people with disabilities, economic and other vulnerabilities; Baseline (2015): to be confirmed in 2015; work net data, Ministry of Labour, Health and Social Affairs (MOLSHA); Target (2020): 30% increase vs. 2015

**Applicable Outputs from UNDP Strategic Plan 2014-17: Outcome 1. Growth and development are inclusive and sustainable incorporating productive capacities that create employment and livelihoods for the poor & excluded/Output 1.1. National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment- and livelihoods-intensive**

**Title and ID (ATLAS Award ID):** SUPPORT TO RURAL DEVELOPMENT IN GEORGIA and AUAAR (award 00082017 [output 00091133])

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Output Indicators</th>
<th>Data Source</th>
<th>Baseline</th>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1:</strong> Institutional capacity in place for the development and implementation of a National policy on Rural Development in Georgia</td>
<td>1.1: Development Policy implementation mechanisms in place</td>
<td>Administration of the Government of Georgia Report of the MEGA of Georgia Third parties' reports</td>
<td>1.1: No National Rural Development Policy in place</td>
<td>1.1 Approval of the National Rural Development Strategy</td>
<td>1.1 Institutional Framework for National Rural Development Policy is on place</td>
<td>1.2/ A National and subnational mechanisms for implementation of Rural Development Strategy are in place</td>
<td>Method: Obtaining legal act of Government of Georgia, third parties' reports and evaluations</td>
<td>Risk: No risk identified</td>
</tr>
<tr>
<td>Output 1: Institutional capacity in place for the implementation of the Rural Development Strategy in Ajara AR</td>
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<tr>
<td>2.1: Formal decree approving the Rural Development Action Plan for Ajara AR</td>
<td>2.1: Ajara Rural Development Strategy was approved by the Government, but no Action Plan in place</td>
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<tr>
<td>Legal Act of the Government of Ajara AR</td>
<td>2.1 Ajara Rural Development Strategy Action Plan is elaborated and approved</td>
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<tr>
<td>Special assessments (through surveys and studies) implemented by contractors</td>
<td>2.1. Ajara Rural Development Strategy Action Plan is reviewed and adjusted as needed</td>
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<tr>
<td>2.2: Baseline study/survey for collection of information on the capacity of the public sector and identified stakeholders will be provided in the inception period (1-6 months) through Training Needs Assessments.</td>
<td>2.2 Level of skills of rural development policy and delivery within the public sector is improved</td>
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<tr>
<td>2016</td>
<td>2.2 Level of skills of rural development policy and delivery within the public sector is improved</td>
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<tr>
<td></td>
<td>2.2/ Enhanced capacity within the public sector and stakeholders in Ajara AR to effectively deliver rural development policy.</td>
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<tr>
<td>Method: Results of annual reassessment of capacities of the main stakeholder institutions</td>
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<tr>
<td>Risk: quality of methodology and application of the annual reassessment</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 2: Institutional capacity in place for the implementation of the Rural Development Strategy in Ajara AR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1: Formal decree approving the Rural Development Action Plan for Ajara AR</td>
</tr>
<tr>
<td>Legal Act of the Government of Ajara AR</td>
</tr>
<tr>
<td>Special assessments (through surveys and studies) implemented by contractors</td>
</tr>
<tr>
<td>2.2: Baseline study/survey for collection of information on the capacity of the public sector and identified stakeholders will be provided in the inception period (1-6 months) through Training Needs Assessments.</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Method: Obtaining legal act of Government of Georgia</td>
</tr>
<tr>
<td>Risk: No risk identified</td>
</tr>
<tr>
<td>2.3: Level of knowledge of the critical success factors (monitoring and evaluation) for effective delivery of the Action Plan among Ajara AR public sector and relevant stakeholders</td>
</tr>
</tbody>
</table>

* Note: the progress of indicators 3.1.a and 2.3.a will be performed primarily through application of UNDP methodology provided in the report “Measuring Capacity” (UNDP, 22 June, 2010, available at: http://www.undp.org/content/dam/aplaws/publication/en/publications/capacity-development/undp-paper-on-measuring-capacity/UNDP Measuring Capacity July 2010.pdf?download). The methodology is based on the study of good practices and methodologies applied for measuring progress of result-oriented institutional capacities development practices. Other relevant methodologies will be applied as well to make the assessment traceable in terms of measurable and in terms of a set of quantifiable indicators.

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21 Potential activities for direct support would include measures identified in the RDS for Ajara, including: Support for the establishment of a machinery ring to service small to medium sized producers; Enhancing the Extension Services and application of Rural Advisors' services; Assessing the feasibility of enhancing value chains, including establishing a collection centre (wholesale market) at municipal level through a private-public sector partnership.
VI. **Monitoring And Evaluation**

In accordance with UNDP’s programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

During the Inception Phase a detailed Monitoring and Evaluation Framework will be produced, showing detailed indicators and targets for the intervention logic of the proposed activities the inputs, outputs and impacts.

