ევროკავშირი
საქართველოსთვის

Project funded by the European Union

UNDP

MUNICIPAL ASSESSMENT REPORT

KEDA

August 2020

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

ACKNOWLEDGEMENTS

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

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

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LIST OF ACRONYMS

ASL	Above Sea Level
ARDA	Agriculture And Rural Development Agency
ADA	Austrian Development Agency
ADB	Asian Development Bank
A/R	Autonomous Republic
BOD	Biological Oxygen Demand
CENN	Caucasus Environmental NGO Network
CEO	Chief Executive Officer
CB	Child Benefit
CRD	Chronic Respiratory Diseases
CSOs	Civil Society Organizations
CC	Climate Change
CCA	Climate Change Adaptation
CBO	Community-Based Organizations
C&DW	Construction and Demolition Waste
CSRDG	Centre for Strategic Research and Development of Georgia
COVID-19	Corona Virus Pandemic
DMO	Destination Management Organization
DDR	Disaster Risk Management
DWSS	Drinking Water Supply Systems
EPF	Europe Foundation
FUA	Functional Urban Area
GITA	Georgian Innovation Technology Agency
GEL	Georgian Lari
GNTA	Georgian National Tourism Agency
HA	Hectares
HCV	Hepatitis C virus
HH	Household
HIV/AIDS	Human Immunodeficiency Virus Infection and Acquired Immune Deficiency Syndrome
HPP	Hydro Power Plant
ILO	International Labor Organization
IT	Information Technology
IDPs	Internally Displaced Persons
IUCN	International Union for Conservation of Nature
kWh	Kilowatt- Hour
KV/MW/GW	Kilowatt/Megawatt/Gigawatt
LEPL	Legal Entity of Public Law
LLC	Limited Liability Company
L/d	Liter Per Day
LAG	Local Action Group
LDS	Local Development Strategy
MEPA	Ministry of Environmental Protection and Agriculture
MSW	Municipal Solid Waste
MAR	Municipality Assessment Report
M4EG	Mayors for Economic Growth
NCDC	National Center for Disease Control

NEAP	National Environmental Action Plan
NEA	National Environmental Agency
NFA	National Forestry Agency
NGOs	Non-governmental Organizations
NEET	Not in Employment, Education or Training
PWD	People with Disabilities
PHC	Primary Healthcare
RE&EE	Renewable Energy and Energy Efficiency
RS	Revenue Service (of Georgia)
SSA	Shift Share Analysis
SSA	Social Service Agency
SS	Solid Sediments/Suspended Solid
SESA	State Employment Support Agency
SDGs	Sustainable Development Goals
SLM	Sustainable Land Management
TSA	Targeted Social Assistance
TOR	Terms of References
CEDAW	The Committee on the Elimination of Discrimination against Women
DCFTA	The Deep and Comprehensive Free Trade Agreement
IRDG	The EU Funded (ENPARD III) Project "Improving Rural Development in Georgia" (UNDP)
M4EG	The EU initiative - Mayors for Economic Growth
ENPARD	The European Neighbourhood Programme for Agriculture and Rural Development
EU	The European Union
GoG	The Government of Georgia
MoH/MoLHSA	The Ministry Minister of IDPs From the Occupied Territories/labour/ Health/Social Affairs of Georgia
OECD	The Organisation for Economic Co-operation and Development
UNIDO	The United National Industrial Development Organization
UNICEF	The United Nations Children's Fund
UNDP	The United Nations Development Program
UNESCO.....	The United Nations Educational, Scientific and Cultural Organization
FAO	The United Nations Food and Agriculture Organization
USAID	The United States Agency for International Development
USD	The United States Dollar
UHC	The Universal Healthcare Program
WHO	The World Health Organization
TNC	Third National Communication to UNFCCC
TB	Tuberculosis
UNFCCC	United Nations Framework Convention on Climate Change
VET	Vocational Education
WGI	Waste Generation Index
WWTP	Wastewater Treatment Plant
WEAP	Water Evaluation and Planning System
WFD	Water Framework Directive
WASH	Water, Sanitation and Hygiene
WR	Women's Room
WWF	World Wildlife Fund
YB	Youth Bank

1 Introduction

Project Background
Methodology And Approach
Organization of the Document
Symbols And Indexing Used In The Report

INTRODUCTION

Project Background

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

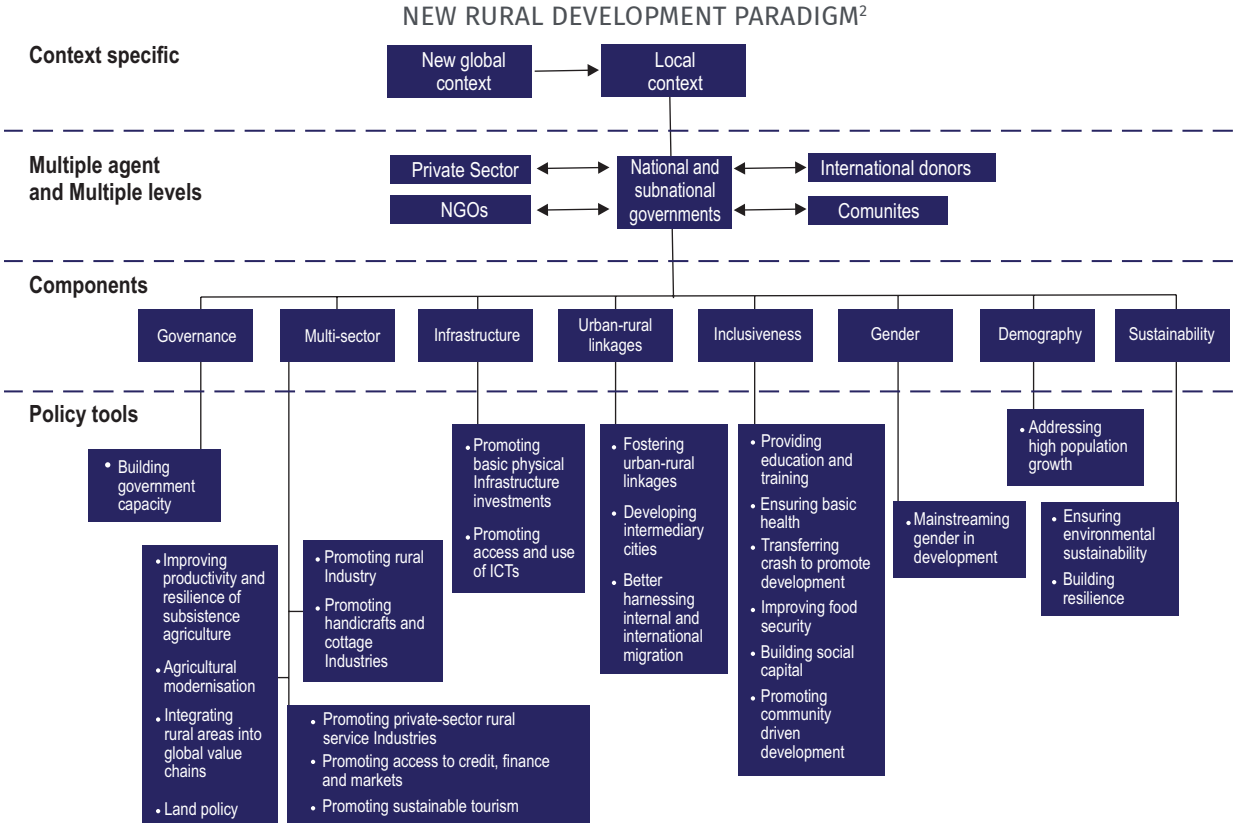
The objective of the MARs is to identify the most relevant activities for the provision of direct rural support services by the IRDG project in the target 8 municipalities and equip IRDG project with additional knowledge to advance/amend existing interventions.

Methodology And Approach

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

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

NEW RURAL DEVELOPMENT PARADIGM[2]



Source: OECD, 2016.

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

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

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

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

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

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

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

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

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

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

Structure of the Document

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

Symbols And Indexing Used In The Report

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

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

CONDITIONAL COLOR CODING

THEMATIC AREA	COLOR CODE USED
Economy/Multisector Development	
Youth Issues	
Gender Issues	
Healthcare	
Social issues	
Environment	

Source: Authors of the Document.

INDEXING OF INTERVENTIONS

PRIORITY AREA	CODE	THEMATIC AREAS	CODE
Economy/Multisector Development	P1	Economy/Multisector Development	EC
Society	P2	Youth Issues	YU
Environment	P3	Gender Issues	GE
		Healthcare	HE
		Social issues	SO
		Environment	EN
		Urban-Rural Linkages	UR

Source: Authors of the Document.

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

2 General Context

Location and Geography
Population, Demography
Natural Resources
Density Profile of The Municipality

2. GENERAL CONTEXT

Location and Geography

Keda municipality is located in Adjara A/R and borders with the Kobuleti municipality to the north, with the Shuakhevi Municipality to the east, with the Khelvachauri Municipality to the West, and with Turkey to the South. Distance from Keda town: to Batumi 41.3 km (1-hour drive), to Khulo town 45.6 km (1 hour 15 min drive). Total area of the municipality is 452 sq. km and population density is 37 persons /sq. km. There is a Mediterranean Sea type subtropical climate along the river Adjaristskali. As the elevation increases, the climate becomes more humid. There are mainly mountainous and mountainous meadow types of soil in the municipality area. The municipality is rich and diverse in plants. There are mainly deciduous and small number of coniferous trees in Keda.

MAP OF THE MUNICIPALITY

Source: UNDP.

The municipality consists of 10 communities and 64 settlements, inducing the town of Keda, located 200 m above sea level.

Population, Demography

Keda municipality has population of 16,800 residents.[4] Since 2010 population increased slightly, by 0.9%. The average population density in the whole territory of the municipality is 37 persons per square kilometer. For comparison, in Adjara this number is 119, in Tbilisi 23,082 and there are 2,526 inhabitants per 1 km^2 in the city of Batumi.[5] 91% of the population of Keda municipality lives in rural areas, and 9% in urban settlements. Only 11% of residents live in Keda town community. In one community population is less than 1,000 persons, in five communities – between 1,000 and 2,000 and in two communities more than 2,000 residents. Keda town community is the third largest community in the municipality. 62.1% of population are Muslims.[6] The largest group (22%) of population is in the 15-29 age group. 17% receive state pensions[7] and 27.2% of population receive Targeted Social Assistance (TSA).[8]

4 *Geostat, 2020*

5 *Keda Municipality Needs and Resources Assessment, 2018, CENN, CSRDG*

6 *Keda Local Development Strategy (LDS), Keda LAG.*

7 *Lower than on national level (21% of population receive pensions in Georgia (excluding self-governing cities), Social Service Agency*

8 *Significantly higher than on national level (15% of population receive TSA in Georgia (excluding self-governing cities), Social Service Agency*

Demography Profile by Gender

According to the census 2014, gender distribution of population is approximately equal in Keda municipality. 49.8% of the total population of Keda municipality are women and 50.2% are men. According to the same data, the percentage of men in different territorial units of Keda municipality varies from 44% to 57%, and the percentage of women - from 43% to 56%.[9] 91% of the population lives in rural areas and 9% in urban areas. 48.3% of the population who live in the urban settlements are men and 51.7% are women. In rural settlements 50.4% are men and 49.6% - woman.[10] According to the Social Services Agency, 65% of retirees are women. 47% of recipients of the state pension supplement are women. 57 residents of Keda municipality receive monthly state compensation granted to certain groups of Georgian citizens. Of these, 56 are men and one is a woman. In case of pregnancy, childbirth, childcare, as well as adoption of a newborn, 53 people benefited from one-time assistance. Two people (1 man, 1 woman) receive the allowance for IDP / refugee status.[11] 40% of migrants are women and 60% are men.[12]

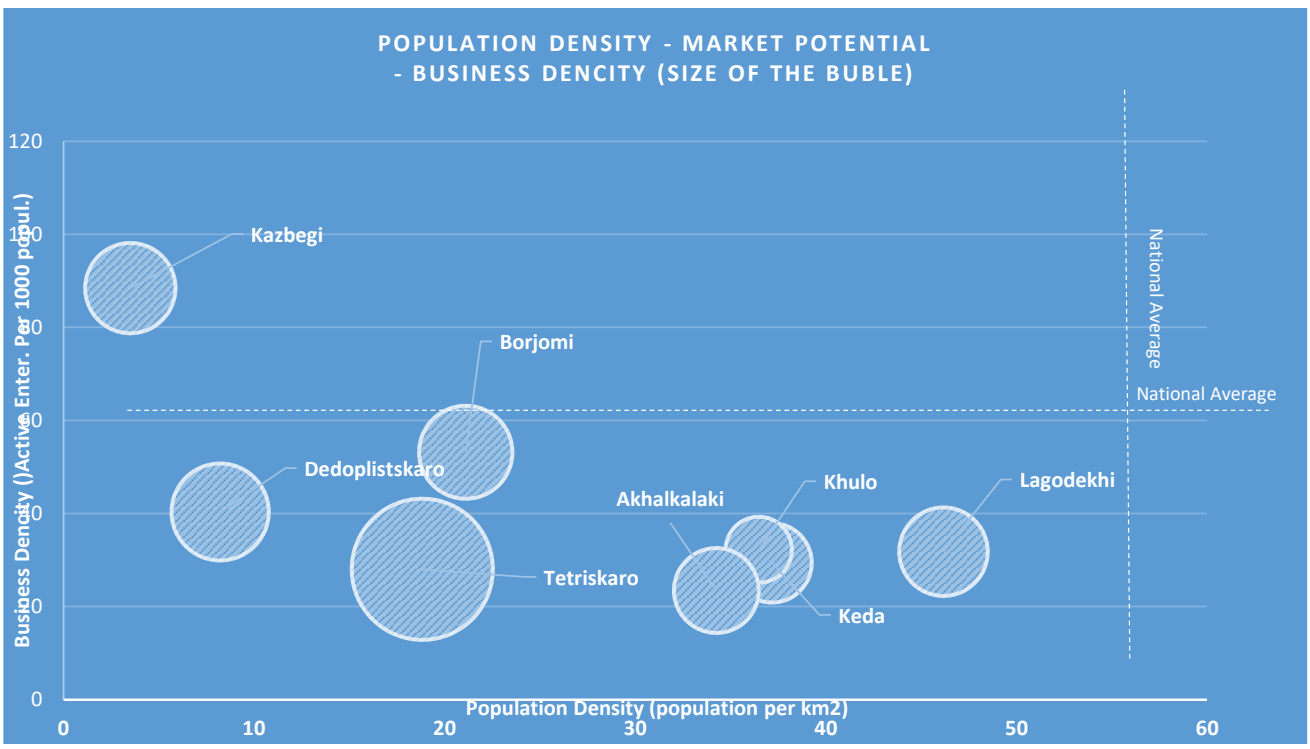
Natural Resources

The Municipality has various mineral resources such as small amounts of copper and gold deposits (in Merisi, Vaio), medicinal and mineral waters, like Kokotauri and Gundauri waters. The main agricultural activities include fruit farming, vine, crop, various vegetable growing, beekeeping, as well as fish (predominately trout) farming (in Oktomberi, Agara, Tsoniarisi, Tskhmorisi).

Density Profile of The Municipality

The analysis of the density indicators of the municipality shows that Keda belongs to the relatively *high population density* and relatively *low business density* municipalities, with *low market potential* (distance to major agglomerations).[13]

DENSITY AND MARKET POTENTIAL PROFILE OF THE MUNICIPALITY



Source: Authors' Calculations.

According to the profile, policy response should be aimed at facilitating establishment of new enterprises as well as facilitating rural-urban linkages.

9 *Keda Local Development Strategy (LDS), Keda LAG.*
10 *Geostat, 2014 Census, Keda*
11 *Social Service Agency, 2017*
12 *Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019*
13 *Defined later in this report in the Rural-Urban Linkages chapter*

3 PRIORITY 1 (P1)-

Economy And Multi Sector Development

Regional Context

Overview of General Structure of Business Sector

Insights Into Sector Dynamics And Competitiveness

Labor Market

Key Success Factors, Needs And Challenges For Making Business

Short-Term COVID-19- driven Needs

Youth Dimension of Local Economy

Gender Dimension of Local Economy

Women In Enterprenership

Social Dimension of Local Society

Healthcare Dimension of Local Society Key

Youth Dimension of Local Society

Gender Dimension of Local Society

3. PRIORITY 1 (P1) – ECONOMY AND MULTI-SECTOR DEVELOPMENT

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

According to OECD, in case of remote rural areas (to which this municipality belongs), growth comes from building upon areas of absolute and comparative advantage, improving connectivity to export markets and *matching skills* to areas *of comparative advantage* and improving the *provision of essential services*. It also states that a key objective of rural policy should be to increase *competitiveness and productivity* of rural economy in order to enhance the social, economic, and environmental well-being of rural areas.[14] Hence, the major objective of this Chapter is to reveal the areas where productivity and competitiveness of the sectors of economy have been performing well or underperforming, compared to the other sectors, other regions and municipalities from our target group. The Chapter also provides findings about the needs of the local economy and non-farm business sector.

REGIONAL CONTEXT

Several studies have been completed recently regarding the clusters in the regions, including this region. For Adjara, various value chains have been explored before in the region such as: Blueberry/ Hazelnuts/ Fresh Fruit / Fruit Juice / Fresh Vegetable/ Processed Vegetable/ Root Vegetables/ Wine. The regional development strategy identified several priority sectors (both in agriculture, as well as in non-agriculture sectors).

STRATEGIC SECTORS FOR THE REGION BY LOCAL GOVERNMENT

PRIMARY AGRICULTURE/AGRO PROCESSING	MANUFACTURING
▪ Distribution of High Productive and Resistant Crop Varieties ▪ Livestock Farming ▪ Organic Farming	▪ Energy Sector: Development of Small Hydro Power Plants; Development of Renewable Energy Sources (Biomass) ▪ Tourism Sector and Tourism-related Production.

Source: Adjara Regional Development Plan 2014-2021.

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

IDENTIFIED EXISTING AND EMERGING CLUSTERS IN THE REGION[15]

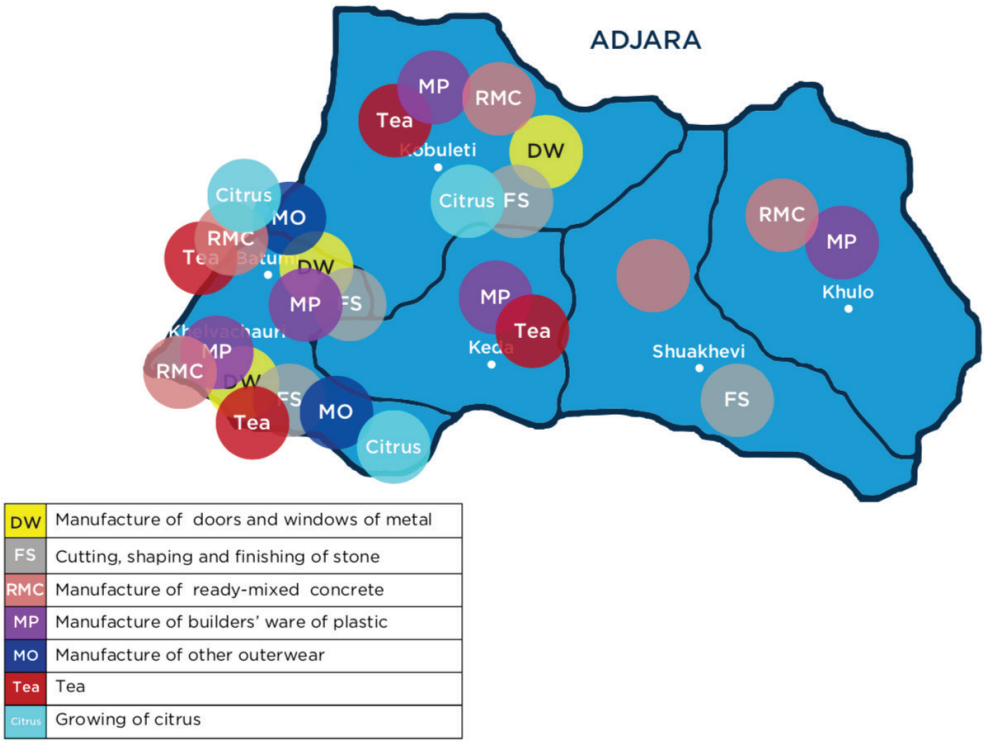
PRIMARY AGRICULTURE/AGRO PROCESSING	MANUFACTURING
▪ Citrus	▪ Manufacture of doors and windows of metal ▪ Cutting, shaping and finishing of stone ▪ Manufacture of ready-mixed concrete ▪ Manufacture of builders' ware of plastic ▪ Manufacture of other outerwear ▪ Processing of tea and coffee

Source: UNIDO, 2020.

14 *Rural Policy 3.0 – OECD Policy Note*

15 *Mapping Emerging and Potential Clusters in Georgia, UNIDO, 2020*

THE MAP OF IDENTIFIED EXISTING AND EMERGING CLUSTERS IN THE REGION



DW	Manufacture of doors and windows of metal
FS	Cutting, shaping and finishing of stone
RMC	Manufacture of ready-mixed concrete
MP	Manufacture of builders' ware of plastic
MO	Manufacture of other outerwear
Tea	Tea
Citrus	Growing of citrus

Source: Mapping Emerging and Potential Clusters in Georgia, UNIDO, 2020.

It is clear that there are only two identified clusters in the region, which are represented in Keda Municipality. These are Tea and Plastic Products.

Overview Of General Structure Of Business Sector

Composition and Past Dynamics of Business Sector

The database of enterprise statistics is not well-organized in Georgia. For that reason, several sources of data were used to estimate the size and composition of the business sector in the municipality. According Geostat, there are 495 enterprises registered in the municipality. About 28% of them operate outside the municipality and the place of actual operation is not known for 36% of the enterprises. In terms of the size, 99% of the enterprises are small and there are only 1 marge and 4 medium-sized entities in the municipality.

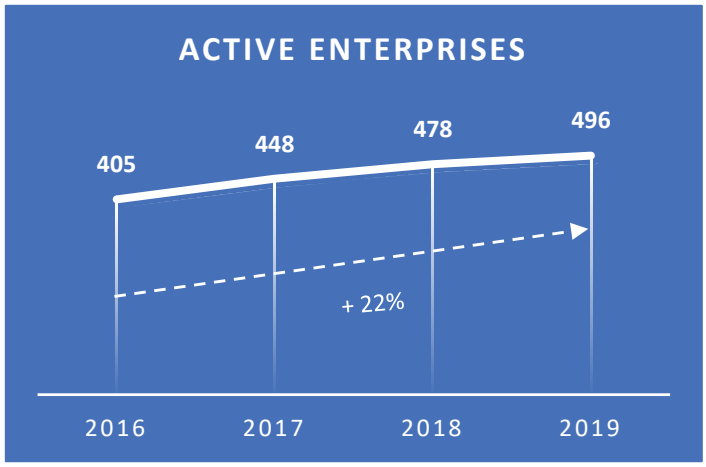
ACTIVE ENTERPRISES IN THE MUNICIPALITY

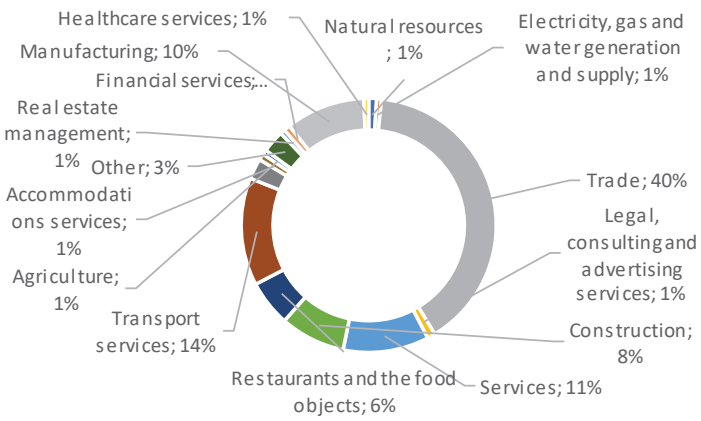
Actual Address	Small	Medium-sized	Large	Size Unknown	Grand Total	% of Total
Keda	180	2	1	0	183	37%
Outside Keda	139	0	0	0	139	28%
Unknown	176	2	0	0	178	36%
Grand Total	495	4	1	0	500	100%
% of Total	99,0%	0,8%	0,2%	0,0%	100,0%	100,0%

Source: Geostat.

According to Revenue Service, by 2019, there were 494 active registered taxpaying enterprises in the municipality and the number was increased in the past four years by about 24%.

DYNAMICS AND SECTORAL BREAKDOWN OF ACTIVE ENTERPRISES IN THE MUNICIPALITY



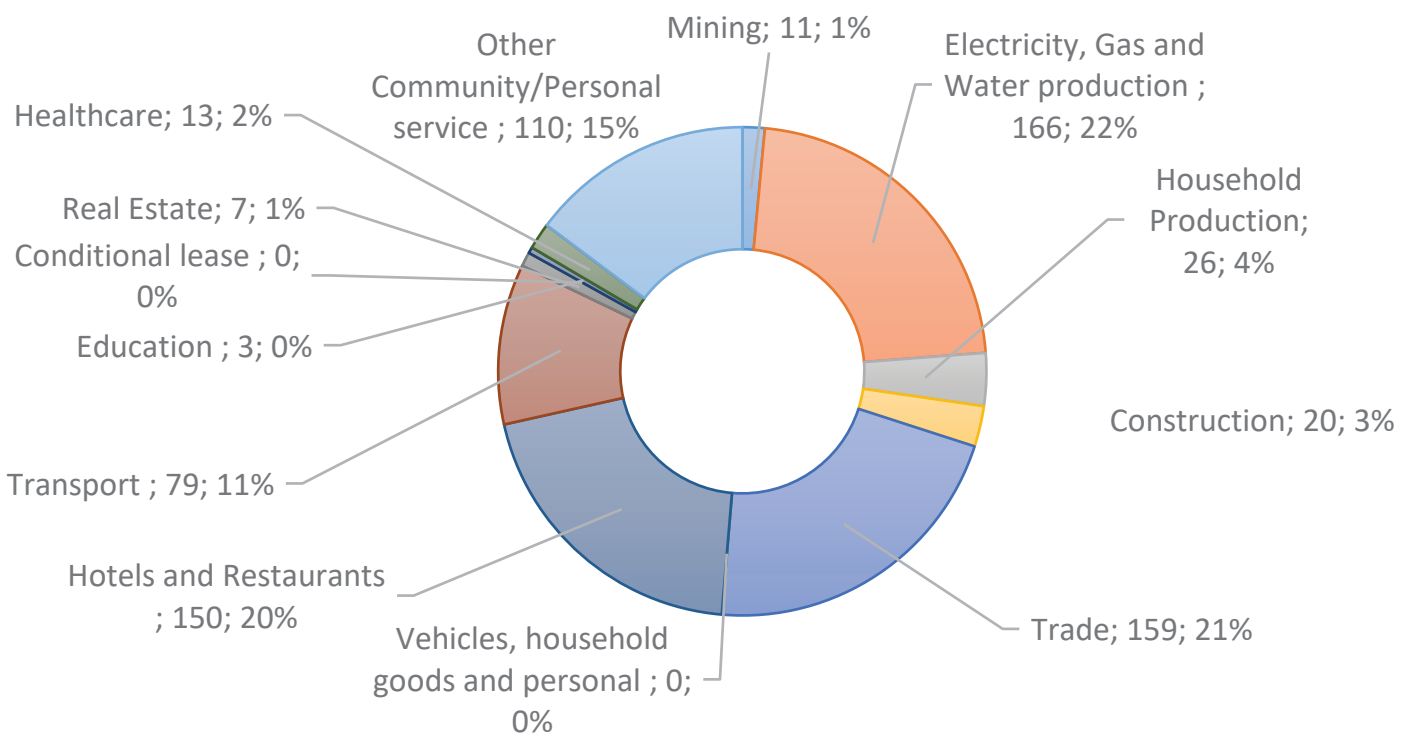


Source: Revenue Service.