**Monitoring Plan**

<table>
<thead>
<tr>
<th>Monitoring Activity</th>
<th>Purpose</th>
<th>Frequency</th>
<th>Expected Action</th>
<th>Partners (if joint)</th>
<th>Cost (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Track results progress</td>
<td>Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.</td>
<td>Quarterly, or in the frequency required for each indicator.</td>
<td>Slower than expected progress will be addressed by project management.</td>
<td>No (made by UNDP and Project staff)</td>
<td>No (made by UNDP and Project staff)</td>
</tr>
<tr>
<td>Monitor and Manage Risk</td>
<td>Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP’s Social and Environmental Standards. Audits will be conducted in accordance with UNDP’s policies and procedures</td>
<td>Quarterly</td>
<td>Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.</td>
<td>No (made by UNDP and Project staff)</td>
<td>No (made by UNDP and Project staff)</td>
</tr>
<tr>
<td>Learn</td>
<td>Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.</td>
<td>At least annually</td>
<td>Relevant lessons are captured by the project team and used to inform management decisions.</td>
<td>MEPA of Georgia and Ajara AR</td>
<td>No (made by UNDP and Project staff)</td>
</tr>
<tr>
<td>Annual Project Quality Assurance</td>
<td>The quality of the project will be assessed against UNDP’s quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.</td>
<td>Annually</td>
<td>Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.</td>
<td>Project Board Members</td>
<td>No (made by UNDP and Project staff)</td>
</tr>
<tr>
<td>Review and Make Course Corrections</td>
<td>Internal review of data and evidence from all monitoring actions to inform decision making.</td>
<td>At least annually</td>
<td>Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.</td>
<td>No (made by UNDP and Project staff)</td>
<td>No (made by UNDP and Project staff)</td>
</tr>
<tr>
<td>Project Report</td>
<td>A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality</td>
<td>At least-annually, and at the end of the project (final report)</td>
<td></td>
<td>No (made by UNDP and Project staff)</td>
<td>No (made by UNDP and Project staff)</td>
</tr>
<tr>
<td>Monitoring Activity</td>
<td>Purpose</td>
<td>Frequency</td>
<td>Expected Action</td>
<td>Partners (if joint)</td>
<td>Cost (if any)</td>
</tr>
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</tr>
<tr>
<td>Project Review</td>
<td>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</td>
<td>At least annually</td>
<td>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</td>
<td>Project Board members</td>
<td>No (made by UNDP and Project staff)</td>
</tr>
</tbody>
</table>