Big majority of the registered enterprises are emgaged in Trade (40%), followed by Transport (14%) and Services (11%) and Manufacturing (10%).

In terms of employment, the leading sectors are Electricity, Gas and Water Production (22%), Trade (21%), Hotels & Restaurants (20%) and Construction (20%).

EMPLOYMENT IN BUSINESS SECTOR IN MUNICIPALITY [16]

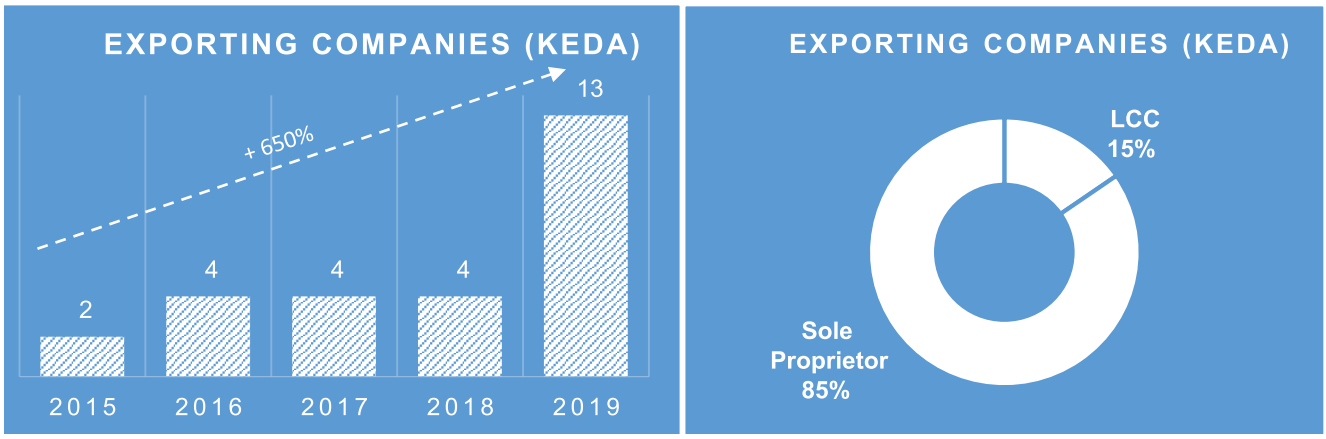


Source: Analysis of the Business Survey.

Development of tradable sectors of economy is one of the major ways to get the municipality out of poverty. By 2019, 13 companies, which were registered in the municipality exported their products. Most of them are presumably small companiesconsidering their legal status (Sole Proprietors).

16 *Business Survey on Non-Farm Economy Needs, IRDG UNDP, 2019.*

EXPORTING COMPANIES IN THE MUNICIPALITY



Source: Geostat.

The number of companies, which are trading with the rest of Georgia is unknown.

Key Sectors

Having greater economic diversification in mind, despite the prior efforts, and despite the number of registered businesses, the dominant sector of economy is smallholder farming. On the road to Keda, on the riverside of Adjaristskali, few restaurants and rafting facilities are also busy in tourism season. A café, rafting facilities, a small souvenir shop and a wine shop can be found in v. Makhuntseti.

Agriculture. Main areas of agriculture are fruits, viticulture, plant growing, horticulture, and beekeeping. The trout farms are also developed (villages Oktomberi, Agara, Tsoniarisi, Tskhmorisi). Keda is distinguished with unique varieties of grapes. The wines produced in the district are Tsolikouri and Chkhaveri. There are family wine cellars in some villages (Nodar Shervashidze – village Pirveli Maisi, Lado Shavishvili- village Vaio, Nuri Sirabidze –village Gegelidzeebi)[17].

Manufacturing. There is a sand-gravel extraction facility at the river. The municipality has some small-scale gold and copper extraction activities and small-scale Gogodauri mineral water production in Kokotaruri.

Tourism. The Keda municipality is located in the proximity to Batumi and big part of the tourists visiting Batumi during the summer season also visit Keda. Some of the key local attractions are Makhuntseti waterfall, ancient bridges, river sport facilities and restaurants. This asset is already started to be exploited and the number of guesthouses and huts for rent in Adjara high mountainous areas is increasing annually. However, the large part of the municipality tourism resources is not explored and exploited, and overall tourism offer is still limited. Keda lies between National Parks of Mtirala and Machakhela and could offer more to bridge these two parks with local attractions and services nearby. Diversified and rich natural and authentic cultural heritage are powerful assets based on which diversified tourism experiences could be developed, such as: ethno-cultural tourism based on authenticity of Adjara villages; river sports and riverside diversified dining areas; summer mountain and adventure outdoor tourism.

The key challenge in upgrading the authentic Adjarian huts is the threats of damage to the authenticity and aesthetics of the huts.

Mapping of Projects and Initiatives Supporting Local Economy

For years already, the Ministry of Agriculture of Adjara Autonomous Republic carries out initiatives, which support agriculture, namely, programs in renewal of the species, education and consultations and technical assistance. Few years ago 15 agricultural cooperatives were established in the municipality with the support of the former Cooperative Development Agency and financial assistance from the ENPARD program[18]. Unfortunately, most of the cooperatives are inactive at present.

17 *Source: Keda municipality mayor's office*

18 *Keda, Shuakhevi and Khulo Local Economic Development Plan 2020-2021, Mayors for Economic Growth, 2019*

In 2018 Keda signed up to the EU initiative - Mayors for Economic Growth (M4EG), which was set in operation in 2017 within the Eastern Partnership framework. The M4EG Secretariat is the main executive body in charge of implementation. The objective of the program is to support municipalities of the Eastern Partnership countries to become active facilitators for economic growth and job creation at the local level.[19] Several interesting initiatives were implemented within the framework of this project, including developing a joint document - Keda, Shuakhevi and Khulo Local Economic Development Plan 2020-2021.

Since 2017, within the ENPARD Programme, a new rural development project - Optimizing the Potential of Local Assets for Rural Development of Keda Municipality – had been implementing. The project is implemented by CENN in a partnership with Centre for Strategic Research and Development of Georgia (CSRDG), Institute of Democracy, Austrian Institute for Regional Studies and Spatial Planning. The goal of the projects is to contribute to the reduction of poverty by supporting the improvement of community members' employment and income opportunities.[20]

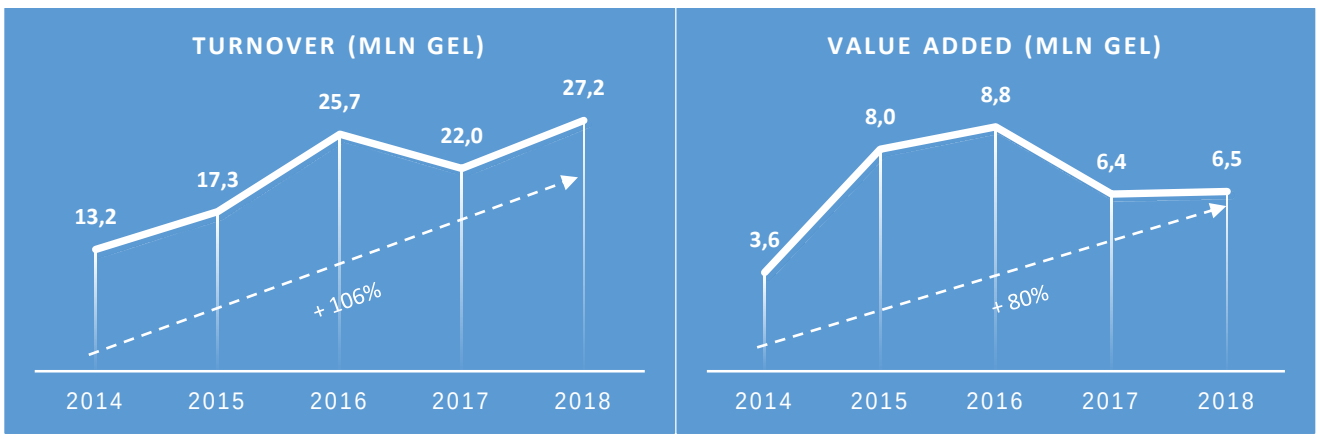
In 2018 Keda Local Action Group (LAG) was established. During the last two years (2019 – 2020), the LAG financed up to 47 different initiatives and projects of local residents, only small number of which was in non-farm sectors. The majority of them were in agriculture and rural tourism sectors.[21]

It is noteworthy that among the projects financed through Young Entrepreneur program in all target municipalities (total 23) from 2018 through 2020, only 2 projects were financed from Keda, which is a considerable disadvantage for the municipality. Similarly, the share of Keda enterprises in the agriculture-related projects financed by ARDA is also minimal. For instance, there were only 10 beneficiaries of Preferential Agro-credit Program in Keda, out of total 1,691 in all municipalities in the period from 2015 through 2020.[22]

Insights Into Sector Dynamics And Competitiveness

Business sector turnover has been increasing since 2014 from 13.2 million to 27 million GEL (almost doubling in volume). Value Added has been increasing and more than doubled in size during 2014 through 2016, but since then it decreased notably. There is not much correlation between the two variables, meaning that high turnover did not necessarily create value.

BUSINESS SECTOR TURNOVER AND VALUE ADDED IN THE MUNICIPALITY

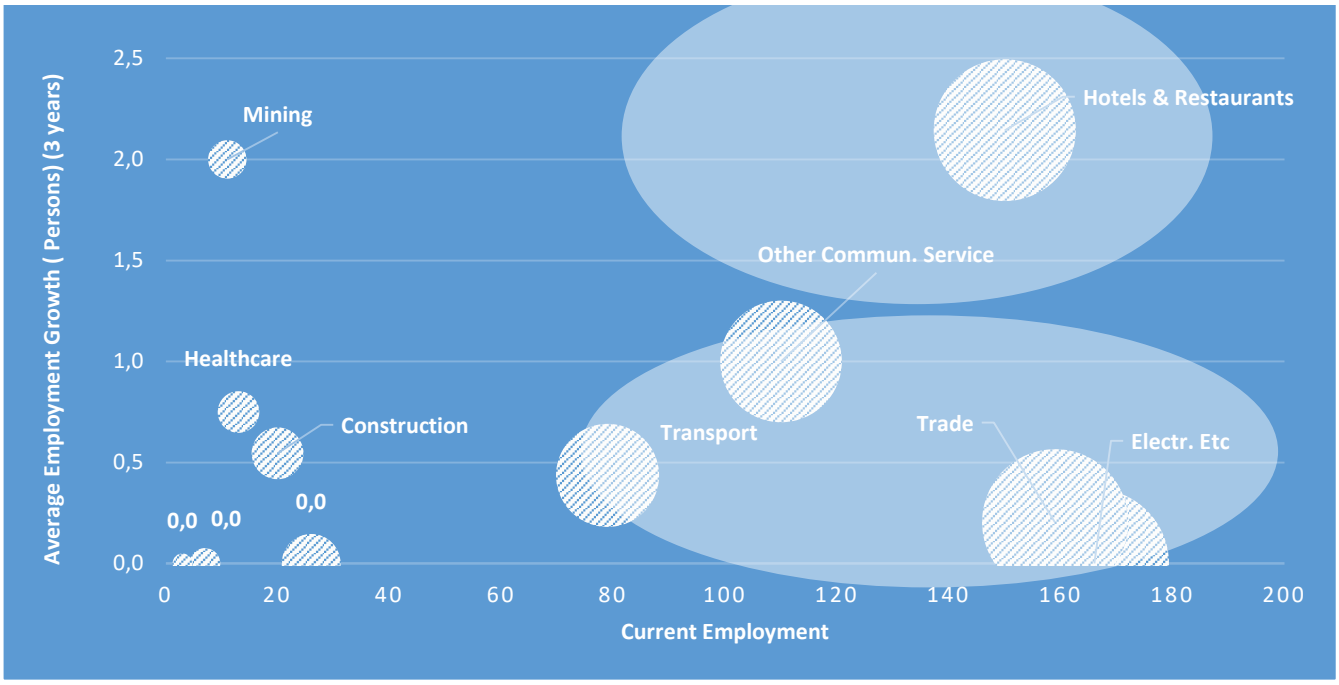


Source: Geostat.

Hotels & Restaurants sector and, to some extent, Mining sector were the ones in the municipality, which *created jobs during the past three years*. Hotels & Restaurants was the one with significant share in the overall employment of the municipality. Job creation in other sectors were sluggish, as their overall employment volume and capacity.

19 *www.m4eg.eu*
20 *https://www.euneighbours.eu*
21 *Keda LAG*
22 *ARDA*

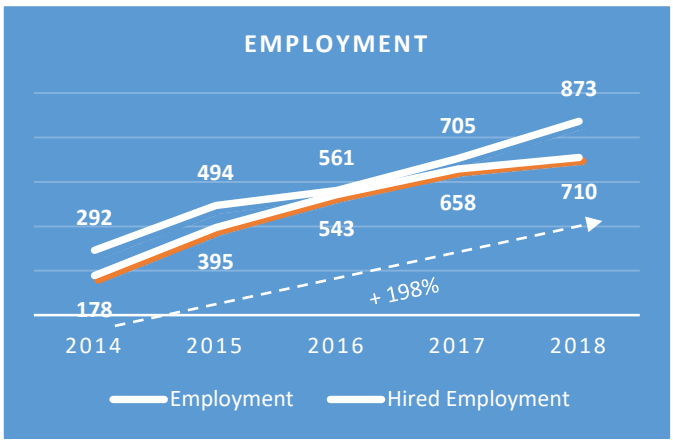
SECTORS WITH HIGH EMPLOYMENT POTENTIAL IN BUSINESS SECTOR IN MUNICIPALITY[23]

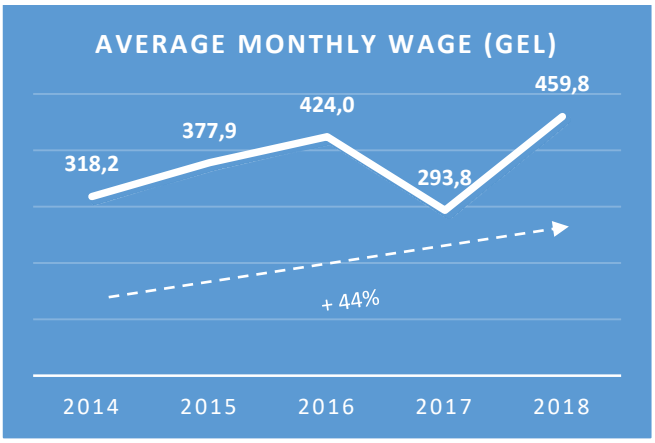


Source: Analysis of the business survey

The employment in the municipality grew slowly and by 2018, the total employment reached 873 people of which 710 were contract employees. In terms of average wage of the contrac employees, it has been going up since 2014 (except for 2017) and stands at about 460 GEL/month.

EMPLOYMENT AND CONTRACT EMPLOYMENT



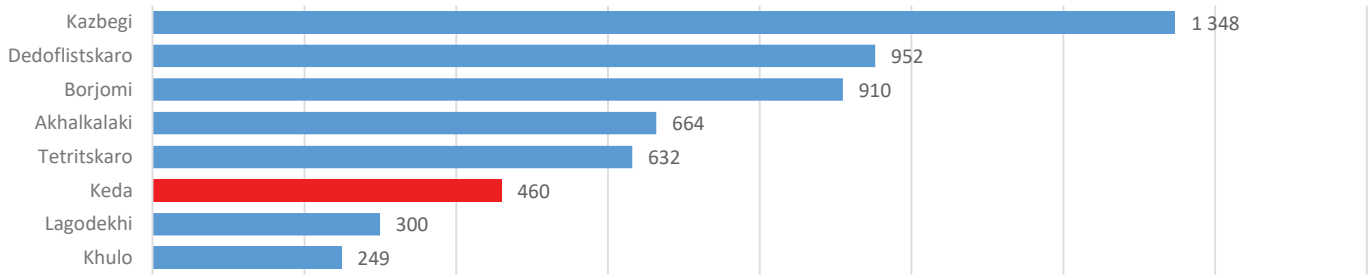


Source: Geostat.

With its average monthly wage, the municipality underperforms and ranks at the bottom among the target municipalities. It only exceeds average monthly wage of contract employees in Lagodekhi and Khulo Municipalities.

23 *The size of the bubble corresponds to the volume of employment.*

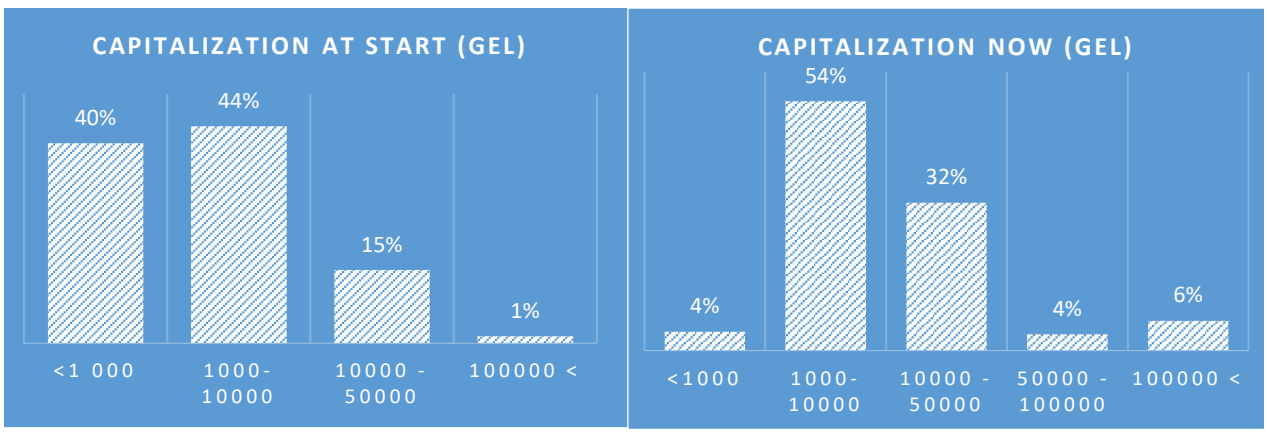
AVERAGE MONTHLY WAGE OF CONTREACT EMPLOYEES



Source: Geostat.

Capitalization of businesses in the municipality increased during the past few years. The share of the businesses with the equity capital above 100,000 GEL is about 6%, compared to 1% at the start.

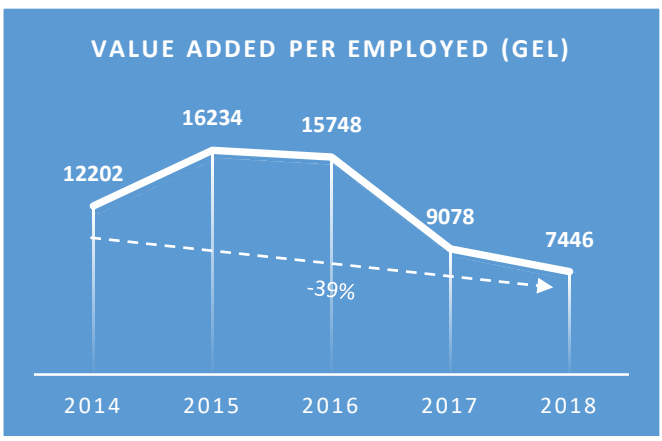
CAPITALIZATION GROWTH OF ENTERPRISES IN THE MUNICIPALITY[24]

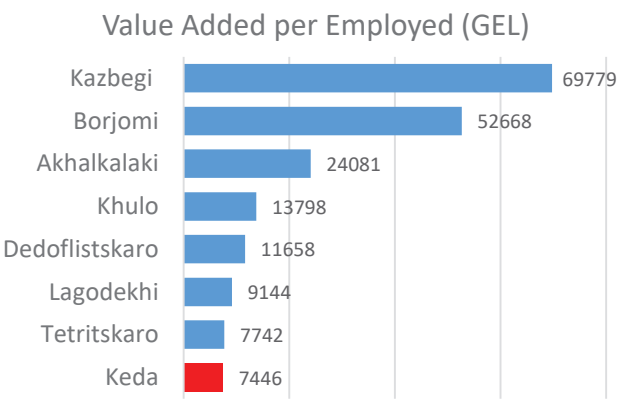


Source: Analysis of Business Survey.

Given the low (the third lowest among the target municipalities) average monthly wage of employed persons (reflecting their overall level of skills and qualifications), it is not at all surprising that the *municipality significantly underperforms* in terms of productivity. Since 2015 productivity (measured by value added per employed person) in the municipality has significantly decreased - a negative sign relative to the competitiveness of the overall economy. As a result, due to its unfavorable structure of economy, Keda municipality has *one of the lowest productivity* levels among all target municipalities and about *one tenth* of the leading municipality – Kazbegi.

BUSINESS SECTOR PRODUCTIVITY IN THE MUNICIPALITY





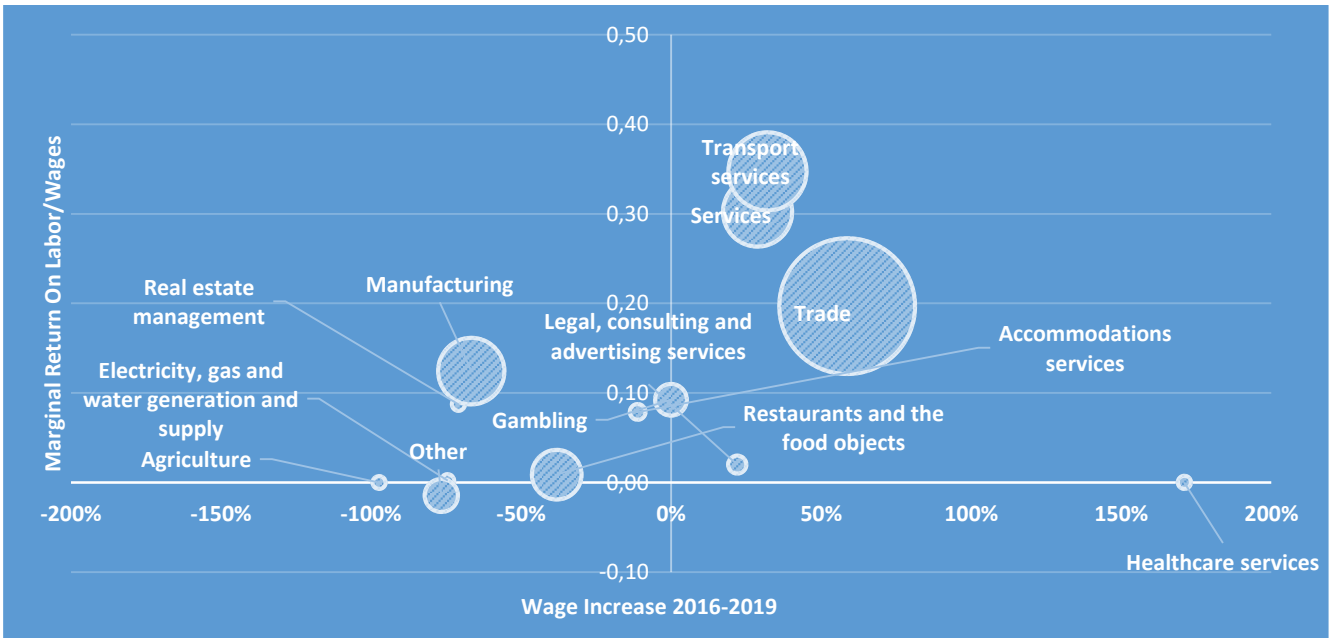
Source: Geostat.

24 *Business Survey on Non-Farm Economy Needs, IRDG UNDP, 2019*

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

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

MARGINAL RETURN ON LABOR IN BUSINESS SECTOR IN THE MUNICIPALITY[25]



Source: Authors' Analysis Based on Revenue Service Data.

It is clear that the biggest sector of the local economy – Trade, is bordering the Group C, Group B and Group A, with low or medium level of marginal labor return and some noticeable increases in wages in the recent years. Transport and Services sectors were distinguished also with relatively high marginal return (mostly Group B).

According to the survey, median productivity (measured by turnover per employee) in the municipality is about 5,500 GEL and the mean productivity is 10,775 GEL.[26]

It should be noted that in case of women-run enterprises (about 7,743 GEL) productivity lags significantly compared to the men-run companies (about 12,174 GEL). Although, during the last 3 years, productivity in women-run companies increased twice (from about 3,605 GEL), whereas the growth of men-run enterprises was slower (from about 11,178 GEL). This, on the one hand, shows the *potential of the women entrepreneurship in the municipality and on the other hand – the need (the existing gap) for assistance to catch up with the performance of men-run companies*.

PRODUCTIVITY DYNAMICS AND DIFFERENCES

ENTERPRISES MANAGED BY:		CURRENT PRODUCTIVITY (GEL)	PAST PRODUCTIVITY (3 Y AGO) (GEL)
Men	Mean	12,174	11,178
Women	Mean	7,743	3,605
Total	Mean	10,775	8,835

Source: Analysis of the Business Survey.

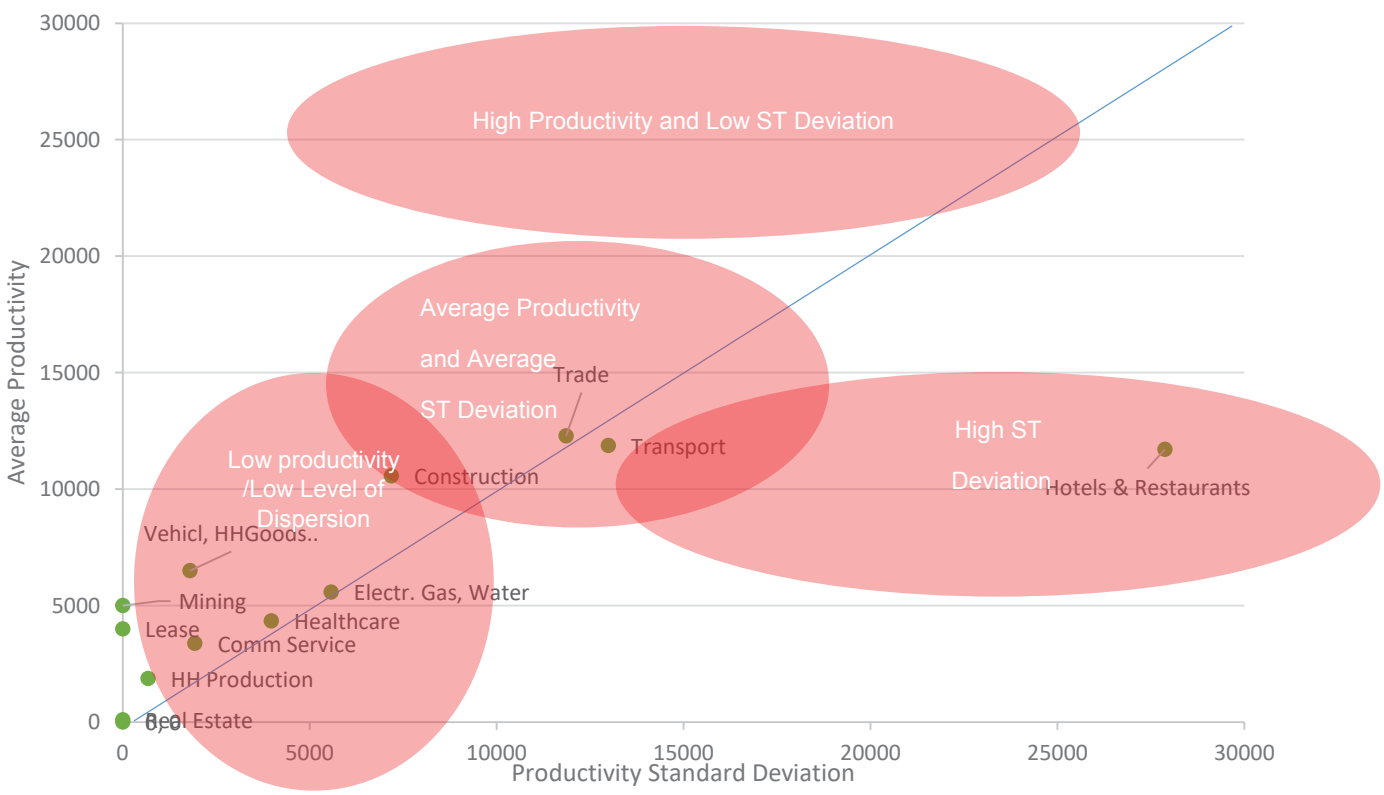
25 *The size of the bubble corresponds to the overall employment in the sector.*

26 *Business Survey on Non-Farm Economy Needs, IRDG UNDP, 2019*

Resource misallocation measured by the dispersion of productivity within individual industries was identified by the World Bank as a key issue preventing maximization of the output by the Georgian economy. Consequently, moving the labor force from less efficient companies to more efficient ones within each sector could eliminate the misallocation. According to the study, eliminating these allocative distortions could increase Total Factor Productivity by up to 70% in Georgia.[27]

Policies should be aimed at reallocating the resources to maximize output, by reverting employment from low to high productivity sectors and from low to high productivity *firms within each industry*. Higher levels of output in the municipality could be obtained by shifting workers from the unproductive enterprises and sectors to more productive ones, until their levels of employment are consistent with their productivity differentials or until the marginal product of labor is more or less equal across all firms.

Productivity and Its Dispersion industries In the Municipality (GEL)



Source: Analysis of Business Survey.

Analysis of productivity in the municipality shows that some industries (e.g., Hotels & Restaurants) exhibit large dispersion (measured by the standard deviation in relation to the mean productivity). This is indirect evidence of significant misallocation. Hence, higher levels of output by the Hotel and Restaurant industry in Keda could be obtained by shifting workers from the unproductive enterprises to more productive ones, until their levels of employment are consistent with their productivity differentials or until the marginal product of labor is more or less equal across all firms.

Comparative Advantages and Specialization of Municipality Busines

Understanding the growth of various sectors driven by region-specific factors, as well as the relative specialization of the municipalities is key to unlocking comparative advantages of the local economy. For this purpose, analytic instruments of Shift-Share Analysis and Location Quotient were applied.[28]

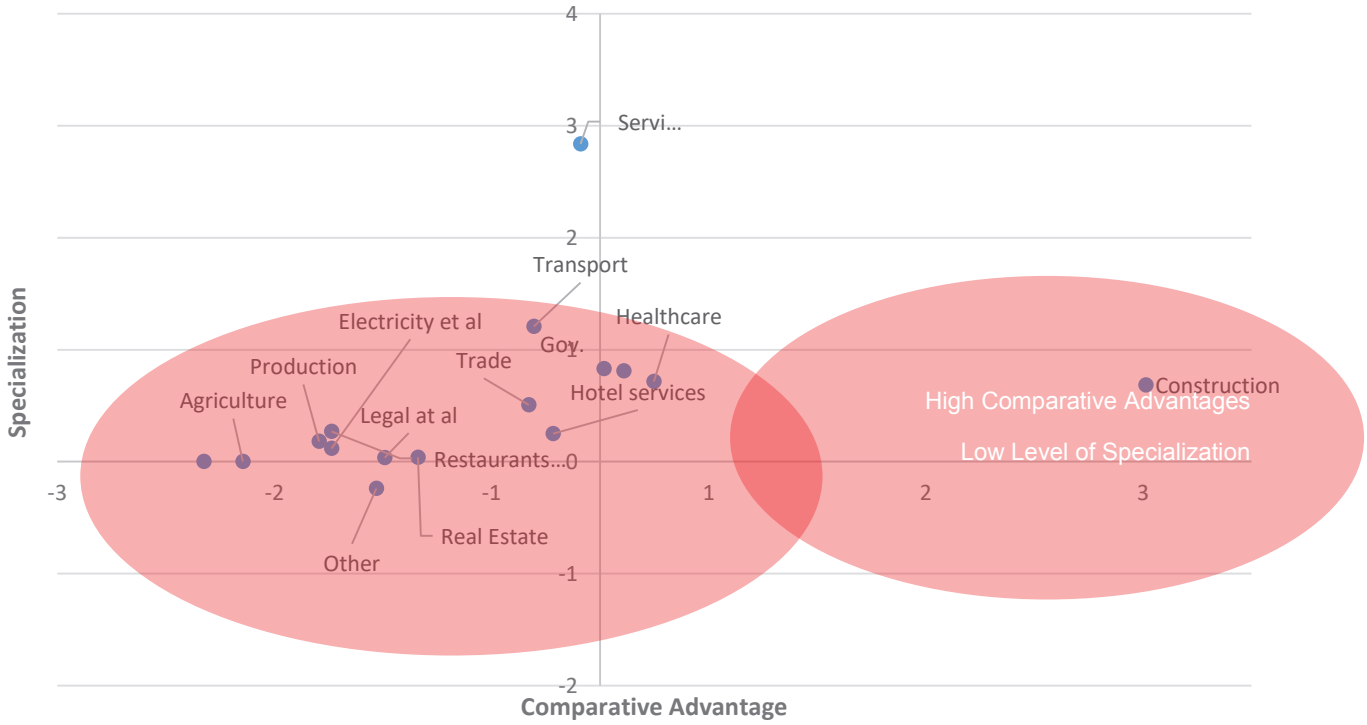
Shift-Share Analysis (indicating the growth of the sector contributing to the region-specific factors) and Location Quotient (indicating to the relative sector specialization of the municipality) analysis that Construction is the

the group with low comparative advantages and low level of specialization.

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

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

SHIFT-SHARE ANALYSIS AND LOCATION QUOTIENT OF THE MUNICIPALITY SECTORS



Source: Authors' Analysis Based on RS Data.

Allocation Effect and Policy Considerations

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

ALLOCATION EFFECT AND POLICY INTERVENTIONS

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

Source: Authors' Analysis Based on RS Data.

The analysis suggests that there are two groups of industries which might represent the source of multisector development and diversification in the municipality and they require closer analysis. On the one hand, there are sectors with positive specialization and negative comparative advantages (e.g., *Services, Transport*) - Group B. It is important to understand why these sector *loose sources of their competitiveness*. On the other side, there are sectors, which exhibited positive comparative advantages due to the regional factors, but they are not concentrated in the municipality. These are Group C sectors – *Construction, Financial Services, Healthcare, Natural Resources).* For this group it is important to find the *sources of such growth* and check whether they could become key competitive sectors of the municipality.

Labor Market

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

Workforce, Employment and Unemployment

Migration pattern plays an important role in shaping the labor market of Keda. Unlike other municipalities (e.g., Khulo or Kazbegi), the current migration processes in the municipality of Keda are characterized by specifics, which have a significant impact on both the quantity and structure of labor force. On the one hand, there is an internal (regional, national) and external migration, and on the other hand, seasonal migration (to Turkey and Batumi). However, in the case of short-term or long-term employment in Batumi, one part of the population temporarily resides in the city, and the other part does not leave Keda at all and works in a nearby municipality (mainly in Khelvachauri and Batumi). This is confirmed by statistics: only 12.9% of households in Keda municipality have at least one migrant (compared to 24.1% in case of Khulo), although this figure is quite high compared to other target municipalities. This specificity also means that the portion of economically active population in Keda is higher (74%) than in Khulo (50%).

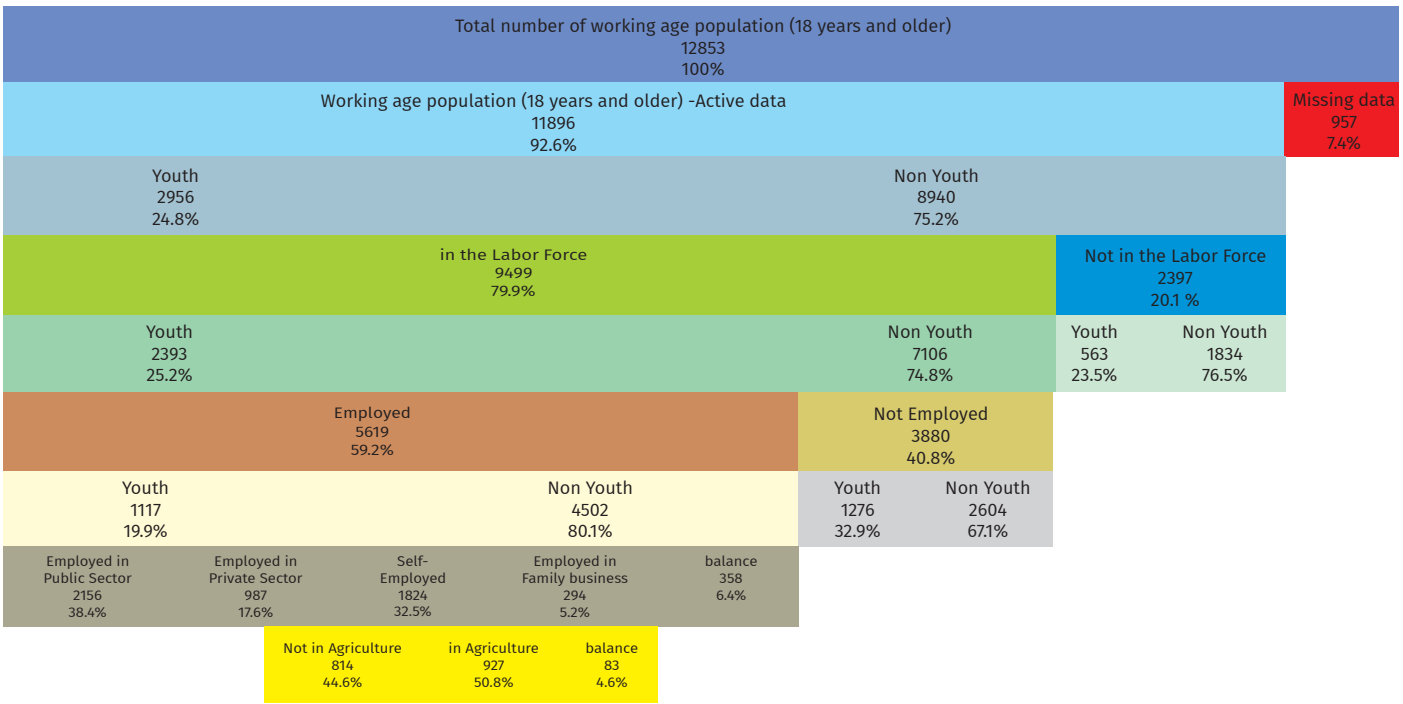
The outflow of population is mainly explained by socio-economic reasons. First and foremost, the reasons are unemployment and low income - there are fewer regular and high-paying jobs in Keda that makes the place less attractive to live in, especially for young people. There is no vocational schools in Keda that would allow graduates to receive vocational education on the spot. Being in the vicinity to Batumi contributes to the fact that the population does not leave Keda massively. Landslides and dangerous zones also contribute to the outflow of population. Seasonal employment plays a big role in forming the economy of Keda municipality, which in turn is a problem, because on one hand, 5-8 months of income per year means unequal distribution and unequal consumption, and on the other hand, internal discomfort, which accompanies economic passivity in the non-working process.

The public sector plays an important role in the structure of employment - almost half of employment is in public sector. The overwhelming majority of public employee are concentrated in the following five sectors: education, public administration/self-government, health/social protection, other community, social and personal services, and transport. Across the target municipalities, Keda municipality reveals the highest public employment rate in Education sector (64.7%). Most families have fairly low income because the salaries of workers in the public sector are low, especially in preschool institutions.

Majority of the population living in the municipality of Keda is engaged in agriculture. The incomes of the self-employed and small entrepreneurs in agriculture are also low. This is a result of smallholding of the land - the majority of Keda population has a small arable land. As a result of the development of the tourism, a number of family hotels that annually receive local and foreign tourists have been established. The majority of Keda inhabitants are self-employed who are involved in agriculture, some of them have small family hotels or are involved in small entrepreneurship (e.g., own a booth in the town center).

The unemployment rate according to the ILO methodology is 12%. However, the unemployment rate is 40.8% according to the survey conducted within the IRDG project (different methodology).

COMPOSITION OF WORKFORCE



Source: Population Survey, UNDP

Only 5% of jobseekers in Keda, registered with the Adjara Employment Agency (1,027) are 15-24 years old, 34% are 25-35 years old, and 53% are 35-60 years old. 73% of those registered are men. It should also be noted that 16% of jobseekers have higher education (Local Economic Development Plan of Keda, Shuakhevi, and Khulo 2019).[29] This indicates the low motivation of young people to work, on the one hand, and the existence of structural problems in the labor market, on the other hand. In Keda, the proportion of male managers is 66.5% - one of the highest among all target municipalities.

A slight increase in employment in the formal sector over the past 5 years (from 292 in 2014 to 873 in 2018) is associated with local or foreign projects implemented during this period, although, the local population mainly perform unskilled labor.

The Main Problems of Human Capital Development

Within the framework of ENPARD-2, UNDP studied the main features of human capital development in the high mountainous municipalities of Adjara and the factors influencing it. The following table provides the summary.

FACTORS INFLUENCING HUMAN CAPITAL DEVELOPMENT[30]

- Lack of both fundamental and segmental research in the labor market
- Lack of a permanent mechanism for identifying required vocations and knowledge/skills
- The insufficient orientation of the vocational education system in Adjara to the requirements of the labor market
- Low opportunities for vocational education institutions
- Lack of municipal employment programs
- Low scale current educational programs for adults
- Lack of jobs in mountainous municipalities
- Low level of business education among entrepreneurs
- Low level of motivation in terms of vocational training
- Low wages, which contributes to migration
- Aging of the population and reduction of the labor force
- Insufficient financial resources to provide skilled labor

Source: UNDP.

29 *Local Economic Development Plan of Keda, Shuakhevi, and Khulo (2019), M4EG*

30 *Human Capital Development, UNDP.*

A similar conclusion was made in the Strategic Development Plan of the Autonomous Republic of Adjara for 2016-2021.[31]

Labor market institutions and vocational education institutions in the Keda municipality do not have a permanent mechanism for identifying the required vocations and knowledge / skills. It is necessary to conduct periodic segmented labor market research, the purpose of which should be to determine the required vocations and the relevant knowledge/skills . Lack of presence of research organizations in the country as well as limited research base (only 5% of businesses registered in Adjara are registered in mountainous municipalities (Keda, Shuakhevi, Khulo), and absence of good quantitative researches addressing the labor market needs of the municipality, justify using qualitative methods to analyze this subject.

Institutional Setup of Labor Market and Employment Services

Of the labor market institutions, only the local branch of the Employment Agency of the Autonomous Republic of Adjara operates in Keda Municipality. The agency is established by the government of Adjara AR. It provides intermediary jobs for jobseekers and its main objective is to support employment in the Adjara region. There are no private labor market institutions in Keda municipality. Unlike the Employment Promotion Agency of Georgia (which is at the formation stage), the Employment Agency of Adjara has been implementing active policy measures for 9 years. Its projects are mostly regional or thematic. The agency does not have separate programs for mountainous Adjara (including Keda). There are no employment programs created for the youth of high-mountainous Adjara. The municipal population has the opportunity to get employment through the regional programs, but access is very difficult as various courses are conducted mainly in Batumi or Kobuleti. Besides, these courses are tailored to the labor market needs of the region's large cities.

Access to VET Education

There is an unfavorable situation in terms of formal vocational education in Keda municipality. There is no vocational school in the municipality, hence, the young people of Keda have limited access to vocational education. It should be noted that the municipality is not covered by any of the nearby vocational schools: Black Sea College, operating in Batumi and the branch of this college in Shuakhevi. These schools cannot provide any vocational training or retraining programs in Keda. Those wishing to receive vocational education prefer to study in Batumi, but not in Shuakhevi, which is not convenient.

There are specific initiatives, plans and specific actions (under UNDP project) to establish a vocational training center in Keda, run by Black Sea College. UNDP, the college (Black Sea College), the government of Adjara and Keda city hall are involved. At this stage, the necessary space for the school has been selected and allocated, the rehabilitation works of the facilities will be financed by Keda municipality.

As for the Shuakhevi branch of Black Sea College (Batumi), it will offer 2 courses of vocational training/retraining for the population of Keda Municipality in the autumn about water supply/sewage system, and family hotel management. The Shuakhevi branch will implement vocational training/retraining programs for construction sector from the autumn of 2020, and vocational educational programs in tourism, agriculture and construction in 2021. These programs will be available to the population of Keda.

The Department of Tourism and Resorts of Adjara Autonomous Republic is quite active in Keda. It conducts various short-term trainings in foreign languages and family hotel services.

Until now, Black Sea College has been conducting vocational education activities in Keda municipality through Keda Public School only within the framework of the School Program. It started (3 years ago) with professional orientation courses. During the last year, certificate courses were also offered. Keda Public School is on the list of schools in the Asian Development Bank (ADB) where investments will be made to implement several vocational education programs. With the investment, the appropriate learning environment will be formed, and human resources will be prepared.

The Institute for Democracy is working in the field of non-formal adult education in Keda. Under the program, the center for adult education offers the following educational courses: Microsoft office programs, computer technical maintenance and web design, beekeeping, handicrafts, and souvenirs making, English language and common skills, cooking, accounting, restaurant business. The German Association of Public Universities is involved with the program and has an annual grant.

31 *Strategic D evelopment Plan of the Autonomous Republic of Adjara for 2016-2021*

Key Success Factors, Needs And Challenges For DOING Business[32]

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

Key Determinants of Business Success

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

- Managers with *higher education usually show 40% higher productivity* performance than managers without higher education. Higher education also is an important factor in employment and capital growth. Managers with higher education have managed to expand their businesses on average by 0.365 employee during the last three years.
- Young managers perform better in achieving employment growth, while female managers show poor performance in terms of capital growth and expansion planning. Young managers have managed to expand their businesses on average by 0.98 employee during the last three years.
- Each additional year of experience within the field of activity adds 0.3% of increase in productivity.
- Managers with *personal values oriented on environment protection and innovations show almost 42% higher productivity* performance.
- *Access to credit* improves productivity performance by *almost 30%*. It also determines capital growth as well as promotes expansion planning.
- *Attractive business environment* makes local businesses more productive by 22.6%.
- Participating in training programs of managers and/or employees and availability of strategic planning is very helpful for enhancing business performance.
- Each extra vehicle owned by manager improves the productivity of his/her businesses by 4.4%. Also, the productivity of non-farm businesses increases by 3.62% per 1,000 sq. m. of rented land and by 6% per 10 sq. m. of rented real estate.
- Participating in government support programs ensures expansion planning, specifically through introduction of new products/services, penetration of existing products and territorial expansion.
- Among the industries, Mining (129.8%), Transport (95.6%) and Trade (63.8%) achieve better productivity performance compared to the baseline industry (Tourism) . Productivity in Education is 194% lower compared to the baseline industry.

Municipality-Specific Findings

Structure and Profile

Concentrated Non-Farm Economy. In most of the target municipalities, there are one or two dominant non-farm industries (usually Trade sector), as it is in Keda. The market share of trade constitutes 58%, which is followed by Hotels and Restaurants 13% and Transport 11%. The shares of other sectors are minimal.

High Geographic Concentration. On average, more than about 70% of non-farm businesses are located in municipal centers. In Keda municipality, more than 60% of firms are located in the municipal center.

Relatively Newly Established Enterprises and Entrepreneurs with Higher Education. Keda municipality is characterized by relatively high share of businesses established after 2010 (60%), large share of young managers aged (more

32 *Business Survey on Non-Farm Economy Needs, IRDG UNDP, 2019*

than 87% under 54-years old) and comparatively small proportion of those with higher education (40%). This could be an issue, since the analysis shows that higher education of the owner/manager is strongly, positively correlated with the success of a firm in the target municipalities.

Almost no outside Orientation of Businesses. Among all of the target municipalities, almost 90% of non-farm businesses' sales comes from sales to local village (45.8%) and municipality markets (43.6%), while sales at regional and national markets comprise only 4.4 and 2.94%, respectively. Only negligible (0.28%) amount of sales comes from international markets. Non-farm businesses in Keda (15.55%) municipality have relatively high share of sales at regional market, while their participation at national level is insignificant.

Starting New Business

Social Capital - The Most Important Asset While Starting a New Business. People are relying to greater extent on their family members in starting the business. 41.2% of all respondents from the municipality (one of the highest) would intend to use family members and relatives as a means of starting new businesses, followed by relevant State Agency (19.5%).

Starting Business – A Forced Decision. As it is in most cases in other target municipalities, the majority of the respondents started their businesses because their income was not sufficient (28%) (although this indicator is a below the sample average 46.8%, the indicator is still high). Another 26.5% said that they had relevant practical skills and experience and another 18.8% said that they started business because of a good idea. For that reason, it is important to reveal and map qualifications of the local residents to find out suitable business ideas and opportunities, where their qualifications might fit the best.

TSA and Other Social Instruments – Negative Stimuli for Starting Business. Social assistance instruments such as TSA (Target Social Assistance) play an important role in eradicating extreme poverty and raising the overall state of welfare in the municipality, but they have adverse effects on starting a business and overall level of entrepreneurship. The population survey in the target municipalities revealed that such income sources as TSA and pensions always have a negative effect on business participation and the effect of remittances can vary depending on the type of business. As expected, having extra money have positive implications for the intentions to start a business.[33] Therefore, social assistance packages should be reformed and planned carefully so that they provide business participation incentives for the recipients.

Keda - Low on Intentions to Start a Business. The survey showed that the intention to start a business among the population in the Keda municipality has less intention (0,428) among the target municipalities, eg., for Kazbegi the coefficient is 3.074. The shaer of the respondents who do not plan to start a business is 34,9% (compared to 35.3% - the average of all municipalities).[34] Therefore, some more efforts are needed for Keda to boost engagement of the local populationin business activities.

Higher and Professional Education and Better Infrastructure – Greater Chances to Starting a Business. It is not surprising to see from the survey that, in general, people with higher and vocational education have greater chances f starting a business, and those with higher education having a greater chance than those with vocational education. Similarly, problems with sewage, gas supply and road infrastructure substantially reduce stimulus for doing business, while better local conditions for starting a business have an opposite effect.[35] All of the findings indicate the need of efforts to stimulate better access to higher and vocational education as well as to ensure better local utilities infrastructure.

Financing

The Borrowing Profile - up to 10,000 GEL for Working Capital Purposes. The enterprises in the municipality have some borrowing culture and experience. Entrepreneurs in the municipality are relying on bank borrowed resources to start business (37.2%). They also used resources from the family members (25.4%).

More than half (48.9%) of the respondents borrowed for their businesses during the last three years. In most of the cases (53.4%), the loan amount was below 10,000 GEL and mostly from the bank (88.6%) and for working capital purposes (92.9%). Unfortunately, 34% of the respondents are experiencing difficulties in repaying their loan.

33 *Population Survey on Rural Non-farm Business Needs, IRDG UNDP, 2019*

34 *Population Survey on Rural Non-farm Business Needs, IRDG UNDP, 2019*

35 *Population Survey on Rural Non-farm Business Needs, IRDG UNDP, 2019*

Difficult Experience with the Loan Might Explain no Plans for a Bank Loan. Among the ones, who did not take a loan in the beginning, the majority of them said that the reason for this was that there was no need (45.8%), followed by high interest rates (13.5). More than two thirds (79%) of the enterprises responded that they do not need a loan for future investments.

Most Enterprises Need More than 40,000 GEL in a Loan . The most sought for range is 10 000 to 40,000 GEL (about 43.7% of the responses). The funds would be used for expansion of the operations (59.8%) or for purchasing new technology (31.9%).

Existing Needs and Challenges

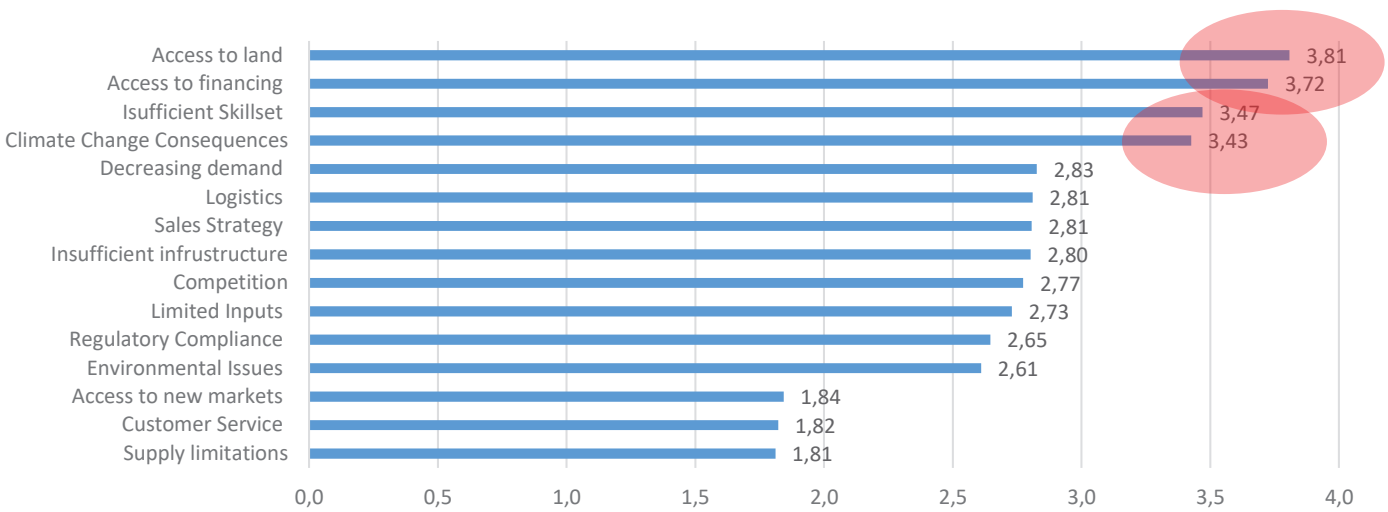
Locally Oriented Businesses. More than 2/3 of the enterprises responded that local village market (38.2%) and municipality market (43.1%) are their primary markets and the enterprises sell their output there. Keda has one of the highest shares of sales in the regional market (15%). Sales on national and international markets is minor.

Orientation towards Quality. Usually, achieving cost leadership is the key determinant of the competitiveness in rural businesses. However, in case of Keda, quality is important (82.2%) – one of the highest of all target municipalities.

Expensive Inputs - A Key Obstacle to Enterprises. About 28.9% of the respondents said that this a key problem for the production, which is followed by long distance to the markets and related transportation problems. Being located at the outskirts of the country, far from the major economic center, it is not at all surprising. Similar problems are stated in relation to supplying their production to the market. It should be noted that Keda has one of the highest costs of transportation as percentage of total sales (16.8%).

Access to Land and Finances - Top Challenges. Top challenges that businesses face is a limited access to such production factors as land and capital (Access to Land and Access to Capital), followed by the second group - Insufficient Skillset and Climate Change Consequences.

KEY CHALLENGES THAT THE MUNICIPALITY ENTERPRISES FACE



Source: Survey of Local Enterprises.

Expansion Plans and Perceived Assistance Needs

No Plans for Expansion. About 65.7% of the respondents said that they do not plan any expansion . Those respodents who planned expansion are going to do this by introducing new products and increasing capacity of the existing operations.

Loan Subsidy and Loan Guarantees - Most Required Modes of Assistance. 29.8% and 22% of the respondents stated that loan subsidy and loan guarantee, respectively, would be the most helpful for advancing their businesses.