**Evaluation Plan**

<table>
<thead>
<tr>
<th>Evaluation Title</th>
<th>Partners (if joint)</th>
<th>Related Strategic Plan Output</th>
<th>UNDAF/CPD Outcome</th>
<th>Planned Completion Date</th>
<th>Key Evaluation Stakeholders</th>
<th>Cost and Source of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Evaluation</td>
<td>N/A</td>
<td>Output 1.1. National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment- and livelihoods-intensive</td>
<td>UNPSD Outcome 3: Growth and development are inclusive and sustainable; creating employment and livelihoods for the poor and excluded</td>
<td>December 2018</td>
<td>EU, MEPA of Georgia, MEPA of Ajara AR</td>
<td>Cost: Euro 22,075 Source: Project budget</td>
</tr>
</tbody>
</table>
## VII. Multi-Year Work Plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>Year 1 (12 months)</th>
<th>Year 2 (12 months)</th>
<th>Year 3 (6 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception (6 months)</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>ACTIVITY 1.1 - Government of Georgia is supported to develop and adopt a National Rural Development Strategy for Georgia</td>
<td></td>
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<tr>
<td>1.1.1 An Interagency Coordination Council (IAC) effectively advocates and steers the Rural Development Policy implementation</td>
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<tr>
<td>1.1.2 The ENPARD steering committee and the ENPARD stakeholder committee (ESC) is ensured with information and other support for delivery of their function</td>
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<tr>
<td>1.1.3 A strategy drafting team is facilitated and supported in production of the RDS ensuring its synergy with the existing sectoral strategies</td>
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<tr>
<td>1.1.4 National and regional consultation with private sector and CSOs is facilitated by the project in support and preparation of RDS approval</td>
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<tr>
<td>ACTIVITY 2.2 - Government of Georgia is supported in developing a Rural Development Action Plan based on an integrated model for delivery</td>
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<tr>
<td>2.1.1 The IAC has developed an integrated delivery model</td>
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<tr>
<td>2.1.2 Facilitating Regional engagement and processes to develop Regional Chapters for the RDS Action Plan</td>
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<tr>
<td>2.1.3 Facilitating AR Drafting Team ensuring its compliance with the Government’s requirements for Action Plan taking account of sustainability, gender, diversity and climate change considerations</td>
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<tr>
<td>ACTIVITY 3.1 - Enhanced capacity within the public sector and stakeholders to effectively deliver rural development policy</td>
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<tr>
<td>3.1.1 Relevant Ministry officials are supported to design and deliver a targeted capacity building programme</td>
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<tr>
<td>3.1.2 Capacity building programmes are designed and delivered for public sector staff and other stakeholders</td>
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<tr>
<td>3.1.3 An effective learning network is established in accordance with best practice</td>
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<tr>
<td>3.1.4 Baseline socio-economic studies and capacity assessments are undertaken</td>
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<tr>
<td>3.1.5 On-demand consultancy funds will be provided matching pre-agreed criteria</td>
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<tr>
<td>ACTIVITY 3.2.1 - An Integrated Rural Development Action Plan for Ajara developed and adopted</td>
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<tr>
<td>3.2.1.1 The Rural Development Council (RDC) are supported to elaborate an integrated delivery model</td>
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<tr>
<td>3.2.1.2 Action Plan indicators for the RDS in Ajara are produced</td>
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<tr>
<td>3.2.1.3 The Action Plan Drafting Team is supported to ensure compliance with good international practice and the Government’s requirements</td>
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<tr>
<td>ACTIVITY 3.2.2 - Enhanced capacity within the public sector and stakeholders in Ajara AR to effectively deliver rural development policy</td>
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</tr>
<tr>
<td>3.2.2.1 The Government of Ajara is supported to design and deliver a targeted capacity building program for relevant staff</td>
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<tr>
<td>ACTIVITY 3.2.3 - Enhanced understanding and sharing of the critical success factors for effective rural development to deliver improved employment and rural conditions in rural areas through the diversification of the rural economy in Ajara</td>
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<tr>
<td>3.2.3.1 A robust monitoring framework is established to monitor the delivery of target indicators</td>
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<tr>
<td>3.2.3.2 Processes and capacity development activities are put in place to facilitate dialogue between the RDC and stakeholders and updating on delivery progress</td>
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<tr>
<td>3.2.3.3 Half-yearly meetings of the RDC are facilitated and supported by the project</td>
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<td>3.2.3.4 An Annual Rural Development Conference in Batumi is launched</td>
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<tr>
<td>3.2.3.5 RD Projects are piloted on the ground</td>
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</table>

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VIII. Governance and Management Arrangements

The Project Board will contain the roles of executive, senior supplier and beneficiaries.

The Executive (Ministry of Environmental Protection and Agriculture of Georgia) is ultimately responsible for the project, supported by the Beneficiary and Supplier (please see the Composition of the Project Board below). The Executive’s role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project ensures high value for money, ensuring a cost-conscious approach to the project, balancing the demands of the Beneficiary and Supplier. For the project purposes, the Ministry of Environmental Protection and Agriculture, Georgia and the Ministry of Agriculture of Ajara AR will assume the Executive Role in the Board.

The Beneficiaries (please see the composition of the Beneficiaries in the Project Board structure below) are responsible for specification of the needs of all those who will be primarily using or benefiting from the project outputs, for user liaison with the project team and for monitoring that the solutions will meet those needs. The Beneficiary’s role commits user resources and monitors project outputs against agreed requirements. The Ministry of Environmental Protection and Agriculture of Georgia and the Ministry of Agriculture of Ajara and Rural Development Council will be the main beneficiaries of this Project. The Interagency Coordination Council (IACC) and the Rural Development Council (RDC) are also beneficiaries of the Project.

The Supplier (the European Union) represents the interests of those committing resources either financial or human to the project. The Supplier role must have the authority to commit or acquire supplier resources required. EU will perform the role of the Supplier representing the interests of the parties concerned, provides funding and technical expertise to the project, skills and guidance to produce the project outputs.

Quality Assurance is one of the key roles in the project management structure. It supports the Project Board by carrying out objective and independent project oversight and monitoring functions. The Project Assurance team will act as an objective quality monitoring agent, avoiding the potential “self-serving bias”. In addition, the project assurance will verify the products’ or outputs’ quality. UNDP Economic Development Team Leader and Programme Associate will play the Project Assurance role.