Potential Policy Consequences

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

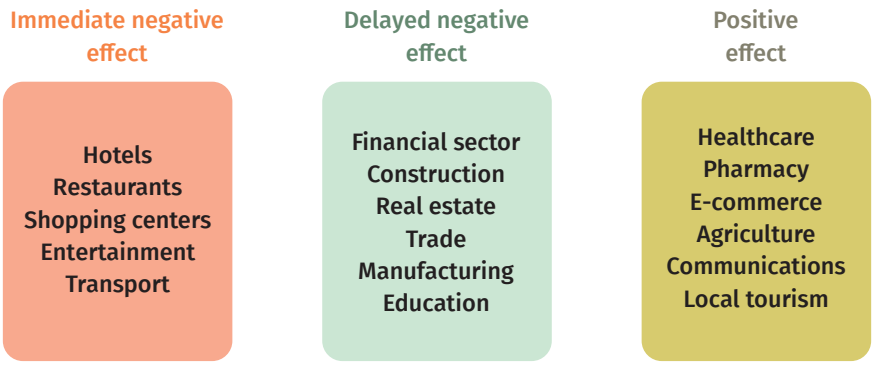
- Programs to upgrade educational level; participate in training programs; intensify participation of employees in training programs; Stimulate planning processes and increase the length of strategic planning process within business.
- Second, the government and local authorities, must ensure for non-farm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

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

SHORT-TERM COVID-19- DRIVEN NEEDS

It is difficult to estimate precisely the impacts of the COVID-19 pandemic on industries and enterprises. There are expert ioubuibs, which should be considered. For instance, Galt & Taggart assesses the prospects of the impacts of the pandemic on the economy of Georgia, and identifies possible impacts on individual sectors. Among other issues, it also covers considerations related to tourism sector.[36] According to Galt & Taggart, the following sector groups are identified according to the impacts of COVID-19.

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



Source: Galt & Taggart.

It is hard to estimate the extent of impact on each sector precisely, but it could be done by groups.

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

SHORT-TERM ECONOMIC GROWTH FORECAST SCENARIOS

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

Source: Galt & Taggart.

36 *COVID-19 Impact on Georgian Economy, Galt & Taggart, March 25, 2020*

According to the study, are the industries which are mostly related to the tourism industry fall under the immediate effect group. This includes hotels, restaurants, shopping centers and the transport sector. According to the three scenarios the estimated impact on tourism sector value, , ranges between 1.2-2.8 bn USD. With 50% likelihood in case of 2-Mild Scenario, the target is *2 bn USD loss* of contraction as a likely target for the months to come, which is *about 50% of the baseline level*.[37] This estimate that could be applied to the *Immediate Negative Effect* group.

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

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

THE STRUCTURE OF ECONOMY BY IMPACT GROUPS

IMPACT SECTORS	NUMBER OF ENTERPRISES	% OF TOTAL NUMBER	EMPLOYMENT (INCOME TAX PAID)	% OF TOTAL EMPLOYMENT
Immediate negative effect sectors	107	22%	139,270	14%
Delayed negative effect sectors	378	77%	846,120	86%
Neutral	7	1%	1,799	0%
Grand Total	492	100%	987,188	100%

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

The magnitude of impacts is summarized in the table below.

MAGNITUDE OF SHORT-TERM IMPACTS ON INDUSTRIES

IMPACT GROUPS	NUMBER OF ENTERPRISES AFFECTED	EMPLOYMENT AFFECTED	MAGNITUDE OF IMPACT	WEIGHTED AVERAGE IMPACT ON FORMAL ECONOMY	TYPICAL ISSUES
Immediate Negative Effect Sectors • Hotels and Restaurants • Shopping Centers • Entertainment • Transportation	• 107 Enterprises (22% of all enterprises)	• 14% of all formal employment (calculated by income tax paid)	• 50% loss	• 30% (Enterprises) • 28% (Employment)	• Liquidity • Sales disruption • Input disruption
Delayed Negative Effect Sectors • Financial • Construction • Real estate • Trade • Manufacturing • Education	• 378 Enterprises (77% of all enterprises)	• 86% of all formal employment (calculated by income tax paid)	• 25% loss		• Decline in sales • Reduced profitability

Source: Author's calculations.

Stemming from the structure of the economy of the municipality, about 107 Enterprises or about 22% in total pool and 14% of all formal employment will be affected in the Immediate Negative Effect Group. 378 enterprises or about 86% in total pool and 86% of the total formal employment will be affected in the Delayed Negative Effect Group. The average *weighted impact on formal economy will be about 30% (enterprises) and 28% (employment)*.

37 *Based on Author's calculations.*

Impact on Self-employment and Informal Employment

Self-employment. In terms of self-employment and informal employment, a separate methodology should be used. According to Geostat, out of the total number of employed people some are employed in the municipality (873) and most of them (710) are conract employees. In general, the biggest number of self-employed in Georgia is in Agriculture. In fact, in Georgia about *97% of the employed* in Agriculture is self-employed. At the same time, self-employment in Agriculture represents about *76% of all self-employment in Georgia, whereas other sectors contribute jointly about 24%*.[38] It is assumed that the Agriculture sector is neutral to the short-term COVID-19 impacts. Therefore, it could be assumed that the scale of impacts on the *registered self-employed in the municipality was insignificant*.

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

ESTIMATION OF INFORMAL EMPLOYMENT

TOTAL INCOME TAX PAID (GEL, 2019)	TOTAL WAGES PAID (GEL, 2019)	PORTION OF INFORMAL EMPLOYMENT IN NON-FARM SECTOR (NATIONAL AVERAGE)	ESTIMATED VALUE OF WAGES IN INFORMAL EMPLOYMENT (GEL, 2019)
987,188	4,935,942	34.7%	2,622,928

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

In summary, the estimated volume of informal sector wage is *about 2.6 mln GEL*. However, it is hard to calculate how much of the informal employment was affected due to the COVID-19 crises, because there is no estimation of informal employment by individual non-farm sectors.

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

According to the data for 2019, the number of people employed in the private sector in the municipality was 873. According to the Revenue Service (June 2020), in connection with Covid-19, the number of compensation recipients in the municipality is 249. The number of recipients of compensation is 29% of the employed, which is higher than the national average (16.5%) (but lower than in Khulo – about 75%). A significant number of compensation recipients were from the following sectors: Construction (96), Retail/wholesale Trade (42), Accommodation and Food (18), Healthcare Services (22), Processing industry (25). (It is important to mention that the compensation is being distributed not according to the geographic place of employment, rather than the legal registration address of the recipient (which might not coincide with the actual place of their employer or their business activity)).

In the long run, in the event of a stable epidemiological situation, according to experts, about half of those who received compensations would return to their jobs. This will happen if construction and transport, as well as financial (currency exchange kiosks) sectors are almost completely restored, and if wholesale / retail trade, the art / entertainment / leisure and manufacturing industries are be partially (at least 50%) restored.

Youth Dimension of Local Economy

Economically active youth is one of the key drivers of the municipality economy and non-farm sector development. Understanding the reasons behind limited economic participation of youth and then promoting it, is a major way to foster the local supply of workforce, new entrepreneurship ideas and the economic diversification. According to the survey conducted by UNDP, among the key factors that influence the productivity of non-farm businesses in targeted municipalities are managers' personal characteristics, like age - young managers perform better in achieving employment growth and higher productivity.[39]

38 *Employment Survey, Goestat, 2018.*

39 *Business Survey on Rural Non-Farm Economy Needs, IRDG UNDP, 2019*

Key issues in this regard are *high levels of migration and seasonal outflow of labor force in Turkey (low level of participation in local labor market)*, lack of the information about different financial and grant opportunities, *youth unemployment* as well as low *level of entrepreneurship* among youth, which results in underutilization of the productive resources. The closure of borders due to COVID-19 and the ban on seasonal employment in Turkey have drastically reduced the income of young people in the municipality.

Economic Participation

Participation in Labor Market. According to the 2014 General Population Census, the total population in the Keda Municipality is 16,760; out of which 3,815 are 15-29 years old, representing 22.7% of the Municipality population.[40] 60.2% of the total 15-29-year-old youth in the Keda Municipality were economically active; out of which, 77.9% were employed, while 22% were unemployed. 37.2% of the youth were economically inactive and were not looking for jobs. It should also be noted that 66.6% of employed youth are working in agricultural farms, while 33.2% are contract workers.[41]

NEET Youth. The level of NEET youth is a good indicator of this problem. Although the information is not available at the municipality level, the share of NEET youth in Adjara A.R. is 31.69%. Stimulation of these youth and maximally *returning them to the workforce* remains a challenge.

Unemployment. According to Geostat data, starting from 2014, the level of youth unemployment in Georgia is decreasing. If in 2014 the level of unemployment of the 15-29-year-old population was on average 32.6%, according to the same study in 2018, this figure was 25.8%.[42]

YOUTH EMPLOYMENT IN THE MUNICIPALITY

15-29 YOUTH	ECONOMICALLY INACTIVE	ECONOMICALLY ACTIVE	UNEMPLOYED	EMPLOYED
3815	1420	2298	506	1792
				1195 are employed in agriculture
				596 contract workers

Source: Geostat.

Mismatch between the demanded and supplied skills, absence of highly paid non-farm jobs and economic opportunities are main identified reasons behind the low level of youth economic activity and participation in labor market. Therefore, the goals of the economic development of the municipality is to develop the tourism sector and create an appropriate environment for the promotion of small and medium enterprises.

Entrepreneurship. The survey of non-farm economy needs in the Keda Municipality has revealed that 7.4% of youth are engaged in non-agricultural production, which is a considerably low indicator, although they have managed to expand their businesses on average by 0.98 employeeduring the last three years.[43]

In this context, it should be noted that insufficient income is stated as the main motivator for starting a business by 16.7% of youth, 25.0% of youth had the proper education to start a business, and the rest, 41.7% of youth had a good idea to start a business. The startup capital for 44.4% of youth ranges between GEL 1,000 and 10,000 and for another 44.4% it was less than 1,000 GEL.

38.9% of youth started a business with the support of family, 16.7% receive assistance from the bank, another 16.7% of youth had their own resources for business startup and the rest of 16.7% youth participated in the voucher program.

100% of surveyed youth think that local conditions in the municipality are favorable for starting a business, although the study has revealed that 63.2% of youth do not have information about state programs. 36.8% of those who have information have not participated in the state programs[44].

40 *General Population Census 2014, Geostat*
41 *General Population Census 2014, Geostat*
42 *Geostat 2014-2018 (national level)*
43 *Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019*
44 *Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019*

The research has also revealed that 72.2% of youth engaged in non-agricultural businesses have rarely approached the local authorities, only 27.8% approached concerning social matters once a year.

Migration

Despite of close distance to Batumi and different employment opportunities, the social and economic conditions of the youth are still on a very low level, which is mainly reflected in the high level of migration. The socio-economic problems of the local families are caused by the fact that there are not enough jobs and stable wages in Keda, which is why most of the population, especially young people, leave Keda for seasonal work - mainly for Batumi and Turkey.

Summary of Main Challenges and Needs

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

SUMMARY OF KEY CHALLENGES AND NEEDS

CHALLENGES	NEEDS
• High level of migration of young people • No vocational educational institution • Lack of financial opportunities to start a business • Lack of knowledge and skills to start a business • Insufficient experience and skills in tourism and in the field of non-agricultural entrepreneurship; • Low level of promotion of the Keda as a tourism destination	• To provide local vocational educational opportunities • To provide with knowledge and skills for economic empowerment of youth • TO Promote young people to be involved in the field of tourism • To ESTABLISH Keda as a local logistic center for Adjara mountain municipalities

Gender Dimension of Local Economy

International practice shows that low participation of women in the economy hinders economic growth and negatively affects development. It is proven that empowering women and girls helps economic growth and development.[45]

The level of economic activity of women in Georgia is low, which affects the overall output of the local economy. A large proportion of women in Keda municipality depend on allowance or income from other family members. In the municipality, the pension is the main source of income. 65% of pension recipients are women.[46]

47% of employed women are engaged in unpaid / productive labor. 42.3% of women respondents are employed, while 52.4% of male respondents are employed, additionally, higher percentage of women respondents (by 11.2%) state that they are not economically active.[47]

A large proportion of economically active women in Keda municipality are employed in the public sector. The public sector is the only sector where a larger proportion of women are involved than men. Women's representation is very low in family business and in business in general. This is evidenced by data from a UNDP study. 42.3% of female respondents are employed, 32.3% are unemployed and 25.4% are not economically active. Compared to the responses of the all respondents, a larger proportion of the women's group is not economically active, and fewer are employed. 1.2% of female respondents work in the family business, 9.6% of female respondents are self-employed (significantly less share compared to men), 6.5% are employed in the private sector (less than share of men) 18.8% are employed in the public sector (more than men). The public sector is the only sector where a larger proportion of women are involved than men. It is also noteworthy that 74.9% of public sector employees work in villages / hamlets.

45 *UNDP Georgia*
46 *Social Service Agency, 2017*
47 *Business Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019*

Employment opportunities in various businesses are not diversified in Keda municipality in particular in terms of women. Moreover, employment prospects with higher incomes such as forestry and fisheries existing in this municipality are considered traditional/typically male income-generating activities. According to statistics, 82.7% of the total respondents work in agricultural sector. 5.8%- in forestry and 11.6% - in fishery. 44% of employed have relatively permanent employment and 56% works on seasonal basis. It is also worth noting that the least number of those engaged in agricultural programs are women students.[48]

One of the key reasons for such low participation is the attitude of the society towards the distribution of the role and functions of women and men in the family, which hinders the employment of women, including their involvement in business activities. One such attitude/stereotype is the role of a man as the breadwinner of the family. In the opinion of a large part of the population, ideally the breadwinner of the family should be a man (88%), while only 1% of the population think that this function should be undertaken by a woman. 11% believe that men and women should contribute equally to support family. It should be noted that there is no significant difference between urban and rural settlements in this regard. 86% of the city's population and 90% of rural-type settlements believe that the breadwinner of the family should be a man.[49]

Across the developing world, women make up nearly 50% of agricultural employment.[50] Empowering men and women to be engaged more actively in agriculture and helping them transform their production from self-sufficient farms to growing and market-oriented farms will translate into well-being of their children and families.

The fact that the majority of women are engaged in agricultural work and have low representation in other sectors is an important factor to be considered in the growth of the economy. This means that as roughly half of the economic force is not well diversified, overall economic diversification is affected negatively. Additionally, enterprises run by women in these sectors are small and smaller than those of male in terms of business activity, therefore the area and their involvement is not highly productive either, which further impedes overall economic development.

Women In Entrepreneurship

Start up a Business. One of the reasons for the low participation of women in economic activity is that starting a business for women is associated with greater difficulties than for men. In Keda municipality, although 69% of female respondents think that local environmental conditions are conducive to starting a business and 11.3% think that it is more favorable than unfavorable, still insufficient number of women starts a business. The vast majority of respondents do not have experience in business management or ownership, although experience in agricultural business is noted by 5.9% of women and 4% of men. 60.2% of female respondents in Keda municipality see opportunities for people to start business in their municipality, while 39.8% do not see such an opportunity. At the same time, 69.3% of male respondents see this opportunity. It is therefore noteworthy that approximately 20% of women who think that there are favorable conditions for starting a business, still do not see the opportunity to start a business. Information about starting a business in Keda municipality is somewhat mutually exclusive, which indicates that invisible barriers and stereotypes related to women's activities and professions play an important role in women's decision-making.

55.8% of female respondents have not thought of starting a business; 32.4% thought but could not do so and 11.7% either started or are going to start. Thus, most women are not going to start a business. The main reasons for female respondents saying they are unable to start a business are insufficient infrastructural resources (73.2%), existing income satisfaction level (6.8%) and lack of knowledge / skills (5.2%). 28.1% of female respondents who have not thought of starting a business cited lack of relevant resources as a main impediment to starting a business. The other reasons were satisfaction with existing income (16.2%), lifestyle (12.2%), lack of knowledge / skills (9.6%) and family responsibilities (9.4%). Thus, all female respondents who have or have not thought about starting a business consider the *lack of resources* as a major impediment. As a rule, this is insufficient access to financial, digital resources and property for women.

37.8% of female respondents fully agree with the statement that a woman needs special support to start a business, while 41.9% agree more than disagree with such a statement. This indicates that women are well aware of the need for additional support and invisible barriers.

48 *Geostat, Number of students in higher education institutions according to the programs, 2018*

49 *Public Perceptions on Gender Equality in Politics and Business, UNDP 2013*

50 *FAO, http://www.fao.org/gender/background/en/*

Women in Keda municipality are less inclined to start a business. The opportunities, based on their responses, are not worth starting a business because of their obligations and public opinion. 39.5% of female respondents said they were afraid to start a business because of possibility of failure. It should be noted that male respondents are much less afraid of failure associated with starting a business, 74.1% are not afraid.

Running a Business. One of the ways to get women more involved into local economy is to understand the obstacles they face in terms of running a business.

Women entrepreneurs find it difficult to run a business, they face problems when it comes to business profitability, diversification of fields and access to information regarding business development.

The main reason for leaving their business is the lack of profit (23.6%), whereas only 13.5% of male respondents cited a lack of profit as the reason for the termination of their business, which once again underscores the need for women's training, and that double work / duties may limit women more than men.

Additionally, a vast majority of the women who owned businesses, owned them in the agricultural sector. The income of the respondents in this field is less than 250 GEL, it is necessary to *diversify business domain*, master other fields and study more possibilities for increasing efficiency and productivity in the existing field (agriculture).

56.5% of female respondents believe that they have the skills to produce and manage a business, while the share for males is 71.2%. Given that women in the region have better education, in terms of both higher and professional education, it is paradoxical that they consider themselves less capable than men, which underscores once more low self-esteem and professional stereotypes. *Accordingly, it is important to inform and train women in those disciplines that are desirable for running a business, as well as to provide training in terms of increasing of self-confidence and leadership skills.*

38.8% of female entrepreneurs said that they registered their businesses, while 71.3% of male respondents did so. It is clear that female entrepreneurs are much less likely to register their businesses / operations. Further research is needed as to why there is such a big difference with regard to business registrations. However, it can be noted at this stage that this is related to either the level of awareness or the level of income of production and the fact that women earn less.

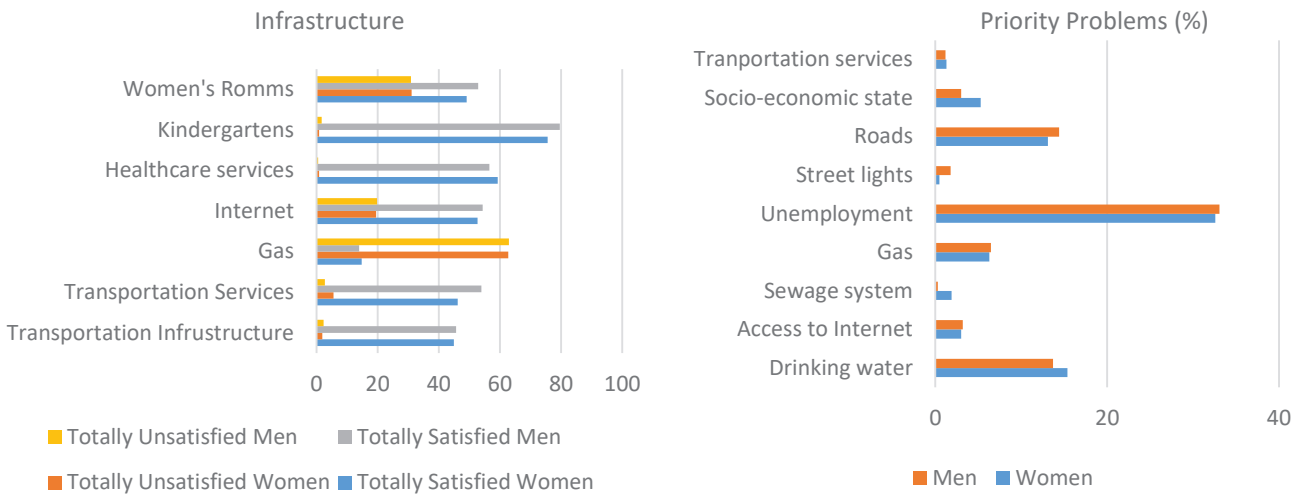
Access to State Programs. The population positively assess the projects implemented by the central, district and local governments for the support of farmers and small entrepreneurs. 19 families in Keda are the winners of the state program Produce in Georgia. However, it should be noted that when working on a project application, applicants usually need assistance and additional consultations.[51] Produce in Georgia and the Caucasus Environmental Non-Governmental Network (CENN), funded 19 projects, including 16 business ideas submitted by women, which facilitated business start-ups and employment opportunities on the ground.

Infrastructure. The proper functioning of infrastructure in municipalities affects the availability, employment and development of services, especially for women. As the chart below presents, the most unsatisfactory situation in Keda municipality is the supply of natural gas, Women's Rooms and the central sewerage system. And the most satisfactory are the electricity supply, waste management and kindergartens.

As the chart below clearly shows the respondent women and men have similar priority problems . Unemployment, drinking water problems, further road malfunctions (respondent men are more concerned about road malfunctions than drinking water problems), the lack of a gasification system, and a difficult socio-economic level are perceived as major priorities.

51 Keda Local Development Strategy

INFRASTRUCTURE AND PRIORITY PROBLEMS IN THE MUNICIPALITY (GENDER SPLIT)[52]



Source: UNDP, 2019.

Interestingly, the Women's Room is part of the infrastructure included in the study. The women's room is seen as a municipal space where women can receive a variety of services. At the municipal level, it is important to use the resources of the Women's Room to promote women's economic empowerment, and for this purpose, managers need to be trained in economic empowerment, information collection and cooperation with other businesses and companies. Also, it is important to provide access to business support programs of state, municipal, international, and local organizations in the country, within the framework of social responsibility of business.[53]

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

53 *Women's Information Center, 2020*

Summary of Main Challenges and Needs

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

CHALLENGES	NEEDS
• Fear of starting a business are more common in women • Lack of desire to start a business in women; • The problem of starting of business opportunities in women • Insufficient access to resources for women (financial, digital resources and property) • Insufficient infrastructure resources to start a business • Insufficient infrastructure resources to start a business, including water, gas, municipal transport • Non-diversified business, especially for women. Most women are mainly engaged in agriculture • Low involvement of women in the private sector, in self-employment, in family business and businesses in general • Double, reproductive / family work for women and care for family members • Low income of women - a large proportion of women depend on social benefit or income from other family members • Women are more often fine with their income • Low income from agricultural activities • Most employed women are in agriculture - the lowest number of female students in agricultural programs • Insufficient knowledge and skills to start and develop a business • Access to information • Women have lower self-esteem and lack of self-confidence Representation at different roles • Women are less represented in decision-making positions, and are more often employed in low-paying positions • Invisible barriers / glass ceilings that interfere with a woman's economic activity • Stereotypes related to women's activities and professions General • High distrust of men towards women's organizations • Negative attitude towards "Women's Rooms" in the municipality	• Economic empowerment of women • Increase women's self-esteem • Increasing women's involvement in the private sector and in self-employment • Training for women on production management • Creation of infrastructural resources to better manage business • Awareness on business/business resources, and regional resources • Increase (especially in men) awareness and trust towards women's organizations • Increase access to higher and vocational education • Increase in agricultural income • Improve water supply • Increase access to technology and techniques

Key Conclusions on Economy and Multi-sector Development

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

Relatively Sparse Non-Farm Economy. This is exhibited in the small number of enterprises per 1000 population. Considering that the big portion of the enterprises which are registered in the municipality but operate outside it (mainly in Batumi), the indicator is even worse. Addressing these challenges require systemic approach to several broad areas.

Growing but Weak Economy. The turnover and value added of the municipality was volatile but on average went up in the recent years, resulting in growing employment and average monthly wages. With about 460 GEL/month, the municipality has one of the lowest wage levels compared the target group and *the lowest level of productivity* (7,446 GEL) among the target group and about one tenth of the level of the leading municipality (Kazbegi).

The biggest sector of the local economy – Trade did not create too much new employment in the economy, at the same time, it was characterized by average level of marginal labor return and relatively low increases in wages in the recent years. Hotels and Restaurants (growth of employment), Transport and Services (increases both - wage and marginal return of labor) sectors were distinguished in this regard. Other sectors exhibited relatively low marginal return on labor and low growth in employment, wage growth.

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

Sectors with Signs of Comparative Advantages or Regional Specialization Require Attention. The instruments of the Shift-share Analysis and Location Quotient reveals that on the one hand, there are sectors with positive specialization and negative comparative advantages (e.g., *Services and Transport.*). It is important to understand why these sector *loose sources of their competitiveness*. On the other hand, there are sectors, which exhibited positive comparative advantages due to the regional factors, but they are not concentrated in the municipality. These are: *Construction, Financial Services, Healthcare and Natural Resources*. For this group it is important to find the *sources of such growth* and check whether they could become key competitive sectors of the municipality. These two groups of sectors should be studied to understand the dynamics of their drivers and their potential.

Management Profile – Potential Issue. The analysis of the survey in all target municipalities shows that *young managers* with higher education perform better in achieving employment growth, whereas businesses in the Keda municipality *are run by relatively older managers*. Keda municipality is characterized by relatively large share of managers with professional education (14.9%) compared to the sample average (6%) and comparatively *average proportion of those with higher education* (40.1%), compared to the sample average (42.3%). This could be another issue, since the analysis shows that *higher education of the owner/manager is strongly correlated with the success* of a firm in the target municipalities.

Key Challenges for Making Business. Finding the challenges and obstacles of starting business in the municipality could represent an opportunity to develop non-farm enterprises in the region. Key issue is that most people started business because of necessity and entrepreneurship is not a career choice. Relative to other target regions, Keda has lower than average indicator in this regard.

Businesses face several obstacles, of which expensive inputs are a major one. Key challenges for the businesses are production factors such as Access to Land and Access to Finances, followed by the Insufficient Skillset and Climate Change Consequences. The importance of other factors or challenges is insignificant.

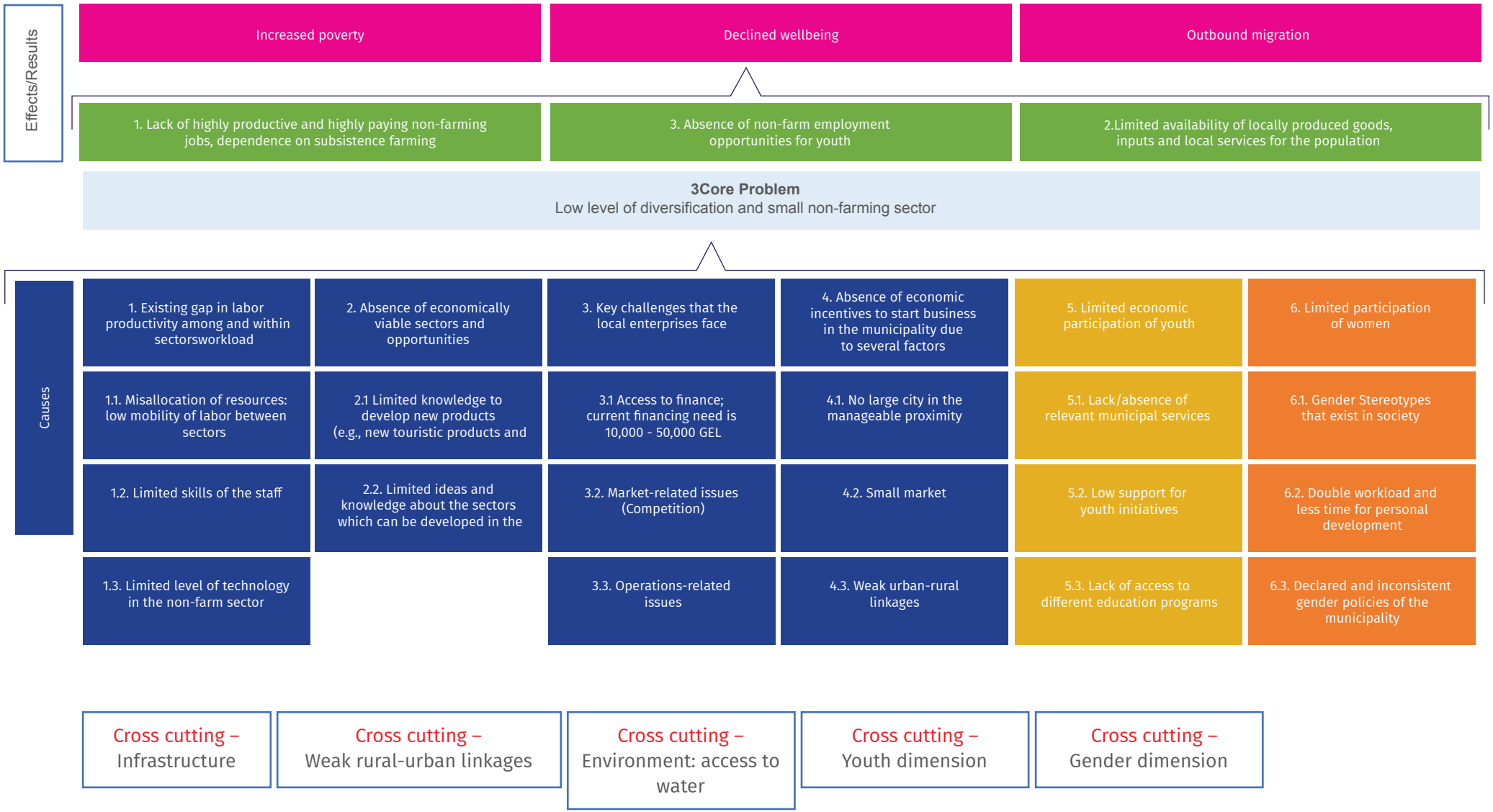
Unlike other municipalities, enterprises are more capable to repay loans, but at present the businesses are already *considerably indebted*, with some difficulty in repaying loans – 34% of the respondents who borrowed are experiencing difficulties in repayment . Therefore, two thirds of the enterprises report that *they do not require a loan for future investments*. However, for those who require financing, the current financing need is up to 10,000 GEL, to be used mostly for expansion.