As per UNDP internal procedures and requirements, project activities will be steered by the Project Board, which will be the ultimate decision-maker for it. It will ensure that the project remains on course to deliver the desired outcomes of the required quality. The Project Board will review and clear Annual Work Plans (AWP) and annual progress achieved by the project through Annual Project Reviews based on the approved Annual Work Plans. The Project Board will meet on a bi-annual basis (more often if required). Prior to the meetings, the International Programme Coordinator will duly submit the progress report on the previous period and the plan for the next one. The Board will evaluate submitted documents and be in charge of approving plans and budgets. In addition, the National Project manager will report regularly on an informal basis to the Ministry of Environmental Protections and Agriculture of Georgia to ensure that there is full transparency and effective liaison between the project and the Ministry.

The Project Board will contribute to the work of the Steering Committee of the Project: Improving Rural Development in Georgia (ENPARD III). When necessary there will be joint meetings of the Project Board and the Steering Committee which will be a subject of the joint decision of all Project Board members.

Project Management structure is presented in the chart below:
The monitoring, evaluation and review processes represent an on-going effort in order to answer the questions: “How are we doing?” and “What can we do better?” Monitoring will be carried out on a regular basis by the UNDP Programme Team.

**Work Plan**: the project work plan will be used to set targets for the delivery of outputs and to develop a strategy for ensuring the achievement of project objectives and the work plan will be reviewed and updated regularly by the National Project Manager with support of Coordinator for Ajara Component in cooperation with key stakeholders. Performance measures will be identified to evaluate progress in implementing the project and measures will assess the effectiveness of the Project in meeting the objectives of promoting socio-economic development, rural revitalisation and poverty reduction.

**Monthly Updates and Progress Reports** will be produced by the National Project Manager for presentation to the UNDP Country Office and the Project Board members. The Quarterly and bi-annual Progress Reports will be drafted which will reflect progress towards results, factors contributing to or impeding achievement of results and lessons learnt.

**Terminal Project Report**: the report will be prepared at the end of the period of implementation and will include an assessment and analysis of project performance over the reporting period, including outputs produced, constraints, lessons learnt and recommendations for avoiding key problems in future projects.

Preparation of the monitoring, evaluation and review is the responsibility of the UNDP Programme Team. The Programme Team will devise the system for project monitoring, review and evaluation. They will also allocate sufficient resources to this task and will invite outside parties to conduct the mid-term review and final evaluation.
IX. LEGAL CONTEXT AND RISK MANAGEMENT

LEGAL CONTEXT STANDARD CLAUSES

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Georgia and UNDP, signed on 1-Jul-1994. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

The project will be implemented by the Ministry of Agriculture of Georgia ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

RISK MANAGEMENT STANDARD CLAUSES

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
   a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
   b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document [and the Project Cooperation Agreement between UNDP and the Implementing Partner]22.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.


5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

22 Use bracketed text only when IP is an NGO/IGO
Annex 1. Risk Analysis

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Date Identified</th>
<th>Type</th>
<th>Probability &amp; Impact</th>
<th>Countermeasures / Management response</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reluctance of individual Ministries within IACC to engage in the process of RD Strategy development</td>
<td>1.04.2016</td>
<td>Operational</td>
<td>P = 3 I=4</td>
<td>Effective mobilization of IACC, including induction programme of awareness raising about RD, the importance of integrated planning to deliver sustainable outcomes for the rural population in Georgia. Will necessitate clear communication of the core RD principles and the benefits accruing. Help with advocacy with senior Government stakeholders.</td>
<td>Project Manager/ Project Team</td>
</tr>
<tr>
<td>2</td>
<td>Reluctance of individual Ministries within IACC to engage in the process of RD Action Plan</td>
<td>1.04.2016</td>
<td>Operational</td>
<td>P = 3 I=4</td>
<td>As above but in close liaison with the ENPARD Steering Group</td>
<td>Project Manager/ Project Team</td>
</tr>
<tr>
<td>3</td>
<td>Reluctance of Government of Ajara through the Rural Development Council (RDC) to commit funding to the process of RD Action Plan for Ajara</td>
<td>1.04.2016</td>
<td>Operational</td>
<td>P = 3 I=3</td>
<td>Effective and early engagement with the RDC, building on the work done to date on the RDS, and factoring in the establishment of 2 pilots in Keda and Khulo. Supporting the RDC in discussion with the Government of Ajara and Municipalities outside of the pilot areas.</td>
<td>Project Manager/ Project Team</td>
</tr>
<tr>
<td>4</td>
<td>Absence of sufficient stakeholder and regional involvement in the process of RDS and Action Plan design</td>
<td>1.04.2016</td>
<td>Operational</td>
<td>P = 4 I=3</td>
<td>Will necessitate a stakeholder engagement strategy to be formulated for the production of regional chapters to supplement the RDS</td>
<td>Project Manager/ Project Team</td>
</tr>
</tbody>
</table>