Notably large portion of the businesses do not plan expansion.

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

Short-Terms Needs from COVID-19. Estimated *weighted average scale of impact on formal economy will be about 28% (formal employment) and 30% (number of enterprise).* The major non-farm sector of the municipality - tourism faced some impact because of the lockdown and the prospects of the recovery is not yet clear. However, due to the non-seasonal period, this impact is not strong or yet felt (compared to the impact due to the loss of income from seasonal migration of the labor force to Turkey, which might prove significant). On the market side, the prospects of the reservations are not certain. On the supply side, compliance costs and adjustment costs, related to the new regulations, are notable and will influence the pace of the reopening as well as the overall profitability of the tourism enterprises.

P1 - (Economy and Multisector Development) - Problem Tree



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

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

PROPOSED INTERVENTONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
• P1-EC01 - Technical Assistance Program • P1-EC02 - E-Commercialization Program	Outside agriculture, the enterprises which trade with the rest of the country are almost nonexistent. Tourism is the sector with the potential to become a part of the national/international value chain. Other products with the potential of integration into the global value chain needs to be discovered yet.		• Integrating rural areas into global value chains	P1-YU01 - Young CEOs Incentive Program P1-yu02 - Youth Tourism Center P1-YU03 - Promotion of Youth Entrepreneurship in Rural Areas P1-GE01 - Women Participation Intervention P1-RU01 – Exploring Rural-Urban Linkages Program
• P1-EC03 - Exploring Sources. of Competitiveness • P1-EC04 - Feasibility Studies Program • P1-EC05-01 - Productivity Reallocation (Skills Development) • P1-EC05-01 - Productivity Reallocation Program (Technology Upgrade) • P1-EC06 - Workforce Growth Program • P1-EC10 - Strengthening Vocational Education	Identifying and promoting competitive rural industries (outside agriculture and tourism) is top priority. Some concentrated sectors loose comparative advantage, others gain. Understanding the root-causes of such dynamics is critical. Identifying and promoting local feasible business ideas will be instrumental for entrepreneurs to pursue them. Besides, there are large gaps in productivity levels across and within the sectors, leading to non-efficiencies. These inequalities should be eliminated through number of measures.		• Promoting rural industry	
• P1-EC07 - Access to Finance Program • P1-EC08 - After COVID-19 Re-launch Op-Ex Financing • P1-EC09 - After COVID-19 Compliance Financing	Businesses have positive experience with bank financing, the expansion need is out there. 10,000 – 50,000 GEL is the typical need, mostly required to expand capacity (same product) and upgrade technology.		• Promoting access to finance, credits and markets	
• P1-EC0110 -Technical Assistance Program (Tourism)	Due to the abundance of natural resources and landscapes, sustainable eco-tourism products is the identified priority of the local tourism and the task is to provide technical assistance (international experts and knowledge) to the Tourism Department of Ajara, the municipality and tourism enterprises to develop infrastructure and products which would appeal to international and local environmentally conscious tourists.		• Promoting sustainable tourism	

PRIORITY 2 (P2) – SOCIETY

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

Social Dimension of Local Society

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

Social protection has been recognized as an effective measure to reduce poverty and foster rural development. The expansion of social protection systems to cover all, particularly the poorest and most vulnerable, is one of the proposed targets of the new Sustainable Development Goals. Evidence clearly shows the positive impacts of social protection, especially for poor and vulnerable rural households. In addition to removing social barriers to access social services, social protection can also reduce poverty by directly providing income or support to vulnerable households and foster local economic development by stimulating and increasing demand for goods and services, increasing labor productivity, employability, and income by increased access to social services. Social protection can contribute to strengthening resilience by breaking the vicious cycle of increased vulnerability to poverty and exclusion, and greater exposure to shocks.[54]

While the share of people living in poverty and extreme poverty have declined over the last years, in Georgia, the incidence of general poverty has increased from 16.4% of total households in 2015 to 19.6% in 2017; 19.6% of households, 21.7% of the population, 27.6% of children and 17.6% of pensioners live below the general poverty threshold (2.5 USD per day). The percentage of households living below the general poverty line is estimated to be 20.8% in rural settlements and 18.4% in urban settlements. An estimated 24.1% of households live below the relative poverty line in rural areas and 20.9% in urban areas.[55]

Composition of Income Sources

According to the population survey, the main source of monthly income for about 40% of population of Keda municipality is old age pension and targeted social assistance programs, just 11% of households depend on their agriculture business income. Compared with the other municipalities, the number of households whose income comes from contract employment is higher and makes up 38%.[56]

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

DISTRIBUTION OF HOUSEHOLDS BY MAIN SOURCES OF MONTHLY INCOMES ACROSS MUNICIPALITIES[57]

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

Source: Population Survey, UNDP.

54 *Source: FAO*

55 *Georgia Welfare Monitoring Survey Fifth Stage 2017 (UNICEF)*

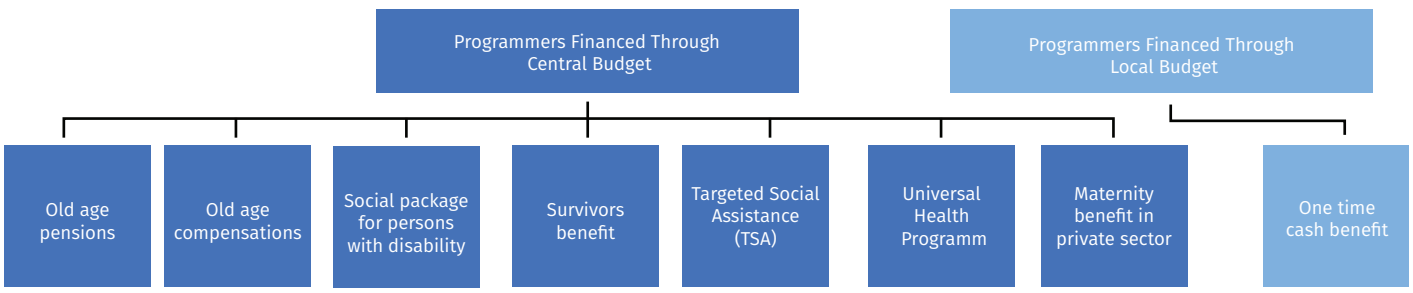
56 *Population Survey on Non-Farm Economy Needs in the Target Municipalities, UNDP, 2019*

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

Mapping of Social Projection Programs

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

SOCIAL PROTECTION PROGRAMS



Source: Social Service Agency.

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

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

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

PROGRAMMES	GEORGIA		ADJARA		KEDA	
	Female	Male	Female	Male	Female	Male
OLD AGE PENSIONS	550 095	222 227	39 177	16 554	1 972	1 052
OLD AGE PENSIONS COMPENSATION FOR MOUNTAIN REGIONS (+20%)	47 872	23 408	6 841	3 466	1 916	1 026
SOCIAL PACKAGE FOR PERSONS WITH DISABILITIES	115 399		13 686		963	
SOCIAL PACKAGE FOR CHILDREN WITH DISABILITIES	11 463		1 404		61	
TARGETING SOCIAL ASSISTANCE	264 918	218 875	25 144	21 873	3 243	2 971

Source: Social Service Agency.

Income Support Transfers (Main Types of Social Assistance)

Old Age Pensions. Old age pension has an important impact on households' poverty level. The main social transfer is old age pension (220 GEL) which plays most important role in social economic conditions of the households. In Georgia, if pension is removed from household income, an estimated 81.4% of households receiving pension income fall below the extreme poverty line, 73.2% below the relative poverty line, and 74.1% below the general poverty line.[58]

Old age pension is the biggest social assistance in Keda municipality, which covers 18 % of population. In Keda municipality 3,024 (1,972 female and 1,052 male) persons received old age pensions as of May 2020. More than 97% of old age pensioners received old age pensions compensation for mountain regions – additional 20% of old age pensions (264 GEL) and from 1st of July 2020 old age pensions increased by 30 GEL for pensioners from the age 70.

58 *Georgia Welfare Monitoring Survey Fifth Stage 2017 (UNICEF)*

OLD-AGE PENSIONERS IN THE TARGET MUNICIPALITIES

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

Source: ssa.gov.ge.

Social Package for Persons with Disabilities. Person with disability receive disability status based on the assessment. There are three categories of disability: Severe disability (Group I), significant disability (Group II), and moderate disability (Group III). Separately there is a status of a child with disability. The person assigned moderate category of disability is eligible for benefits if he or she was assessed as disabled from his/her childhood. When a person with disability reaches the age of 65 (female 60) he or she can choose between the old age pension and the disability benefit.

Person with disability received so called Social Package based on the disability status (severe disability – 220 GEL, children with disability 220 GEL, significant disability – 140 GEL, moderate disability – 100 GEL(Person assigned moderate category of disability is eligible for benefits if he or she was assessed as disabled from his/her childhood)). From 1st of July 2020 social package for severe disability and children with disability increased by 30 GEL. If the person is registered in mountain region, he/she received additional compensation - 20% of the social package.

In Keda municipality disability social package was received by 61 children with disability, 228 persons with severe disability, 630 persons with significant disability and 100 persons with moderate disability. The percentage of persons with disabilities (6%) to municipality population is higher than average national level – 4%. 111 children who lost their parents (one of them or both) received survivals benefit – 100 GEL.

SOCIAL PACKAGE/PENSION FOR DISABILITIES (DISABLEMENT)

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

Source: ssa.gov.ge.

Based on the data from Revenue Service, 249 people from Keda municipality lost their jobs during the pandemic and received unemployment compensation (200 GEL for six month).[59]

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

UNEMPLOYMENT COMPENSATION - COVID-19

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

Source: Revenue Service.

Targeted Social Assistance. Targeted social assistance is a particular cash assistance program aimed at reducing poverty of the most vulnerable households. It should be noted, that TSA has a great impact on poverty reduction. According to UNICEF, were TSA with child assistance removed from the household consumption, extreme poverty among children would have increased from 6.8% to 13.1%.[60] These findings demonstrate that TSA plus child benefit (CB) has the highest impact on children. TSA also better targets households with children.

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

Approximately 80% of the population of Keda municipality identify themselves as poor, from them just 1,204 households (6,214 persons) received TSA. With the 26.4% of the households and 36.8% of the population, who have received targeting social assistance, the Keda municipality is one of the poorest municipalities of Georgia. 1,894 (up to 16) children received TSA as of 2020.

TARGETED SOCIAL ASSISTANCE PROGRAM BY MUNICIPALITIES

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

Source: Social Service Agency.

60 *Georgia Welfare Monitoring Survey Fifth Stage 2017 (UNICEF)*

Social Programs Funded by the Municipality Local Budget. Keda municipality provides direct financial aid to war veterans and families soldiers killed in military actions, extremely poor families, families with many children, oncological patients (one-time assistance), and persons who suffered damages due to natural disasters. Indirect financial aid (subsidy) covers transport costs, free meals at soup houses, pharmaceuticals, materials for house renovations, and children's rehabilitation courses.

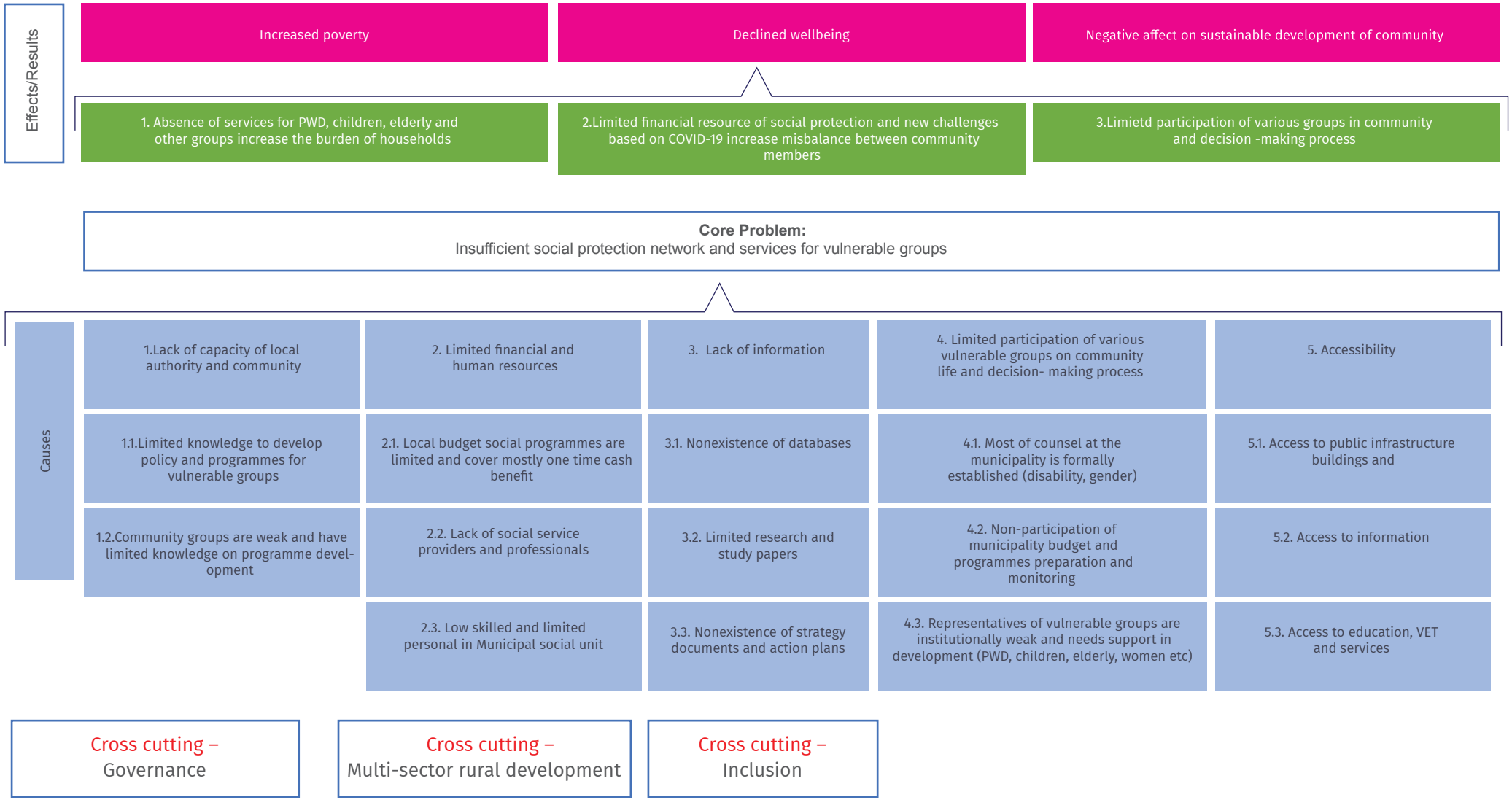
The 2019 social budget was planned at 273,580 GEL and for 2020 the social budget was planned at 344,700 GEL.

As in other municipalities, the main part of local social programs in Keda consist of one-time cash benefits, while services for vulnerable categories are virtually non-existent. At the same time in Keda municipality social services are not provided by the central government. Persons with disabilities living in Keda have to receive services mainly in Batumi, in this case, the Keda municipality is partially financing the transportation costs, but it is quite difficult, especially for the population of the highland region, to travel systematically over long distances. At the same time, there are limited services in Batumi and possibility of receiving such services by other residens of the municipality is very low. Accordingly, it is assumed that a large number of people with disabilities in Keda are left without services, which further complicates their inclusion in the community. At the same time, the effectiveness of one-time cash benefit is very low for vulnerable categories and practically fails to achieve the main goal of social programs - social protection of the population.

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

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

P2 - Problem Tree (Social Dimension of Local Society)



P2 – (Society) - (Social Dimension) - Proposed Intervention Actions

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

PROPOSED INTERVENTONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
• P2-SO01- Social Service Development Program	Social protection is one of the main challenges to Keda municipality. The main monthly income for 39% of municipality population are TSA and the old age pension. COVID- 19 generates impacts of social economic conditions for the households with vulnerable groups (children, PWD, elderly). Social services for vulnerable groups are not developed. Children with disability have limited access to services at the municipality level.		• Cash transfers to promote development	
• P2-SO02 - Capacity Building of Counseling Boards	Formally, a counseling board with representatives of PWD exists in every municipality, the main function of which is to participate in preparation of new programs and give recommendations to the municipality regarding their rights and needs.		• Promoting community driven development	
• P2-SO03 – Training of Personnel of Local Authorities	Despite the recent changes (new law on social work), social units of local municipalities still have a lot of challenges - limited and unskilled personnel, insufficient financial resources, professional social workers. Also, the local community who represents the vulnerable groups is still in need of support and development.		• Building government capacity	
• P2-SO04 - Institutional and Financial Capacity Building for Service Providers and Social Enterprises	The most important part of inclusion vulnerable groups is giving them needed social services and support their employment. Establishment of social service providers without governmental/donor support is practically impossible especially in mountainous regions. Nowadays, persons with disability form Keda municipality does not have any access to social services and COVID- 19 impact practically isolated this category from society. Vulnerable groups, especially in the post pandemic period, are not competitive on labor market and they need special condition and employment support. Social entrepreneurship is a great opportunity for income generation for such groups.		• Promoting private-sector rural service industries	

Healthcare Dimension of Local Society

Main Demographic Indicators

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

MAIN DEMOGRAPHY INDICATORS AT NATIONAL, REGIONAL AND MUNICIPAL LEVELS

INDICATOR	GEORGIA	ADJARA	KEDA
Total Number of life birth	51138	5800	242
Birth rate per 1000 population	13.7	16.7	14.4
Natural population growth	4614	2362	73
Population growth rate per 1000 population	1.2	6.8	4.3
Total number of death	46 524	3438	169
Mortality rate per 1000 population	12.5	9.9	10.0
Total number of infants deaths	416	66	5
Infant mortality per 1000 life birth	8.1	11.4	20.7
Total number of stillbirth	436	36	0
Stillbirth per 1000 births	8.5	6.1	-
Total fertility rate (TFR)	2.1		
Life expectancy at birth	74.0 years (in females – 78.2; in males – 69.7)		
Total number of maternal deaths	14		
Maternal mortality rate per 100000 live births	27.4		
Total number of under five deaths	499	78	5
Under-5 mortality rate per 1000 live births	9.8	13.4	20.7

Source: NCDC.ge.

Based on the data, the most important problem that Keda municipality is facing is infant mortality as well as the under-five mortality rate. Both rates are extremely high compared with regional and county rates.

Immunization Coverage and Selected Communicable Diseases

Immunization is a top public health priority. Increased immunization rates and reduced preventable infectious diseases is one of the main objectives of Georgian national healthcare policy.[61] This is clearly demonstrated by a significant increase of funds allocated to the State immunization program (4 million GEL in 2012 and 22,400 million GEL in 2018). All the vaccines included in the national immunization schedule are free of charge for the population. The State purchases vaccines, which are prequalified by the World Health Organization to guarantee that only high quality and safe vaccines are used for immunization of the population. According to the NCDC, in 2018, the immunization coverage rate is significantly higher than in previous years. The table below provides immunization coverage data for the region and for the county in2018.

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

IMMUNIZATION COVERAGE (PERCENT)[62] ADJARA AND GEORGIA, 2018

	BCG	DPT+HIB+HEPB/ DPT+HIB+HEPB+IPV/DPT3	POLIO-3	MMR-1	MMR-2
ADJARA	96.7%	93.5%	93.5%	95.8%	90.3%
GEORGIA	97.1%%	92.6%	92.6%	98.7%	95.6%

Source: NCDC.ge.

According to the 2018 data, HIV incidence per 100,000 population was 15.5 for Adjara region while it was 18.0/100,000 for the entire country. Number of new cases of HIV in Keda varied from 1 to 5 per year during the last five years. In 2018, there were 54 new cases of HIV registered in Adjara region, out of which one case (1.9%) was from Keda Municipality.

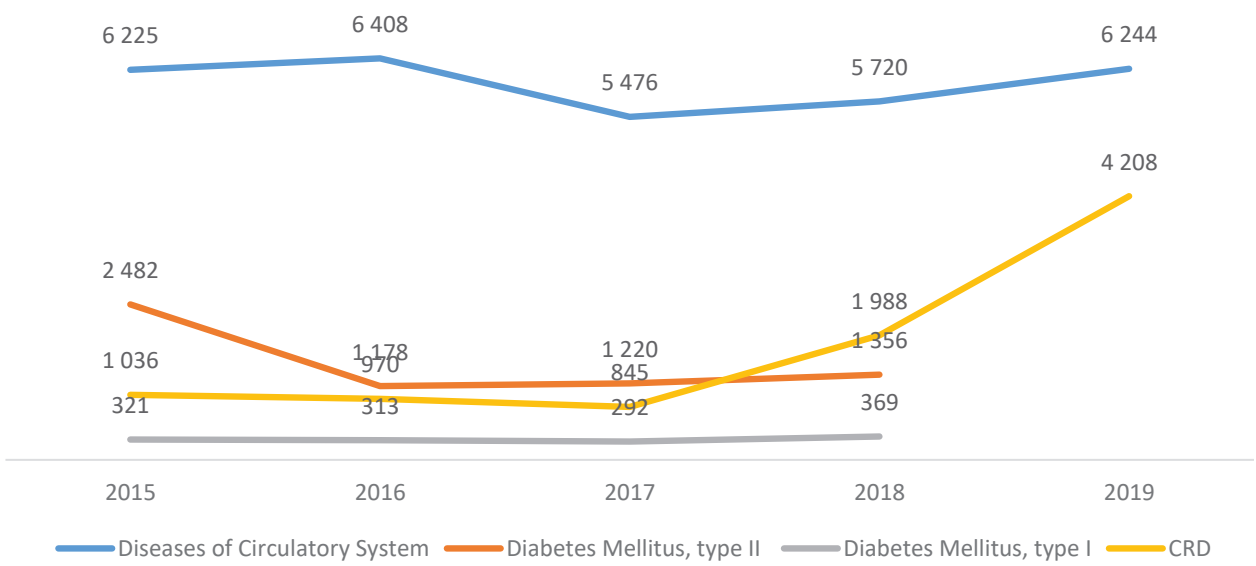
According to the 2018 data, new cases of TB per 100,000 population was 60.7 for Adjara region while it was 52.2/100,000 for the entire country. In Keda municipality, all registered cases as well as new cases of Tuberculosis (all forms) have a decreasing trend during the last five years, as it is for the entire Georgia. There were 2 registered cases of TB in the municipality in 2018, which is 0.7% of all cases registered in the region (289 registered cases in Adjara region in 2018).

The number of people covered by Hepatitis C screening has been increasing in line with the number of people who tested positive. 3041 individuals were screened for Hepatitis C in 2018 in Keda municipality and from the total number only 56 (1.8%) individuals were tested positive, while the HCV positive rate was 7.82% for the entire country in 2018.[63]

Non-communicable Diseases

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

PREVALENCE RATE OF VARIOUS DISEASES PER 100,000 POPULATION FOR KEDA MUNICIPALITY, 2015-2019



Source: NCDC.ge.

The prevalence of Diseases of Circulatory System in Keda municipality is rather stable for the last five years. In 2018, the prevalence per 100,000 population is twice low in the municipality compared to the country and regional averages (country - 10954.7/100,000; region - 10105.6/100,000; municipality - 5720.2/100,000). By the end of 2019, there were 1,049 registered cases of diseases of the circulatory system in the municipality.

62 *Coverage according to the scheduled number of the target population*

63 *NCDC, Statistical Yearbook 2018*

By the end of 2018, there were 62 patients (including 2 cases under-15) with type I and 228 patients with type II Diabetes Mellitus registered in Keda municipality. Prevalence of both types of the disease in Keda is almost similar to the prevalence rate for the county (368.7/100,000 / 1355.9/100,000 VS 379.5/100,000 / 1681.6/100,000 in 2018) and the last five-year trend is stable as it was for the Diseases of Circulatory System.

The upward trend for Chronic Respiratory Diseases (CRD**)** should be noted. In 2019, the prevalence per 100,000 population has increased 4 times compared to 2015.

The incidence of Malignant Neoplasms per 100,000 population is also stable and ranged from 172.6 to 267.9 during the last five years. The figure was slightly lower in 2018 compared to the regional and country averages of the same year (country - 258.5/100,000; region - 262.3/100,000; municipality - 214.3/100,000).

Organization and Governance

The Healthcare system is now highly decentralized and was extensively privatized under the reforms implemented from 2007 to 2012. In 2012, the change of government brought a significant change of direction in health policy. The Universal Health coverage program was implemented since 2013. However, the health system is still largely oriented towards curative care. Spending on inpatient care represents 67% of public health spending, while 25% is allocated towards outpatient care.[64]

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

Municipalities, in agreement with the MoH, also implement thematic programs that complement the Ministry's programs. The aim of the Keda municipality health care programs is to increase the life expectancy of the population, to improve population health condition and to increase access to health care services. The following programs are implementing in 2020 in the municipality:

PROGRAMS IMPLEMENTING IN 2020 IN THE MUNICIPALITY

- Provision of outpatient clinics with transport and other services (for the villages that are far away from the clinics)
- Medical services of the rural population with pre-medical care (medicines, diagnostics, nurse services)
- Community-based mobile team services for people with severe mental disorders
- Rehabilitation of two rural out-patient clinics (Dologna and Tckhmorisi)

Source: Local Authorities.

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

Public health is financed from the municipal budgets in order to accomplish activities defined by law on public health, specifically: to ensure preventive and epidemiological control measures in the case of epidemic threats; to facilitate primary epidemiological research on the territory of the municipality, to organize deratization, disinsection and disinfection measures as well as immunization under the National Immunization Schedule, etc.[65]

Thus, municipalities have sufficient legal grounds to independently plan, develop and implement effective and needs oriented municipal health programs.

There are no local non-governmental organization in the field of health and social issues.

Financing Issues

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

"State Program of Rural Doctors" is being implemented in the country as well as in the Keda municipality. The pro-gramis aimedto increase the geographical and financial access of the rural population to primary health care services.

Municipal Budget -According to the approved 2020 budget of Keda Municipality the budget income totals 11,825,000 GEL, out of which 451,792 GEL (3.8%) is allocated for health-related expenditure. Distribution of funds allocated for healthcare is as follows:

DISTRIBUTION OF FUNDS ALLOCATED FOR HEALTHCARE FROM THE LOCAL BUDGET

- 187,592 GEL for outpatient care - Provision of outpatient clinics with transport and other services (for the villages that are far away from the clinics)
- 154,000 GEL for providing rural population with pre-medical care (medicines, diagnostics, nurse services)
- 85,200 GEL for community-based mobile team services for people with severe mental disorders
- 25,000 GEL FOR rehabilitation of two rural out-patient clinics (Dologna and Tckhmorisi)

Source: Local Authorities.

The Municipality allocates 1,798,280 GEL for supporting sports facilities, sporting events, arrangement and rehabilitation of entertainment and sports fields and sports buildings in order to promote a healthy lifestyle in adolescents.

Human Resources

The number of physicians in Keda Municipality has declined from 43 in 2015 to 32 in 2018. As of 2018 there were 32 physicians (including dentists) in the municipality and 32 nurses, making up the ratio of nurses to physicians 1, which is higher than that for the country (0.6 in 2018). In 2018, the number of physicians per 100000 population was 4 times lower than the country and regional average (country - 784.2/100,000; region - 763.3/100,000; municipality - 190.5/100,000). The same figure for nurses was 2.5 times lower than the country average and almost 3 times lower than the regional average (country - 494.8/100,000; region - 592.2/100,000; municipality - 190.5/100,000).

The number of rural physician-entrepreneurs is 11, meaning that one small town (daba) Keda and 64 villages across 10 administrative units of the municipality are served by 11 rural doctors.

Provision of Services and Access to Health Care

As of 2019, there was one hospital with 15 hospital beds, 9 rural physician-entrepreneur facilities, including two dental offices and one ambulance station in the municipality. There is an antenatal department operating in the hospital.

Bed occupancy rate was 71.1 (187.2 for Georgia), with an average length of stay 4.7 (4.9 for Georgia) in 2018.

Primary care utilization rates remain low. In 2018, the number of out-patient clinic visits per capita was 1.5 per year for Keda municipality, while this indicator amounts to 2.1 for Adjara region and to 3.3 - for the entire country. In 2019, among the number of people, who received ambulance assistance, 1.2% was due to accidents and 98% due to sudden illness, which is almost the same as for the entire country[66] .

The Survey of the Needs and Resources of the municipality of Keda was conducted in 2018. According to the survey results the primary health care (PHC) services are available to the population of Keda, which they receive in rural outpatient clinics and geographical accessibility is ensured for a vast majority of the population (the exemption is administrative unit Makhuntseti, where over 60% of the respondents stated that they do not have access to out-patient clinic). Based on the survey results, only 14.2% of respondents have a pharmacy in the village / community, and 15.7% of respondents have a hospital nearby to their residence. The rural doctor's service is relatively better than hospitals

services. Basically, in some places, hospital services seem to have been replaced by rural doctor services. 56.3% of respondents declared that rural doctor exists in their village / community and they can get specific healthcare services. High number of outpatient clinics in Keda municipality and rural doctors' service balances the scarcity of hospitals and pharmacies to some extent. According to the survey, 88.9% of respondents stated that there is an outpatient clinic in the village / community.

Based on the survey results, 93.9% of respondents are satisfied with the local health services. Only, 2.2% stated that they received poor quality services and 3.8% of respondents have difficulties to assess the quality of health care services. Mainly, the quality of inpatient services is problematic. Survey participants have negative experience in this regard - the problem is related to both the quality of service and the price. Geographical accessibility for in-patient services is ensured for only residents of small town (daba) Keda, the rest of the population experiences problems in reaching the hospital. For the population of Keda, the problem is to get additional healthcare services and purchase medicines, which is not covered by UHCP. Emergency medical care ambulance station works well. The social and physical environment is not adapted to the needs of those with disabilities.[67]

The Keda Municipality Local Development Strategy also indicated the same challenges and bottlenecks in the healthcare of the municipality. The main problems of the local population are related to the purchase of medicines and expensive medical examinations and treatments, which are not covered by the Universal Health Coverage Program. Local and regional governments have special reserve funds in the budget that are often used to meet the medical needs of the population. It is mentioned in the Strategy that the work of rural outpatient clinics is supported by the local government (covers electricity bills, provides firewood, car tires, etc.). Generally, ambulance and emergency medicine services work very well and the services are available for entire population in Keda, furthermore, outpatient clinics and rural doctors are accessible for the population in Keda.[68]

The availability of outpatient clinics providing family planning services and women's counseling centers is limited in the regions, especially in the mountainous villages, including Keda. Rural women have to go to a nearby village or town to get services, which is associated with additional financial barriers. The problem of access to services in villages is also shown in lack of adequate equipment and necessary resources in medical centers.[69]

Rural Primary Health Care

Primary health care can cover most of a person's health needs throughout their life including prevention, treatment, rehabilitation, and palliative care.[70]

Therefore, World Health organization recognizes the central role of primary health care for achieving health and well-being for all, at all ages. During the development of this document, information was collected regarding the operation, needs and challenges of the rural out-patient clinics in Keda. There are 11 rural doctors and 11 nurses employed at PHC unites in 9 villages. Each PHC team serves from 3 to 10 villages and the number of people per rural doctor varies from 1000 to 2000. There are separate buildings for rural out-patient clinics in 5 villages, while doctor and nurses at 4 villages (Dandalo, Tskhmorisi, Makhuntseti and Oktomberi) are located in a space of multifunctional buildings. 5 out-patient clinics need full rehabilitation and equipment. The distance from the out-patient clinic to the farthest located patient varies from 5 to 9 km. Almost all rural doctors assess the conditions of their facilities satisfactory, but all of them have some kinds of infrastructural problems such as, lack of heating and water supply and sewage systems, need to repair the roof, need for renovation and equipment, etc. In majority cases, the building has a wheelchair ramp and there is a separate patient waiting area. All doctors have computers, but no village out-patient clinic has access to internet. The personnel have access to PHC guidelines and protocols, and they always or often use them in their practice. Majority of doctors took some kinds of training 1 year ago. They all have information on the management of COVID-19 presumptive cases. The doctors do not cooperate with NGOs in any way and majority of them have additional jobs. In majority of cases, doctors expressed being fully motivated. Among the most important needs faced by rural out-patient clinics in Keda Municipality were named the following: internet access, more frequent trainings in PHC issues and facility infrastructure arrangements, including renovation of buildings.

According to the Local Population Survey conducted by UNDP in 2019, 56.5% of men and 59.3% of women assessed the health infrastructure and services in Keda Municipality as "fully satisfactory". The percent of those fully satisfied was lower (36.4%) among respondents with disabilities, while 9.1% of this group expressed full dissatisfaction with municipal health facilities and services.[71]

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67 *Survey of the Needs and Resources of the municipality of Keda, CSRDG, CENN, financed by EU, 2018*

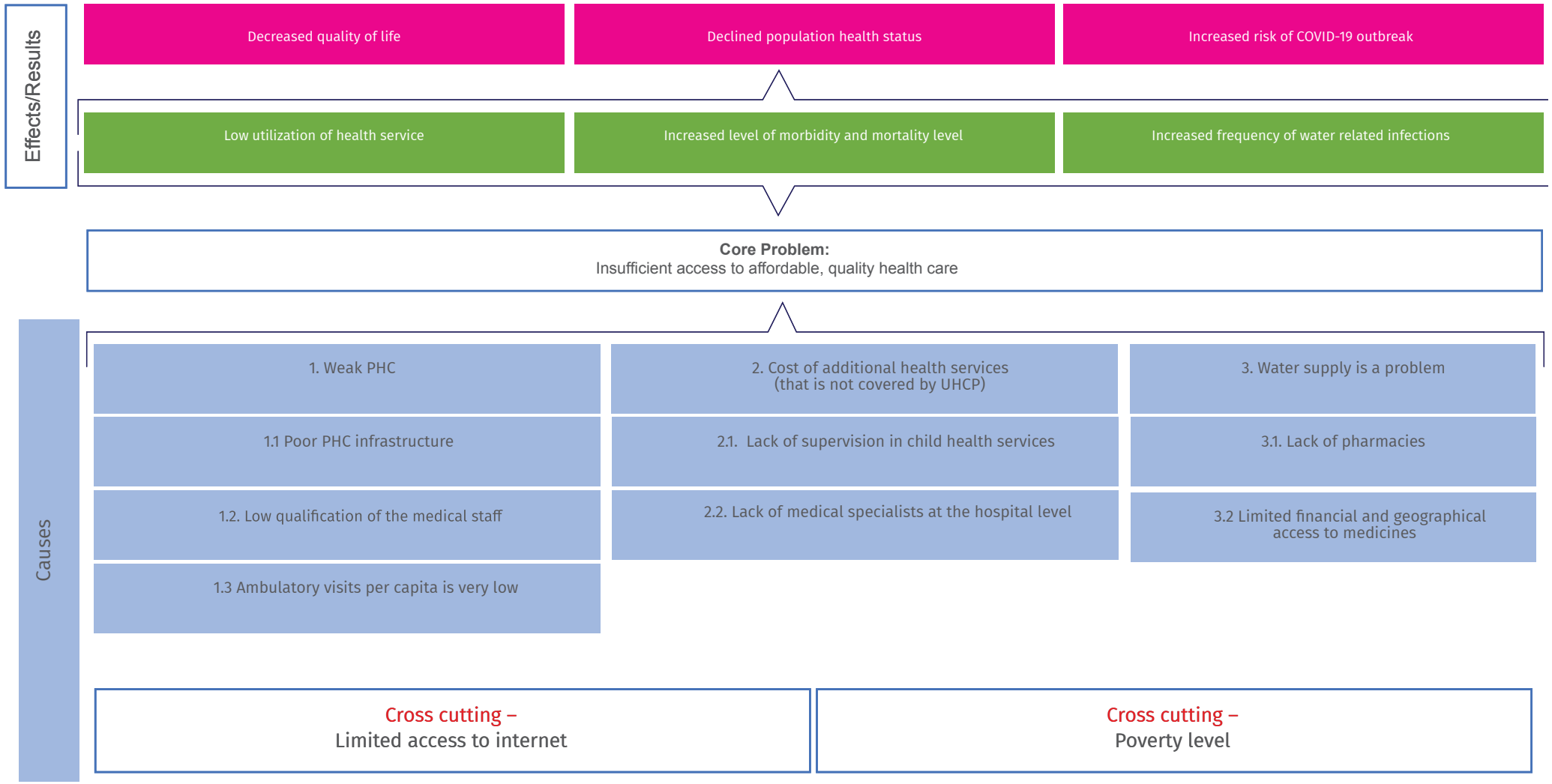
68 *Keda Municipality Local Development Strategy, CENN 2018*

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

70 *https://www.who.int/news-room/fact-sheets/detail/primary-health-care*

71 *Population Survey on Non-Farm Economy Needs in the Target Municipalities, UNDP, 2019*

P2- (Society) - (Healthcare Dimension) - Problem Tree Analysis



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

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

PROPOSED INTERVENTONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
• P2-HE01 - Home-based Maternal and Childcare Program	Maternal, perinatal and newborn health matters to every person, society and country, and should be viewed from both a human rights and health and wellbeing perspective as highly important topics.		• Ensuring basic health	• Limited access to internet • Poverty level
• P2-HE02 - To ensure provision of continues medical education for medical personal.	The quality of health care services relies on a health care workforce that is trained, supported, and motivated to provide high-quality care. Qualified staff is particularly important to improve clinical care delivered in primary health care as well as hospital level; and engage and empowered the patient, family, and community.		• Providing education and training	
• P2-HE03 - Access to Internet for Rural Medical Staff	In the COVID-19 era, during the shift to extensive online communication, access to internet is to be a priority. Therefore, an improved access to internet services among rural doctors and nurses is critical. Georgia faces challenges in moving to electronic health information systems. However, it is compulsory for doctors and nurses to fill in annual medical form in electronic format. Access to the internet is crucial for continuous medical education as well as for developing the health information system for the whole country.		• Promoting access and use of ICTs	

Youth Dimension of Local Society

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

Education

There are 29 public general educational institutions, with 2,107 students.[72] Compared to 2005, in 2020 the number of students fell by 37.9%.[73] According to 2014 data from Geostat, 14.2% of 15 to 29 years old youth had higher education, while 12.3% of youth had vocational education.[74] All schools in the municipality are provided with computers and appropriate internet connection. Primary and secondary schools in Keda are available for all children. Where schools are far from residential areas, special minibuses provide transportation services to children. However, there are cases when children with special needs are unable to go to school. There is no vocational school in Keda. The existence of a vocational school in Keda would serve not only to the local youth but also to the youth of Khulo and Shuakhevi.[75]

The key issues in regard of education is lack of professional teachers, as well as infrastructural problems in Keda schools. The existence of a vocational school in Keda would contribute to the development of non-farm business, youth employment and income growth not only in Keda but also in other neighboring municipalities.

NEET Youth. The share of youth that are Not in Education, Employment or Training (NEET) is quite high in Georgia. According to Geostat data, the share of NEET youth in 2018 was 31.6%.[76] While the study conducted by the World Bank earlier shows that the share of NEET youth was 32.4% in 2014.[77] Unfortunately, the mentioned data is calculated at the national level only although there is a valid assumption that the data at the municipal level should not be any better. The table below shows that the share of NEET youth in the Adjara AR is 31.69%, which is one of the highest indicators among the regions.[78]

NEET YOUTH IN GEORGIA BY REGIONS

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

Source: World Bank.

Economic Empowerment of Youth

Economic empowerment of young people is an important means to support the full realization of the potential of the youth. Therefore, it is important to equip young people with the knowledge and skills that will help them in employment and entrepreneurship. It is necessary to take measures that will contribute to the realization of their capabilities

72 *Geostat, 2020*
73 *Geostat, 2020*
74 *General Population Census 2014, Geostat*
75 *Keda municipality Local development strategy – LAG 2018*
76 *Geostat 2018 (national level)*
77 *NEET Assessment - Technical Assistance to Ministry of Sports and Youth Affairs, World Bank, June 2017; Assessment of the Georgian Youth Policy Action Plan implementation. (National Level)*
78 *NEET Assessment - Technical Assistance to Ministry of Sports and Youth Affairs, World Bank, June 2017; GFSIS policy Paper on NEET by Tinatin Ramishvili (Regional Level)*

and involvement in economic activity. In terms of economic empowerment of young people, it is important to raise the level of motivation and awareness of young people about entrepreneurship, to develop education and professional skills, to increase access to financial resources, to launch targeted youth entrepreneurship programs etc.

Sources of Incomes. It is also interesting to assess youth by the sources of income in the Keda municipality. The statistical data has revealed that 36.1% of 15-29 years of age youth are dependents. While 14.9% is the share of the youth who are hirees. 11.6% of the youth are dependent on social assistance, which is quite a large number.[79]

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

INCOME STATUS	NUMBER
Dependent	1381
Income from own farm	0
Salary from working for hire or other regular remuneration	571
Income from individual labor activity	100
Remittances from abroad	0
Other	358
Not specified	35
Pension	61
Other forms of government support	26
Income from own enterprise	5
Social assistance	445
Income from property	0
Total	3815

Source: Geostat.

Economic Activity and Participation. The population survey of non-farm economy needs has revealed that 37.8% of interview youth in Keda are employed, while 43.2% unemployed, and 19% are not in the labor force. Across the other municipalities, youth show a lower average employment rate (43.2%) and higher unemployment levels (33.9%).

15.2% of employed youth works in the private sector, 6.1% work in the public sector, while 11.3% is self-employed. Comparatively to the other municipalities, the lower proportion of young people are employed in the private sector (10.1%), while the proportion of public employment is almost the same (6.7%) and self-employment is 16.9%.

The survey has also revealed the issues of engagement of youth in entrepreneurial activity. 42.9% of surveyed youth have not thought about starting up a business, while 37.8% have thought about it but were unable to and only 19.3% have started or is planning to start the one. The average results across the other municipalities are as follows: the average proportion of the youth who have not thought about starting a business is relatively lower (39.1%), the number of those who have thought but had a problem with starting a business is higher (48.1%), at the same time across other municipalities only (12.7%) have started or are planning to start abusiness.

The research results show that 83.1% of those who have thought about starting a business do not have relevant resources for starting a business.[80]

Relevant Local Youth Initiatives. In terms of participation the project of the Europe Foundation (EPF) should be mentioned. The project is implementing Youth Integration Program in Keda municipality, the program is based on Youth Bank (YB) methodology. The project aims to enhance the skills of young people and allow them to take an active part in the development of their community. Proposed Youth Bank methodology is an innovative way of increasing youth participation by empowering them through training and resources to find, fund, and manage small youth-led initia-

79 *General Population Census 2014, Geostat*

80 *Population Survey on Non-Farm Economy Needs in the Target Municipalities, UNDP, 2019*

tives that address local community issues. The project is open to young people aged 16 to 21.[81]

Keda Municipality is characterized by a lack of local youth economic initiatives; therefore, it is necessary to implement appropriate municipal youth programs, which will help to develop knowledge and skills and give a real chance to young people to start new business initiatives.

Civic/Community Engagement of Youth

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

From the existing youth engagement opportunities, Keda LAG activities should be mentioned, among the events are environmental events in which young people are actively involved. Young people are also engaged in climate change and sustainable waste management training and information meetings. It is notable the initiative of the Young Leaders and Innovators Green Camp, which aims to improve access to knowledge about environmental protection, sustainable development, science, and technology among young people and to create new opportunities for future leaders. Keda LAG also offers different training opportunities for development of farm and non-farm business, where youth also can participate.[82]

Keda Culture, Sports and Youth Affairs unit implements a municipal program for youth participation and involvement in public and civic activities. as Also, it supports youth initiatives and organize various events. Besides, the municipality supports to conduct of non-formal education training seminars on topics aimed at developing young people's skills, competencies, and values in a safe and natural environment.

Although civil society participation of youth is supported by the local LAG and Municipal youth affairs unit there is more intensive public and social engagement of youth is needed.For this reason financial resources of the municipal budget should be increased and relevant programs for remote administrative unites should be implemented.

At the municipal level, there is no local youth strategy. Municipal employees responsible for youth issues has never participated in professional development programs. There are no mechanisms for youth participation in the decision-making process, although there is a youth advisory council at the mayor's office. The municipality has allocated a small amount of money in the local budget for supporting different youth initiatives. Municipal Youth Center is implementing different non-formal education trainings and seminars. Needs Assessment of the local youth is done based on meetings with local youth and social networks. There are no active youth-led non-governmental organizations. Different youth-related activities are organized by the Red Cross Georgia and Youth Regional Center which is operating under the government of Adjara.[83]

Sports and Culture

Youth engagement in cultural life is ensured by non-profit legal entities of Keda: Keda Culture Center; Keda Art School; Keda Historical Museum. The Keda Cultural Center allows young people to develop their talents in music and dance. The center also promotes cultural traditions of the municipality and introduces them to the interested persons inside and outside the country. The Keda Art School aims at giving students art education and prepare them for continuing their studies in higher education institutions. The school has three main directions: piano, orchestra, and folk section.[84]

The Keda Sports School is the main institution of the municipality which is promoting a healthy lifestyle. 7 sports

81 *http://www.epfound.ge/*

82 *http://kedalag.ge/*

83 *Information from the municipality*

84 *Keda Municipality budget and program; public data*

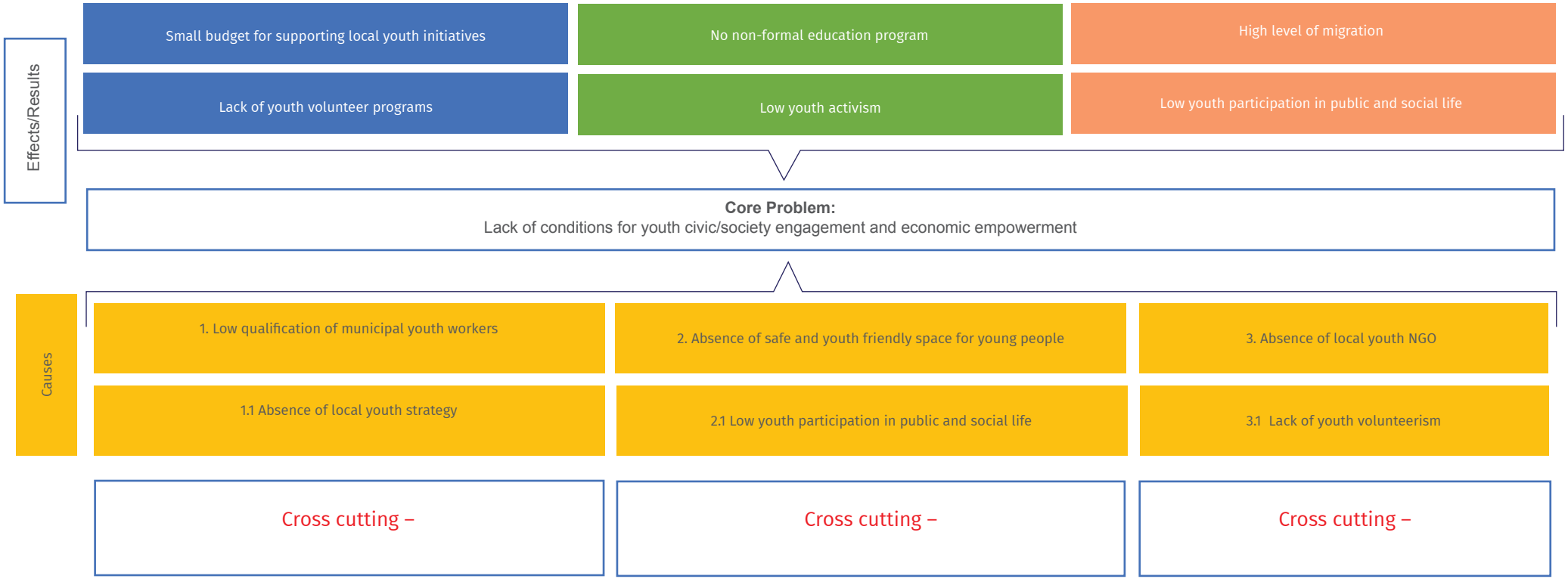
sections are operating at the school: football, wrestling, chess, basketball, table tennis, kickboxing and volleyball. The school is free and up to 300 children are involved in various sports activities.

Summary of Key Challenges and Needs

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

CHALLENGES	NEEDS
• Decreased number of students in schools • Lack of youth entertainment activities • Seasonal migration of youth • Low municipal budget for youth initiatives • Distance between municipal center and villages • Lack of youth NGOs that would offer non-formal education trainings. • Lack of youth participation at Municipal Level	• Promote volunteerism and active citizenship • Encourage youth to engage in the decision-making process and promote different ways of Youth Participation • Support to establish a local youth NGO • Support to develop local youth strategy • Develop the professional skills of the municipal employees responsible for the youth • Develop personal skills and knowledge of unemployed youth

P2 - (Society) - (Youth Dimension) - Problem Tree Analysis



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

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

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
• P2-YU01 - Volunteers in Action	The goal of the program is to promote volunteerism, enhance civic awareness among youth, and break stereotypes around volunteerism. Program gives opportunity of increased youth participation in public and social life, to take an initiative and implement activities that will correspond to the needs and specificities of the local communities.		• Building social capital	
• P2-YU02 - Keda Municipal Local Youth Policy Strategy	Local self-government bodies have a special role to play in defining local youth policy. Therefore, it is necessary to have a municipal strategy to support the development of youth, which will consider the specific needs and interests of young people living in the municipality that will serve to improve the situation of young people. Development and adoption of local youth strategy will have a positive impact on conditions of young people living in rural areas and will support the diversification of economic opportunities.		• Building government capacity	
• P2-YU03 - Support to Develop Local Youth NGO	One of the ways of youth participation in public and civic life can be through their engagement in youth non-governmental organizations. Implementation of the project will support the democratic participation of young people in local community and society. Membership of the youth NGO gives possibility for self-development and chance to gain knowledge about issues like environmental protection, equal rights, civil and public participation, communication skills and other useful features. It also allows young people to express themselves on behalf of their community or other youth in order to address local needs and challenges.		• Building social capital	
• P2-YU04 - Municipal Youth Workers Development Program	Active participation and engagement of both youth and local self-government authorities is one of the significant preconditions for the enhancement of youth. Human capital at the municipal level, in the frame of the youth issues, is one of the important challenges. Not enough attention is paid to the development and professional growth of the staff members who are working with the youth.		• Building government capacity	
• P2-YU05 - Project "Youth Space" • P2 -YU06 - Key Personal Competencies for Economic Empowerment	Youth Space is a safe and youth-friendly multifunctional environment where youth can spend their free time, improve personal skills, plan activities, brainstorm, use free Wi-Fi, develop ideas and recommendations for local authorities and other stakeholders. The initiative will stimulate youth activism and will help revitalize the rural atmosphere. Implementation of the project will support the sustainable development of youth capacity. Personal Competencies program will enhance the competences required by modern economy and will promote economic empowerment of the municipality youth.		• Providing education and training	

GENDER DIMENSION OF LOCAL SOCIETY

Active participation of women in the life of the local society is a key aspect of the well-being of this minority group throughout the regions of Georgia. The 5th goal of the 2030 Agenda for Sustainable Development Goals is gender equality. The aim of goal 5 is to achieve gender equality and empower all women and girl. Ending all discrimination against women and girls is not only a basic human right, it's crucial for sustainable future.

Review of Social Status

The participation of women in Keda municipality in decision-making positions is very low. There is only 1 woman and 23 men in the City Council. There are 1 woman and 2 men occupying managerial positions. 29 men and only 3 women are in the managerial position in the City Hall.[85]

In 2018, with the decree N6 of the municipality, Gender Equality Council was established in Keda, which consists of 17 members (10 women and 7 men) and two non-governmental organizations working in the municipality. [86] Women's organizations do not function in the municipality. The Women's Room has been operating in the municipality since 2016. One of its services is the promotion of women's economic participation and strengthening their skills. Since its opening, 6,711 services have been provided by the Women's Rooms for 7,000 beneficiaries, 65% of whom are rural women.

The Gender Equality Council approved the Municipal Gender Equality Action Plan for 2018-2020.[87] One of the priorities of the plan is women's economic empowerment (Article 2.7. Article 2.8), according to which programs and activities that support the employment of the population, including professional creative educational programs for rural women and socially vulnerable women should be provided. According to the plan, financial participation in the micro and small business support programs should be secured.

According to the action plan, 8,000 GEL was allocated from the local budget in 2020, 5,300 GEL in 2019, in addition to 1% of the budget for retraining activities and training/seminars for members of the Council and local officials on gender equality issues were planned. The priorities for the allocated budget in the first quarter has been changed during the state of emergency caused by the COVID-19, and part of the remaining money will be used in the second quarter in accordance with the ongoing processes related to the COVID-19 in the country.

In 2020, the Gender Equality Council has prepared a new grant program of 12,000 GEL as the total initial budget for the new grant program "Social-Economic Empowerment / Promotion of Women at the Local Level". The project aims to promote the development of small businesses in terms of women's economic empowerment. The maximum amount of funding for each project as a result of the competition is 4,500 GEL; Co-funding from the winner's side is also included in the program. The program has been developed, but its approval and implementation have been delayed due to the situation caused by the COVID-19 in the country.

With the support of the Women's Room, up to 200 citizens interested in small business development and improving the socio-economic situation have been provided with business consultations since 2016. 19 projects were funded by the Enterprise Georgia and Caucasus Environmental NGO Network (CENN), including 16 business ideas submitted by women, which facilitated business start-ups and local employment opportunities.

The manager of the Women's Room works closely with the representatives of the Mayors in the administrative units and facilitates the village gatherings to maintain gender balance. She holds community meetings once a month, talks to women face to face, and tries to identify their problems and needs. During the meetings, the leader women from each community are selected to join the women's initiative groups. Constant contact is maintained between the manager and rural women, to disseminate information, provide the manager with women's initiatives, and participate in organizing meetings.

Civil Society

There are three non-governmental organizations working in Keda municipality - the Institute of Democracy - LEPL Adult Education Center of Keda, NGO "Fair Elections and the International Society for Democracy" and CENN. The women's organizations or women's community organizations do not operate in Keda.[88]

85 *http://ginsc.net*

86 *https://matsne.gov.ge*

87 *http://ginsc.net*

88 *Person responsible for gender equality issues, Keda Municipality*

There is a Local Action Group (LAG) in Keda. 311 people living in the municipality are members of Keda LAG, which is composed of representatives of both sexes. The project is implemented by CENN.[89] Local development strategy for the municipality of Keda is developed by the LAG according to which one of the goals of Keda LAG is to ensure the participation of young people and women in the development of rural areas.

Economic Empowerment

Women's economic activity in Georgia is low, which affects the quality of life of women and the well-being of their families. Keda municipality is no exception. A large proportion of women in Keda municipality depend on allowance or income from other family members. In the municipality, the pension is the main source of income. 65% of pension recipients are women.[90] 47% of employed women are engaged in unpaid / productive labor, while 55.5% of total women population are not employed.[91] The women who are not on the labor market andare unemployed, often lead themselves and their families to more poverty.

Employment. Economy in Keda municipality is very much dependent on agriculture. 80% of the population in Keda are engaged in agriculture. Although historically agriculture is important for the municipality, income generated by such activities is not substantive and sufficient for most of the families. Some of the reasons mentioned by the respondents are soil erosion, access to quality pesticides, possibility to sell products. Moreover, local wine and juice production factories do not source inputs from the local population. Cheap imports from Turkey often compete with local products. Last but not least, local population sometimes refuses to be engaged in household tasks due to fear of loosing social benefits.

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

Income. In Keda municipality, in addition to employment at a lower income generating positions, women are not represented in decision making bodies. Furthermore, if we take into consideration that most of those women who are employed, work in public sector (education sector, healthcare sectors, municipality administration), where income varies from 250 to 500 GEL, it becomes clear that their salaries are very low and most of the employed women do not earn more than 500 GEL per month. Most of the respondents earn up to 250-500 GEL per month from non-agricultural activities.[92]

Workload. In Georgia, both women and men are almost equally employed in the informal sector. Informal employment is associated with challenges such as low pay, lack of self-confidence and low levels of happiness. Women employed in the informal sector in Georgia earn USD 970 (42%) less per year on average than women employed in the formal sector.[93]

The self-employed population in Keda municipality works on average 6.35 hours a day and 28 hours a week. The employed person in the private sector - 9.68 hours a day and 37.78 hours a week. Public sector employment - 7.32 hours per day and 31.66 per week.

However, it should be noted that women, unlike men, also perform more reproductive work (unpaid family activities and caring for family members) that is not provided for in during professional working hours. If we consider that more women work in the public sector, where there are mandatory working hours and afterwards they are engaged in reproductive / family work, we can conclude that women have longer working days, with almost double workload and less wage.

Trust in Information Networks. It is noteworthy that men are characterized by a lack of trust (8% less in men) in women's organizations compared to women. Also, men trust NGOs more than women's organizations, while women have more trust in women's organizations than in non-governmental organizations. Women and men also have the highest trust in international organizations - the European Union and the United Nations. Nevertheless, respondents want the most information from the local government / province and the central government.

89 *Keda Local Development Strategy*
90 *Social Service Agency , 2017*
91 *Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019*
92 *Population Survey on Rural Non-Farm Economy Needs in the Target Municipalities, IRDG UNDP, 2019*
93 *Women's Economic Inactivity And Engagement In The Informal Sector In Georgia, UN Women, SDC, 2018*

Access to Education. In terms of women's economic empowerment, education and skills are a crucial component. In Georgia, educational fields are segregated by gender. The lowest number of female students study agriculture. In Georgia, historically, more girls dropped out of school, usually due to early marriage practice. The situation has changed for the better since 2016, after civil code prohibited marriage before 18. Since 2016, 16 years old individuals can not marry even with parents' approval. In Keda municipality, before 2016, more girls dropped out of school than boys. However, after 2016, boys became more likely to drop out. In 2016 there were 27 dropouts (8 girls and 19 boys), 2017- 25 (7 girls and 18 boys), 2018 -16 (5 girls and 11 boys). In 2019, 21 students dropped out of school (4 girls and 17 boys). In 2015, 37 students dropped out (24 girls and 13 boys). The decrease in the number of female dropouts could be attributed to the changes in the Civil Code.

In terms of undergraduate studies, in Keda municipality in 2019, 70% of students with undergraduate qualifications were female while 30% were male. From 2015 to 2019, women have consistently received an undergraduate qualification at higher rates. In total, from 2015 to 2019, 65% of individuals who received undergraduate qualifications were women.[94]

In terms of undergraduate dropouts, since 2015 the number of student dropouts ranges from 4 to 10 students, and there is an insignificant difference by gender. The highest number of university dropouts was in 2018, a total of 10 students (7 girls and 3 boys).

According to a survey, 17.4% of women respondents in Keda municipality have professional education, which is 5% higher than that of men . 23.5% of women respondents have undergraduate education, which is also higher than the male rate (by 1.6%). Overall, women respondents have better educational attainment, however, they are more likely to think that they have inadequate skills to run a business which might highlight low confidence and need in confidence-building.[95]

Migration. 40% of migrants are women and 60% are men. 53% of the total number of migrants are young people. The highest rate of migration is 53% in cities other than the municipal center, and 18% of migrants live abroad. The main cause of migration in women is lack of access to services (41%), and lack of work opportunities (39%), personal reasons 14% and other reasons 6%. 65% of male migrants migrate for better work/income opportunities, 29% for better services, 4% for personal reasons, and 3% for other reasons.[96] Based on these numbers, we can assume that women have lower access to needed services and also that the stereotype "men must be breadwinners," influences higher male migration.

Summary of Challenges and Needs

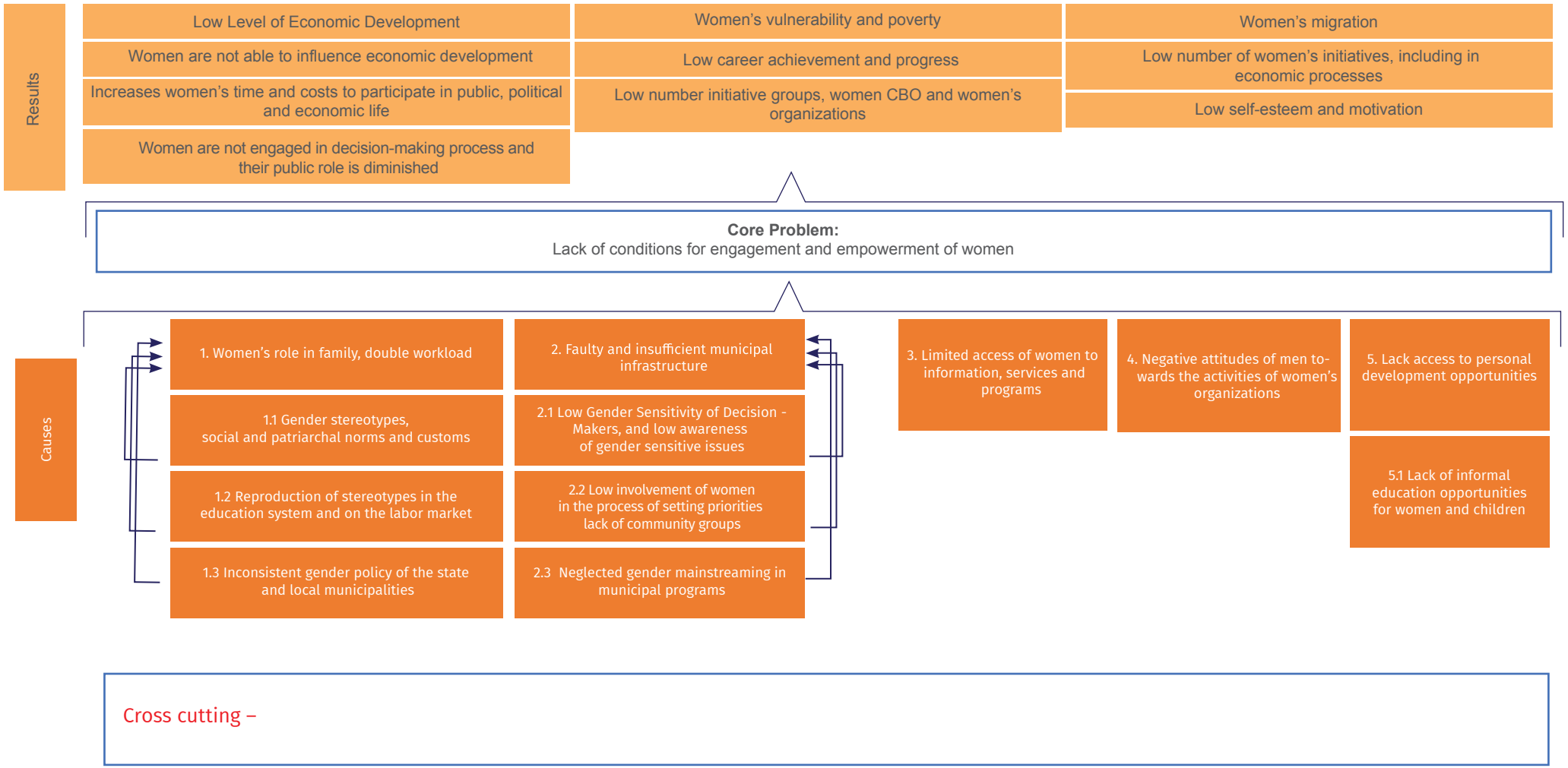
CHALLENGES	NEEDS
• Faulty infrastructure and access to services - water, there is no municipal transport, unregulated transport, etc. • Stereotypes connected with the role of women in the family and society, as well as stereotypes in the labor market • Lack of women's organizations and initiative groups, attitudes towards women's organizations • Double workload in the family. And lack of time for development and participation in public life • Low self-esteem of women • Lack of programs FOR WOMEN'S opportunities development • Low participation of women at the decision-making level • Women and gender issues as low priority areas (Due to Covid19, the programs were not implemented and budget was shifted to other priorities, while it was possible to implement the same program and make changes and support women • Problems with the implementation of the commitment taken by the Gender Equality Action Plan • Poverty and Migration • Lack of gender sensitivity at decision-making levels • Insufficient services and programs • COVID19 crisis	• To establish women's initiative groups and women's organizations • To Increase the representation of women's initiative groups and non-governmental organizations in the Gender Council • To ensure the meaningful involvement of women in the decision-making process • The Gender Equality Action Plan for the coming years to reflect the needs of women for women's empowerment, including economic empowerment • to RAISe AWARENESS of decision-makers about women's rights and gender equality and international and local obligations • To conduct educational activities that increase men's, including decision-makers, gender sensitivity • Women should be involved in the municipality budget development process • Additional municipal transport services to be provided and water supply to be improved • to Strengthen the capacity of the municipal service "Women's Room" to support women and their economic empowerment

94 *Termination-qualification 2015-2019, Ministry of Education*

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

96 *Population Survey on Rural Non-Farm Economy Needs in the T arget Municipalities, IRDG UNDP, 2019*

P2 - (Society) - (Gender Dimension) - Problem Tree Analysis



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

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

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
(Economic Participation) • P2-GE01 - Strengthen the Capacity of Women's Rooms • P2-GE04 - Gender Mainstreaming in Municipal Programs	The 5th goal of the 2030 Agenda for Sustainable Development Goals is Gender equality. The aim of goal 5 is to achieve gender equality and empower all women and girl. Ending all discrimination against women and girls is not only a basic human right, it's crucial for sustainable future; it's proven that empowering women and girls helps economic growth and development. International practice shows that low participation of women in the economy hinders economic growth and negatively affects development. Women's economic activity in Georgia is low, which affects the quality of life of women and the well-being of their families. The situation in the municipality of Keda is the same.		Gender mainstreaming in development	Social, health Economy and infrastructure
(Engagement in Socio-economic Life) • P2-GE02 - Awareness-Raising Campaign on Gender Sensitivity • P2-GE03 - Supporting Women's Initiatives and Community Groups	Ensuring women's engagement in socio-economic life is important because the municipal programs without women's participation cannot reflect the needs and priorities of all its population, men and women, boys and girls, including ethnic and religious minorities and eco-migrants. All this hinders development, human well-being and violates democratic principles.		Gender mainstreaming in development	
(Education and Training) • P2-GE05 - Awareness-Raising Campaign on Gender Sensitivity of opinion-leader Men • P2-GE06 - Promoting Education for Children to Support Women and their Families	Women face double workload and different social norms, in case of ethnic minorities' there is a language barrier, limited time hinders their personal development. Unrecognized work of women is mainly based on the stereotypes coming from men; Therefore, they have low self-esteem, self-efficacy and outlook. In order to address this stereotype, only training women would not be enough, as it could create discord. Having gender sensitive men and society is integral to creating a healthy dynamic where both parties fully understand the rights and responsibilities of one another.		Gender mainstreaming in development	
(Gender-Sensitive Approach by Local Authorities) • P2-GE07 - Gender-sensitive Infrastructure and Programs/services by Local Authorities	Gender policy implementation and mainstreaming are the obligations of the municipality. However, often Municipality does not see the infrastructure projects during their planning with gender lenses, therefore as infrastructure is not well organized, there is no municipal transport etc., women need more time and incur more costs in order to access different services. Moreover, women have lower incomes and limited access to private cars. Therefore, they have less time and motivation for development and engagements in the socio-economic life.		• Gender mainstreaming in development	

4 PRIORITY 3 (P3)

– ENVIRONMENT

GEOGRAPHY AND NATURAL ASSETS

Environmental Infrastructure and Services

Environmental pressures, impacts and key issues

PRIORITY 3 (P3) – ENVIRONMENT

Geography and Natural Assets

Location, geomorphology, geology. Keda municipality represents one of the low-mountainous municipalities of Adjara A.R., located in middle to lower reaches of the Adjaristskali River Basin at an altitude of 200-400 m above sea level (ASL).[97] The highest point is the mount Khanli (2,987 m ASL).[98]

In general, the municipality is characterized by diverse relief, with geomorphological features composed of hills, gorges, depressions and low to middle mountains. Keda depression is surrounded by Meskheti, Shavsheti and Arsiani ridges and Keda town transforms into hilly relief. From north-west, several branches of Meskheti range intrude the target area, including Chakvi ridge, which is a water divide between right tributaries of the Adjaristskali River, as well as Chakhvistskali and Kintrishi rivers. Shavsheti range intrudes the municipality from the south and its highest point is the mount Ghoma (2,441 m).[99]

Geologically, entire Adjaristskali River Basin, including its middle reach, where Keda municipality is located, belongs to the Adjara-Trialeti Folded System. The area consists of volcanogenic sedimentary deposits of Middle Eocene, represented by tuff-breccia, tuff-sandstone, tuff, andesite, argillite, marl, trachyte and its pyroclastites as well as by intrusive bodies associated with these deposits (syenite, syenite-diorite, gabro-diorite).[100]

Total area of the municipality is 452 km^2. According to 2020 data of Geostat, total population of Keda municipality is 16,773, of which 1,316 is urban population (Keda town) and 15,457 – rural population.[101] The target area borders Shuakhevi, Khelvachauri and Kobuleti municipalities and Turkey. The municipality consists of 10 administrative-territorial units (self-governing communities) with 65 settlements, including Keda town and 64 villages. These communities are: i) Keda; ii) Dandalo; iii) Zvare; iv) Makhuntseti; v) Merisi; vi) Octomberi; vii) Pirveli Maisi; viii) Tskmorisi; ix) Tsoniarisi; x) Dologani.

Climate. The climate of Keda municipality is humid Black Sea sub-tropical, with moderately cold winter and relatively dry hot summer. Average annual temperature is 12.8 ^{0}C, January temperature – minus 3.4 ^{0}C and July temperature - plus 21.20 ^{0}C; Absolute minimum – minus 15.10 ^{0}C and absolute maximum – plus 42 ^{0}C; Annual average precipitation – 1,500 mm. Summer period is characterized with droughts and winds, snowy days equal to 16-30 days.[102]

Water Resources. Major waterway of Keda municipality is the Adjaristskali River. It originates on Arsiani ridge at 2,435 m ASL near Green Lakes. In the municipality, total catchment of the river is 307.10 km^2 and length – 42 km; flow module 31.5 l/sec per m^2. [103]

The Akavreta River, a left tributary of the Adjaristskali River originates on the Northern slope of the Shavsheti ridge at 2,236 m ASL and flows into the Adjaristskali River near Keda town. Its total length is 19 km, catchment – 134 km^2 and average annual flow – 6.86 m^3/sec.[104] Other tributaries of the Adjaristskali River are: Khnistskali (left tributary), Tsoniarisi (right tributary), Dologani (right tributary) and Agaristskali (right tributary). There are also numerous smaller streams and creeks in the target area. The rivers are fed from multiple sources and they are characterized by spring floods. There are a number of mineral and thermal water springs within the municipality, with some of them (e.g., Namonatrebi, Merisi, Shevabui and Kokotauri) having healing features.[105] There are 20 mineral water sources only in Keda town and its surroundings.

97 *Source: Keda Spatial Development Plan. Adjara A.R. Ministry of Finance and Economy*
98 *Source: http://keda.ge*
99 *Source: Keda Spatial Development Plan. Adjara A.R. Ministry of Finance and Economy*
100 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016*
101 *Source: https://www.geostat.ge*
102 *Source: Keda Spatial Development Plan. Adjara A.R. Ministry of Finance and Economy*
103 *Source: Keda Spatial Development Plan. Adjara A.R. Ministry of Finance and Economy*
104 *Source: https://ka.wikipedia.org/*
105 *Source: Keda Spatial Development Plan. Adjara A.R. Ministry of Finance and Economy*

MINERAL AND THERMAL WATER SOURCES OF KEDA MUNICIPALITY

№	LOCATION OF THE MINERAL WATER SOURCE	TYPE BY SALT CONTENT	DISCHARGE RATE, L/DAY	TEMPERATURE, °C	PH
1	Kokotauri	Hydro-carbonate-sulfate-calcium-magnesium	50,000	10	6.6
2	Namonastrevi	Sulfate-hydro-carbonate calcium-sodium	16,000	12	6.7
3	Tskmorisi	Sulfate-hydro-carbonate calcium-sodium	60,000	31	7.6
4	Dumbadzeebi	Sulfate-hydro-carbonate chloride-sodium-calcium	200,000	14	4.0
5	Sakajia	Hydro-carbonate-sulfate-calcium-magnesium	3,000	13	6.5
6	Saini	Hydro-carbonate-sulfate-calcium-magnesium	30,000	13.5	3.8
7	Bakaneti	Hydro-carbonate-sulfate-calcium-iron	5,000	14.5	4.8
8	Tsikvilis Gele		20,000	11.5	4.6
9	Merisis Abano		30,000	12	4.6
10	Dvalidzeebis Abano	Hydro-carbonate-sulfate-calcium-iron	70,000	12	3.4
11	Childis Khevi	Sulfate- iron-calcium	6,000	13	4.4
12	Saretskhela	Sulfate-hydro-carbonate iron-calcium	2,000	13	4.4
13	Gundauri	Sulfate-hydro-carbonate iron-calcium	4,000	14	4.5
14	Asanishvilebi	Sulfate-hydro-carbonate calcium-sodium	50,000	13	4.6
15	Isteriashvilebi	Sulfate-hydro-carbonate chloride- calcium	1,200	13	4.4
16	Tskalbokela	Sulfate-hydro-carbonate chloride- calcium	12,000	11	6.0

Source: Keda Spatial Development Plan. Adjara A.R. Ministry of Finance and Economy.

Keda municipality is rich in groundwater, flowing out of the ground as multiple springs. Hydro-geologically, total territory of Adjara A.R. belongs to Adjara-Imereti folded pressure groundwater system, with two distinct aquifers: i) aquifer of Middle Eocene volcanogenic sedimentary rocks located in lava, volcanic breccia, tuff and tuff-sands; ii) aquifer of intrusive rocks of Middle Eocene locates in syenites and diorites. The latter is located in the Akavreta River Basin.[106]

Forests. Keda municipality is rich is forest resources, with over 80% forest cover and low quality of forests. The total area of state forest land, managed by LEPL Adjara Forest Agency makes up 37,570 ha, divided in 3 forest sections/districts – Merisi, Makhutseti and Tskmorisi, 20 sub-sections/rangers' areas and 158 quarters, of which:[107]

- Merisi section makes up 14,516 ha, with 7 rangers' areas and 71 quarters;
- Makhutseti section makes up 10,939 ha, with 7 rangers' areas and 42 quarters;
- Tskhmorisi section makes up 12,115 ha, with 6 rangers' areas and 45 quarters.

106 *Source: Keda Spatial Development Plan. Adjara A.R. Ministry of Finance and Economy*

107 *Source: Keda Forestry Administration Management Project, volume I, LEPL Adjara Forestry Agency, Tbilisi, 2015*

DISTRIBUTION OF FOREST AREAS BY FUNCTIONS

FOREST FUNCTION	AREA, HA	PURPOSE
Commercial	5,751	Logging is allowed
Up to 100 ha forest groves between unforested areas	160	Small area groves as biodiversity corridors
Forests with dominant red list, relict and endemic wood species	10,851	Chestnut, oak, beech, lime tree (linden), walnut
Forest massifs spread on 35^0 and steeper slopes	8,657	Ecologically high value forests
Sub-alpine forests	984	Conservation and protection of sub-alpine forests
Up to 300 m width floodplain/bank protection zones/lines	159	Protection of floodplain vegetation/wood groves of
Up to 100 m width wooded areas on rocks, eroded lands, karst formations, etc.	6	Slope stabilization/sustaining ecological balance
Sub-Total	20,817	
Other forest groves excluded from calculation of general logging/harvesting		
0.6 and lower density evergreen short trees	4,247	
0.6 and lower density degraded forest groves with insufficient regeneration capacity	2,900	
Wooded corridors connecting alpine pastures	20	Creating ecological corridor for certain wild animals between alpine meadows
Shrubberies	1,529	
Drinking water source watershed protection forests	17	
Light forests with 0.1-0.4 density	221	
Forests around settlements (municipal	323	
Sub-total	9,257	

Source: LEPL Adjara Forestry Agency.

Total forest stock is 5,338,400 m3, of which 533,500 m3 is represented by mature and over-mature trees. In addition to the state forest, there is Machakhela National Park, which consists of former state and municipal forests – 403 ha. Forested areas are met at 240-2,100 m ASL. Major part is located on Southern slope of Adjara-Imereti range and Northern slope of Shavsheti range. They are found as large massifs/groves and are bordered with subalpine meadows. There is well-defined vertical zoning within the municipality, represented by following forest zones:[108]

- Mixed Colchic sub-tropical forest - from 135 m to 400-500 m ASL;
- Chestnut forest – from 500 m to 1,000-1,800 m ASL;
- Beech forest – from 1,100 m to 1,700 m ASL;
- Mixed coniferous forest – from 1,800 to 2,100 m ASL;
- Subalpine forests – from 2,000 m to 2,250 m ASL;
- Sub-alpine bushes and shrubs – from 2,100 m to 2,350 m ASL;
- Sub-alpine meadows - from 2,200 m to 2,400 m ASL

108 *Keda Forestry Administration Management Project, volume I, LEPL Adjara Forestry Agency, Tbilisi, 2015*

Biodiversity. According to the modern vegetation-geographical classification, Keda municipality belongs to the Adjara-Shavsheti district of the Sub-Mediterranean floristic sub-region, with its plants originated from Mediterranean flora of Tertiary period.[109] Forests belong to the Western Transcaucasia region, which is a part of Caucasus-Anatolian-Hyrcanian temperate forests.[110] In general, the municipality is abundant with the Tertiary relict Colchis and endemic plant species. Tertiary relict floras contain glaciation survivors from plant communities that were distributed in the Northern Hemisphere in the Tertiary, the first period of the Cenozoic era, now mainly restricted to warm humid areas (refugia) in Southeastern and Western North America, East Asia and Southwest Eurasia.[111]

The municipality is rich in flora and fauna. The detailed description of the municipality flora and fauna is provided in the annex of this report.

The territory of Keda municipality represents a transit path and an ecological corridor for many important species of fauna, especially migratory birds. A slew of Keda villages is located adjustment to Mtirala National Park, including villages located in buffer zones/in close proximity to the national park. These settlements are: Zundaga, Makhuntseti, Agara, Gulebi, Tsiniarisi, Zvare, Pirveli Maisi, Sendidi and Khunduka. In addition, Dologani parcel of former Keda forestry section of state forest fund is located within the Mtirala National Park.

Land Resources. By soil characteristics, two soil zones – mountain-forest and mountain-meadow are found on the territory of the municipality. Moderate humus content yellow forest soils are spread in low to middle mountain forests, while lower humus content forest soils are spread in higher mountain forest. In subalpine areas, forest-meadow and mountain-meadow soils are found.

Concerning land structure, agriculture lands make up only 5,093 ha, of which 2,466 ha represent arable land, 344 ha – perennial plantations, 311 ha – hayfields and 2,172 ha pastures. On average, each household holds 1 ha of cultivated land, of which 0.12 ha is arable land per capita. [112]

Mineral Resources. Keda municipality is rich in mineral resources. The largest is the Merisi polymetallic deposit, consisting of significant reserves of non-ferrous metals and gold. Fully explored reserve of the deposit is 1,887,000 t and evaluated resource – 1,006,000 t.[113] Forecasted reserves of various metals are as follows:[114]

- Gold ore – 1,152,000 t
- Gold – 859 kg
- Silver ore 1,152,000 t
- Silver – 18.3 t
- Copper ore – 3,128,000 t
- Copper – 77,800 t;
- Lead ore – 2,157,000 t
- Lead – 16,800 t
- Zink ore – 2,157,000 t
- Zink – 14,200 t

According to recent studies gold is contained not only in ore veins, but also in rocks, where gold content reaches 10-70 g/t. Other metals met in Merisi ore are sodium – 700 g/t, molybdenum – 0.1% and gallium – 30 g/t, selenium, cadmium, and strontium. Additional important mineral deposits are ferrous disulfide and Zekara-Lashe alunite (with 2.3 million m3 reserve), Dologani andesite and porphyries deposit (with 7.36 million m3 reserve) and Namonastrevi granite-diorite deposit (with 500,000 m3 reserve).[115]

109 *Source: Keda municipality spatial development plan. Ministry of Fiance and Economy of Adjara A.R*

110 *Source: Feasibility assessment for a World Heritage nomination of the Colchic Forests and Wetlands under the natural criteria Scoping and Feasibility Study. Greifswald, 20 June 2017. Michael Succow Foundation for the Protection of Nature; WWF - Caucasus -regional programm office of the WWF Network*

111 *Source: Feasibility assessment for a World Heritage nomination of the Colchic Forests and Wetlands under the natural criteria Scoping and Feasibility Study. Greifswald, 20 June 2017. Michael Succow Foundation for the Protection of Nature; WWF - Caucasus -regional programm office of the WWF Network*

112 *Source: Keda Local Development Strategy. CENN. 2018.*

113 *Source: National Agency of Mines. 2020*

114 *Source: https://batumelebi.netgazeti.ge*

115 *Source: Spatial Development plan of Keda Municipality. Ministry of Finance and Economy of Adjara A.R.*

Concerning licenses on mineral resource, they are issued on:

- Sand and gravel extraction on the territory adjacent to Khoromkheti village for the period of 2018-2022, with a 66,000 m3 extraction quota. Total area of the issued license is 2.58 ha; [116]
- Sand and gravel extraction from the Akavreta River for 1-year period (2019-2020) near Keda town; Total extraction quota - 103,024 m^3; [117]
- Andesite-basalt extraction nearby village Thchinkadzeebi for 5-year period (2016-2020); Total extraction quota – 192,500 m^3; [118]
- Keketauri and Gundauri mineral waters. [119]

Renewable Energy Resources. Hydro-potential of major rivers of Keda municipality (except for the Adjaristskali River) is 18.7 MW.

HYDROPOWER POTENTIAL OF THE RIVERS OF KEDA MUNICIPALITY

#	RIVER	P, MW
1	Akavreta	16.9
2	Kalaskuri	1
3	Kokhnistskali	0.8

Source: Hydro Energy Technical Potential Cadastre of Rivers of Georgia.

According to the Wind Power Atlas of Georgia, Keda municipality has limited wind power potential (mainly less than 100 W/m2, 2-4 and less than 2 m/s wind speed) to operate commercial scale MW wind power plants although, the known resource is adequate to be used for small-scale generation (up to 50 kW) on an individual level.

Annual average solar energy potential is 1,387 kwh/m2 of horizontal surface. This is insignificant value however, pretty much sufficient to apply solar energy technologies on a household, small business, or public building level.

In the municipality, biomass can be produced from agricultural wastes, including livestock waste. Biogas can be generated from animal manure through bio-digesters. One household-level bio-digester needs at least 4 heads of cattle to produce enough gas to justify the capital investment in the equipment. Currently in Keda municipality, there is 4 heads per ha of land or per household to meet this minimum threshold. However, as previous biogas utilization experience in Georgia shows, this type of energy generation is not popular and is unlikely to become so in the short term. However, with more aggressive outreach and promotion campaigns and with assistance of donors and NGOs, it is possible to implement demonstration/pilot projects at household and farm levels. Concerning other types of biomass, alternative fuel (pallets, briquettes, wood chips, etc.) can be produced from leftover skins, grape wine pruning, wood wastes/ fallen trees, etc.

ENVIRONMENTAL INFRASTRUCTURE AND SERVICES

Drinking Water Supply Systems. In Keda municipality, both urban and rural population is connected to piped drinking water supply systems. Water is extracted by 25 intake facilities.

In Keda town, the system is operated by the LLC Keda Tskalkanali (drinking water supply and sewerage system company) with 100% of municipality share. The company manages both drinking water supply and sewerage systems. Connection rate to drinking water supply system in the town is almost 100%. Water intake consists of reservoirs. The system has 4 units of storage/regulation reservoirs, with 740 m^3 volume each. Total length of the main pipe is 29 km, (2 main pipes with 15 and 14 km respectively); pipe diameter for 15 km section is 100 mm. and for 14 km section - 140 mm. Total length of the distribution network is 4 km.[120] The majority of Keda customers, together with Atshesi settlement is metered. Water is chlorinated on a daily basis.

116 *Source: https://www.eauction.ge/Home/EntityView/599703*
117 *Source: https://www.eauction.ge/Home/EntityView/599703*
118 *Source: https://www.eauction.ge/Home/EntityView/599703*
119 *Source: Spatial Development Plan of Keda Municipality. Ministry of Finance and Economy of Adjara A.R.*
120 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016.*

In addition to urban water supply system, Keda Tskalkanali manages rural systems. Association "Adjara Water Alliance", with municipal shares from all Adjara municipalities takes care of rehabilitation/construction of water supply and sewerage systems and, drinking water and wastewater treatment facilities in rural settlements.[121] Drinking water in rural systems is mostly not chlorinated. Chlorination facilities exist only in 11 settlements and they are in poor condition .[122]

Moreover, many headworks are not properly protected. Of existing rural systems, the following need rehabilitation:

• Gogiashvilebi – 0.8 km; • Dandalo – 3.7 km; • Kharaula – 0.5 km; • Jalabashvili – 1.0 km	• Zendidi – headwork; • Tskemna – headwork; • Kveda Makhunteti – headworks

In addition, there is source water shortage in several settlements (e.g., Vaio and Inasharidzeebi) in dry seasons.[123]

Sewerage Systems. In Keda municipality, sewerage system exists only in Keda town with total length of 8.75 km. There is a wastewater treatment plant in the town, providing only mechanical treatment of municipal wastewaters. Below is major parameters for Keda sewerage system.

MAJOR CHARACTERISTICS OF KEDA TOWN SEWERAGE SYSTEM[124]

PARAMETER	
Length of the sewerage systems, km	8.75
# of wells	180
Diameter, mm and type of pipes	600/100/150 (PVC, asbestos cement)
Connection rate	100%
Presence of wastewater treatment plant (yes/no)	yes
Capacity (m3/d) of wastewater treatment facility	400
Treatment type	Mechanical
Actual annual operational costs	EURO 20,800
Sewerage system construction year	2009
Latest rehabilitation year	2013

Source: Based on combined sources.

Irrigation and Drainage Systems. In Keda municipality, there are total of 60 small-scale gravitational irrigation systems, with simple headworks abstracting water from small rivers and streams/creeks. They are used to irrigate agricultural lands in Keda town and in the following villages: Dandalo, Tskmorisi, Tsoniarisi, Pirveli Maisi, Zvare, and Oktomberi. Total length of the systems is 110.96 km. Losses in the systems is around 25%-30%. Some of the canals are not operational. The complete set of irrigation systems of Keda municipality is provided in the annex of this report.

Storm-Water Drainage Systems. Storm-water drainage systems exist in Keda town and many villages. However, they are open canals and are frequently filled in with debris, sediment, brushes, etc. Moreover, water overflows these structures during heavy rains and causes flooding of settled areas. Some of the villages have only ditches instead of concrete canals. Every year, the Road Department of Adjara A.R. rehabilitates damaged canals and builds new ones along the paved roads.

Energy Infrastructure. Electricity is supplied to all households of Keda municipality round the clock. So far, natural gas is not supplied to the residents. Currently, 56-km long main gas pipeline is under construction, which will provide piped natural gas to 15,600 customers from Shuakhevi to Goderdzi resort. The construction works will be completed in 2020. Currently, centralized gas supply system is being laid down in 6 villages. Other villages will be connected to the main pipe in the next two years. Therefore, most of the residents of the municipality use liquid gas and fuel wood for heating and cooking.

121 *Source: 2020 municipal budget of Keda municipality*
122 *Source: Spatial Development Plan of Keda Municipality. Ministry of Finance and Economy of Adjara A.R.*
123 *Source: Keda municipality, 2020*
124 *i) The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016. EU funded project "Environmental Protection of International River Basins" (Service Contract Nr. ENPI/2011/279-666, EuropeAid/131360/C/SER/Multi); ii) Keda municipality; iii) Spatial Development Plan of Keda Municipality.*

Concerning hydropower, there is a medium-size Atsi HPP on the Adjaristskali River, in Zeda Makhuntseti.

Atsi HPP is an average-head derivation type plant. HPP works with seasonal schedule, without regulation. The HPP withdraws water with a discharge rate of 45 m^3/sec from the intake facility located on the Adjaristskali River, close to the Batumi-Akhaltsikhe road. From the intake structure water is delivered to two turbines located in the powerhouse, through a 2,860m long and 3.9m diameter derivation tunnel.[125] Atsi HPP became operational in 1937 and was connected to the Georgian energy system in 1941. Installed design capacity of HPP is 16 MW and electricity output - 103.0 mln kWh. The reconstruction of N1 unit has been recently carried out as a result of which the installed capacity of the HPP has been increased to 18.4 MW.[126]

Municipal Solid Waste Management and Street Cleaning. LLC Keda Amenity Service, under Mayor's office carries out MSW collection, transportation, and street cleaning activities in Keda municipality. Until 2017, MSW collection activities were carried out by Ltd Sandasuptaveba (Batumi-based) through the contract with the municipality. Currently, only mixed municipal solid waste (MSW) is collected through 1,100 L and rarely, 800 L communal/public containers. MSW collection rate is 100% in the town and around 97-98% in rural areas. Total quantity of MSW collected in 2018 was 1,507 t/y and in 2019 – 1,215 t/y. So far, separate collection of dry recyclables has not started in the municipality. Moreover, there is no bio-waste separate collection and composting activities even at pilot level.

Collected MSW is disposed in Batumi landfill. There are multiple dumpsites in the municipality. However, there is no inventory of these sites and thus, data on the exact locations of this sites, total area and quantity of waste accumulated there does not exist.

Medical waste from medical institutions are collected by Ltd Sandasuptaveba. Bulky waste is not collected, and owners take care of disposal of such wastes by themselves. Construction and demolition waste is disposed in a specially allocated land plot for temporary storage and backfilling operation by waste generators themselves.

Waste tariffs for population is 0.15 GEL per month per person, provided there are no more than 4 members in each household. For organizations, there is a separate tariff. Companies/organizations are categorized according to economic activities (28 categories in total). Theoretical waste generation index (WGI) is assigned to each category per space in square meters, per seat (restaurants, bars, cafes, theatres, movie theatres), per bed (hospitals, hotels, etc.), per student (academic institutions). Fee base level is 16.48 GEL/m3. Local population do not pay fees.

Environmental Governance

In Keda municipality, central (Adjara A.R.) authorities, engaged in environmental management and DRR are represented by Keda Division of Adjara Forestry Agency under the Ministry of Agriculture of Adjara A.R., Keda division of the Ministry of Agriculture of Adjara, Keda division of Adjara Roads' Department (construction and O/M of storm water drainage and river bank protection structures) and Keda firefighting and rescue team of Main Division of Emergency Management of Adjara A.R. under the Emergency Management Service of Georgia. the municipality through its Economic Policy Development and Infrastructure department is responsible for planning of infrastructure, including environmental infrastructure projects, study of key environmental issues and preparation of recommendations and proposals to tackle these issues. LEPL Keda Amenity Service is responsible for managing municipal amenities and providing municipal services, including MSW collection and street cleaning. LLC Keda Tskalkanali is responsible for O/M of drinking water supply and sanitation systems in both urban and rural areas.

Local LAG, a multi-stakeholder forum is established in support of rural development. It was established and is being strengthened by CENN in a partnership with Centre for Strategic Research and Development of Georgia (CSRDG), Institute of Democracy and Austrian Institute for Regional Studies and Spatial Planning under EU project: "Optimizing the Potential of Local Assets for Rural Development of Keda Municipality". Active local NGOs at grass-root level are Black Sea Eco Academy (environmental protection and natural resources management), Association Mta-Bari (natural resource management), Institute of Democracy (good governance, including local governance, active Society and Civic Engagement, etc.). There is a legally registered community-based organization Keda, which works on community development issues. National-wide environmental NGOs active in Keda municipality are CENN (which has recently completed II phase of USAID project: Waste Management Technologies in municipalities of Georgia), RECC and Ecovision. CENN and Ecovision, among various environmental issues, work on youth environmental awareness and education through establishing and strengthening informal eco-clubs in public schools. Eco-clubs are established in Keda and in a slew of villages.

125 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016*

126 *Source: http://www.energo-pro.ge*

ENVIRONMENTAL PRESSURES, IMPACTS AND KEY ISSUES

Water Resources

Pressures. According to the Chorokhi-Adjaristskali draft river basin plan elaborated in 2016 with the EU support, major anthropogenic pressures on water quantity (hydrology and hydro morphology) of Keda municipality are imposed by:

- Water abstractions for drinking and bathing consumption as well as for irrigation water use;
- Water abstractions by Atsi HPP;
- Deforestation causing reduction of water resources;
- Inefficient water consumption – losses in distribution network, absence of water metering in most of the settlements and effective and efficient water use fees, low/no application of efficient water use technologies;
- Past and current sand and gravel extraction from the Adjaristskali, and Akavreta rivers in villages Dologani, Tsoniarisi, Koromkheti and near Keda.

Concerning natural pressures on hydrological and hydro-morphological quality parameters, on-going climate change (increased temperature and change in precipitation regime) imposes significant stress on surface and ground water resources and will continue to negatively impact water resources and the sector in the next 100-year period. Based on 1961-2010 temperate observation data, average annual temperature increased by 0.3^{0}C, with highest increments reported in fall and summer seasons. During the same period, annual average precipitation increased by 11%.[127] Temperature forecasts conducted in Georgia under the Third National Communication (TNC) to UNFCCC show that by 2050, as compared to 1986-2010, one of the largest temperate increases (up to 2^{0}C) will occur in mountainous Adjara. By 2100, temperature increment will exceed 3^{0}C. Concerning annual precipitations, in 2050 a steady increase in annual sums of precipitation is anticipated in West Georgia, including Keda municipality, while between 2050 and 2100, 10-20% decline of this value is expected. As for seasonal precipitations, it will increase steadily and after 2050s until the end of the century spring-summer precipitation will decline by 6-8% and fall-winter precipitation will increase by 9-10%. Temperature and precipitation extremes will also change, which will have negative impacts on the Adjaristskali River runoff (flow), including flood regime.[128]

It is noteworthy to mention that in recent decades, the occurrence and intensity of climate-induced landslides and mudflows have been significantly enhanced in comparison with 1967-1987 period, with the number of landslides increased by 62% and that of mudflows – by 162%. Landslides are frequently accompanied by the loss of source water springs that lead to drinking and bathing water shortages. Under CC scenarios geodynamic processes will be intensified that will enhance pressures on source water resources in terms flow availability and seasonal distribution.[129]

Concerning anthropogenic pressures on surface and ground water quality, they are imposed by point and non-point pollution sources and include the following:

- Illegal MSW dumping due to insufficient service coverage, absence of waste prevention and recycling practices, lax/absence of law enforcement and non-payment of MSW management/cleaning fees – leachates and surface run-off;
- Run-off from arable lands and perennial plantations – nutrient loads;
- Livestock farming – solid matter and nutrient loads from livestock farms and pastures;
- Effluent discharges from sewerage system of Keda town due to insufficiently treated wastewater discharges in surface waters (Keda WWTP provides only mechanical treatment of wastewater);
- Leachates from pit latrines in rural areas without sewerage systems.

As for natural pressures, CC and climate-induced hydrological and geological hazards (floods, flashfloods, mudflows,

127 *Source: Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Geo rgia Annex II – Feasibility Study. Green climate fund funding proposal. June 2017.*

128 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016.*

129 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016.*

landslides) can be considered as significant stressors on water quality. More specifically, they may increase amount of surface and agriculture run-off, damage drinking water headworks and sewerage systems and thus, increase sediment and effluent discharges into surface water bodies as well as contamination of drinking water at source and in the network. Moreover, expected reduction of summer flow may diminish self-purification (dilution) capacity of the river that may ultimately lead to elevated concentrations of pollutants into surface waters.

2017-2018 MAJOR WATER USE INDICATORS[130]

PARAMETRE	FIGURE
# of water users	15
Quantity of water abstracted from water source, million m3/y	• Total: 790.98 • Groundwater abstraction: 0.04
Quantity of water consumed, million m3/y	790.74
Quantity of water consumed by municipal sector (households, organizations – water consumption for drinking, bathing and washing), million m3/y	0.01
Quantity of water consumed by industry, million m3/y	0.04
Quantity of water consumed by HPPs, million m3/y	786.22
Quantity of water consumed by fisheries ponds	4.47
Quantity of wastewater discharges (mechanically treated water), million m3/y	• Total: 786.24 • Wastewater 0.1 (mechanically treated) • Clean water from HPP: 786.22 • Losses: 0.24

Source: MEPA.

Impacts. Current and forecasted water quantity impacts from anthropogenic and natural pressures are as follows:

- Shortage of source water:
  - *Sub-standard/absence of centralized drinking water supply systems inefficient and competitive water use for irrigation cause drinking water shortage in many villages of Keda municipality;*
  - *Under CC impacts there is increased trend of climate extremes, including droughts that enhance water shortages and will continue to do so in next 100-year horizon, if no climate adaptation measures are implemented in Keda municipality;*
  - *Deforestation caused by unsustainable, including illegal logging;*
  - *Enhanced landslides and mudflows cause loss of many groundwater springs used for drinking and irrigation water in many villages.*
- Destruction of river hydrology, morphology and hydro-morphology (Change in channel and bed bottom morphology, volume, stream velocity, bank erosion, accumulation of sediments):
  - *According to draft Chorokhi-Adjaristskali river basin plan, the Adjaristskali River downstream Keda town until v. Dologani, including Dologani are considered "possibly at risk" and "at risk" due to existing Atsi HPP operations as well as past and current sand and gravel extraction. Some of the surface water bodies showed moderate ecological status against hydromorphological quality elements.*
  - *There is an active license issued on the Akavreta River for sand and gravel extraction therefore, that section of the surface water body can be considered "possibly at risk". Moreover, there is a 5-year license issued near v. Tchinkadzeebi, within Dologani community on andesite-basalt extraction and open pit mining, which may have significant negative impact on the hydrology, hydro-morphology and water quality of the Dologani River.*
  - *Climate induced natural hazards including mudflows, landslides, flashfloods that will be intensified under CC impacts, may cause riverbed and bank erosion and thus, change its natural morphology and hydro-morphology.*
- Reduction of river flow as well as change in its seasonal distribution - 1976-1990 hydrometric data indicate at notable increase in annual and seasonal water flow of the Adjaristskali River in comparison with 1961-1975 period. The largest increment is observed for fall (30%) and winter (20%) seasons and smallest – for spring season (10%). Projections of possible CC impacts for the periods until 2050 and 2100, applying the assemblage of UNFCCC panel

130 *2018 Yearbooks of Major Water Use Indicators, Integrated Management Department, MEPA*

9CC and WEAP (Water Evaluation and Planning System) models show slight decrease (minus 0.3%) in water flow for 2021-2050. However, there will be notable changes in seasonal flow distribution. It is expected that winter and fall flows will increase by 31% and 4% respectively, while elevated atmospheric temperature levels and reduced precipitation will cause the reduction of summer and spring flows by 17% and 9% respectively. Under increased hospitality sector water demand, this will further deepen drinking, bathing and irrigation water shortage. Moreover, CC induced extreme hydrological and geological processes may negatively affect source water causing loss of groundwater springs, being source for drinking and bathing water use.[131]

Current and forecasted water quality impacts from anthropogenic and natural pressures are as follows:

- Deterioration of surface water quality against common physic-chemical parameters and priority and non-priority substances of Water Framework Directive (WFD):
    - *Field survey conducted in 2016 during the development of Chorokhi-Adjaristskali river basin plan revealed worse than moderate values for some of the common physic-chemical parameters (e.g., temperature, suspended solids (SS), PH, common ions) of the Adjaristskali River near village Tskhmorisi due to untreated wastewater discharges and surface run-off. Therefore, that section of the Adjaristskali River was considered "at risk";* [132]
    - *The Adjaristskali River reach below Keda settlement to the confluence with the Kalaskurichi River, until the v. Pirveli Maisi was considered "at risk" due to observation of sick layer of filamentous bacteria and algae on the river bed substrates caused by reduced biological oxygen demand (BOD) as a result of inadequately treated wastewater discharges from Keda sewerage system. Hence, this surface water body was designated a moderate ecological (biological) status against Macrozoobenthos;* [133]
    - *The Dologani River was considered "possibly at risk" due to intensive sand and gravel extraction in the past and thus, destruction of river hydro-morphology. The site needs further investigation.*[134] *Besides, there is a 5-year license issued on basalt extraction (open pit mining) in v. Tchinkadzeebi that may have significant negative impact on the Dologani River;*
    - *Sand and gravel extraction from the Akavreta River may have impacts on the river in terms of such parameters as SS and thus, increased turbidity. Therefore, this water body can be considered as surface water body "possibly at risk", requiring further exploration of the Akavreta River water.*
- Deterioration of drinking water quality in villages with and without drinking water systems – pollution of drinking water with e. coli and other bacteria in wells, headworks, reservoirs, and distribution networks due to absence of drinking water treatments.

CC and climate-induced floods, flashfloods, landslides, and mudflows have and will continue to have negative impacts on surface and drinking water quality in terms of increased effluent and suspended solid concentrations during and after extreme events.

Kew Water Management Challenges/Issues. Based on current pressures and impacts and EU river basin assessments carried out under EU Environmental Protection of International River Basins Project key water management challenges/issues and their causes were identified, which are listed in the following table:

131 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016.*

132 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016.*

133 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016.*

134 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016.*

KEY WATER MANAGEMENT CHALLENGES OF THE MUNICIPALITY

TYPE OF CHALLENGE/ ISSUE	CHALLENGE/ ISSUE	IMMEDIATE/UNDERLYING CAUSES	ROOT CAUSES	NEEDS
Water quantity	Poor availability of drinking and irrigation water	Inefficient and outdated centralized water supply systems; absence of centralized rural water systems in many villages; inefficient, outdated and crumbling irrigation infrastructure; inefficient water use; enhanced mudflows and landslides, etc.	Unsustainable logging, including illegal logging; poor law enforcement against illegal logging; absence of natural gas supply; climate change impacts; lack of funds, technical and human resources for rehabilitating existing systems and/or building new efficient systems; absence of effective water usage tariffs and implementation systems (appropriate institutions, billing and bill collection systems and penalties); lack of knowledge on efficient water use technologies.	• Adoption of new water code and policy based on EU water framework directive and policies; • Rehabilitation of existing water supply systems/construction of new systems, including water intakes/headworks, storage/regulation reservoirs; • Implementation of water metering measures; • Protection of headworks and storage/regulation reservoirs through fencing and better coverage; • Setting efficient water use tariffs to allow for service cost recovery as well as promote water saving and conservation measures; • Calculation and implementation of proper water use allocations considering environmental flow; • Implementation of riverbank and bed erosion control measures; • Implementation of floodplain zones' protection and restoration measures; • Implementation of forest regeneration and reforestation activities; • Construction/rehabilitation of fish migration routes; • Detailed inventory and clean-up of dumpsites • Expansion of MSW collection system and thus, service coverage; • Promotion of MSW prevention and recycling measures, including bio-waste composting and mulching • Rehabilitation/modification of Keda town WWTP in line with the EU standards; • Introduction of on-site modular wastewater treatment facilities at rural community, hotels and municipal buildings; • Prevention of grazing in floodplain areas and organizing alternate livestock sheltering and drinking water supply infrastructure; • Implementation of stormwater rehabilitation/construction activities; • Improvement of water and waste management law enforcement; • Improvement of hydrometric and water quality monitoring systems; • Carrying out environmental information campaigns.
	Destruction of river hydrology, morphology and hydro-morphology (Change in channel and bed bottom morphology, volume, stream velocity, bank erosion, accumulation of sediments).	Water abstractions for drinking, bathing, irrigation and HPP operations; sand and gravel extraction; flashfloods, mudflows, landslides; CC.	Absence of knowledge and regulations on environmental flow and water balance; absence of riverbank protection measures and infrastructure; absence of knowledge and regulations on environmental impacts of sand and gravel extraction/riverbank and bed dredging, lack of knowledge and data on CC impacts on hydro-meteorological and geological processes and parameters.	
Water quality	Pollution of surface and ground waters	Discharge of untreated wastewater from point sources of pollution (e.g., sewerage system of Keda town) into surface waters; livestock runoff; drainage of storm waters and seepage of leachates from uncontrolled waste disposal sites, open pit mines and dry pit latrines.	Deteriorated and/or absence of sewerage and stormwater drainage systems; absence of biological treatment facilities; poor MSW collection system; poor/absence of law enforcement against illegal waste dumping; lack of state finances to rehabilitate/build centralized sewerage systems, WWTPs; poor ambient water quality and soil monitoring; absence of effective regulations, including standards for wastewater discharges; absence of a common effective policy on waste and water management; low environmental consciousness of local communities.	
	Pollution of tap water	Crumbling drinking water supply infrastructure or no infrastructure in the majority of villages; absence of sanitary zones/lack of protection for existing zones surrounding water sources; absence of tap water treatment in virtually all communities with centralized water supply systems.	Shortage of funds to rehabilitate existing centralized systems or to build new systems; absence of effective regulations, law enforcement, monitoring mechanisms and local capacity for tap water quality monitoring and control, as well as for environment pollution control; low environmental awareness of local communities.	

Land Resources

Pressures. Major anthropogenic pressures imposed on land resources of Keda municipality are as follows:

- Unsustainable pasturing;
- Unsustainable land cultivation practices:
  - *Excessive land tilling;*
  - *Land cultivation on slopes;*
  - *Application of monoculture farming, etc.*
- Unsustainable irrigation of agriculture lands – excessive watering;
- Absence of/dilapidated flood control infrastructure (storm water drainage and flood control structures);
- Unsustainable logging, including illegal logging, especially on steep slopes;
- Nutrient loads from agriculture runoff;
- Uncontrolled/illegal waste dumping – drainage waters and leachates from illegal dumpsites;
- Open pit mining – sand and gravel, basalt, and andesite extraction in v. Koromkheti, v. Tchikadzeebi and from the Akavreta River – sediment movement and land erosion.

Concerning natural factors, following are the key pressures on land resources of Keda municipality:

- Natural geomorphology and geology of the municipality – hilly and mountainous terrain, presence of Middle Eocene volcanic deposits, covered with quaternary diluvial and alluvial sediments. These deposits are prone to denudation and are weak in terms of physical-mechanical characteristics, creating favorable conditions for activation of geodynamic processes. Moreover, excess precipitation causes increase in ground water level and thus, saturation of rocks with water causing water erosion and acceleration of geodynamic processes;
- Climate-induced natural hazards (landslides, mudflows, avalanches, flashfloods, rockfalls):
  - *Villages: Djalabashvili, Kokotauri, Dandalo – landslide, mudflow, erosion processing; high risk areas;* [135]
  - *Villages: Uchkhiti, Kveda Bzubze, Zeda Bzubze – landslide, mudflow; medium-risk areas;* [136]
  - *Villages Merisi and Octomberi communities – landslides; high-risk areas.*[137]

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

- Land erosion and loss of fertile soil of agricultural lands – degradation of arable and pasture lands;
- Degradation of high ecological value natural landscapes, including flood plains, forested areas;
- Soil contamination.

Significant portion of arable lands of Keda municipality is eroded due to the water erosion caused by intensive irrigation and absence of proper drainage.[138] Land cultivation on slopes also causes land erosion and loss of productive soil. Moreover, pasture lands are compacted and eroded due to the intensive cattle grazing. Extensive logging on steep slopes also causes deforestation, slope destabilization and triggers erosion and landslide processes.

Illegal dumping and littering which is a wide-spread phenomenon in the municipality, cause soil contamination through leachates. This is caused by insufficient MSW collection coverage, absence of law enforcement by the municipality and low awareness of the population.

High threats on land resources are also from intensive construction material extraction through open pit mining. In the near future, National Agency of Mines is going to auction out Merisi Polly-metal mining (5-year exploration and 40-year extraction) license. It is possible to extract up to 800 kg gold and 18 t silver from the deposit. Mining operations will impose significant negative pressures on land, water, and biological resources of Keda municipality and it will cause the Adjaristskali pollution in Merisi and downstream of it.

Key Sustainable Land Management Challenges/Issues. Key sustainable land management (SLM) challenges/issues and their underlying/immediate and root causes are summarized in the table below:

135 *Source: Spatial Development Plan of Keda Municipality. Ministry of Finance and Economy of Adjara A.R.*

136 *Source: Spatial Development Plan of Keda Municipality. Ministry of Finance and Economy of Adjara A.R.*

137 *Source: Baseline Study of Environmental Issues and Small Grants Project Ideas to be implemented under ENPARD II & ENPARD III. November 2017. Support to Rural Development in Georgia (ENPARD II). UNDP.*

138 *It was impossible to obtain quantitative data on total area of eroded lands.*

KEY LAND MANAGEMENT CHALLENGES OF KEDA MUNICIPALITY

TYPE OF CHALLENGE/ ISSUE	CHALLENGE/ISSUE	IMMEDIATE/UNDERLYING CAUSES	ROOT CAUSES	NEEDS
Soil erosion and loss of productive layer	Pasture degradation	Uncontrolled grazing/ overgrazing, absence of zoning and pasture rotation, ploughing of pastures, causing weed distribution; climate induced natural hazards	Low awareness of shepherds, absence of proper zoning or other regulatory or economic mechanisms for sustainable pasture management; absence of effective mechanisms for law enforcement; local farmers' low awareness of sustainable water, land use, and agriculture practices; CC; lack of scientific knowledge on human and CC impacts on land erosion; absence of agrometeorological and geo-hazard monitoring and early warning system.	• Carrying out inventory of eroded and degraded agriculture lands. • Carrying out pasture inventories and development of pasture management plan for the municipality; setting grazing norms for pastures and implementation of sustainable pasture management measures. • Study of soil quality and mapping; • Support to organic farming; promotion and revival of traditional farming and herding practices. • Strengthening law enforcement capacity and raising awareness and capacities of farmers. • Implementation of agricultural land reclamation/erosion control measures. • Development of agrometeorological and hydrometric monitoring network; hazard mapping; establishment of early warning system for climate-induced natural hazards (Doppler, inclinometers, video surveillance systems, etc.); establishment of community-based early warning systems. • development of climate advisories for farmers; awareness raising and capacity building of farmers on climate-smart agriculture; • Improvement of municipal, household hazardous and C&DW waste management including waste collection and disposal; introduction of source separation system, promotion of waste reuse and recycling including biowaste composting and mulching. • Implementation of floodplains and riverbank protection measures (gabions, bioengineering structures, etc.). • Implementation of slope stabilization measures (tree planting, slope terracing). • Development and implementation of landscape and mining waste management plans. • Introduction of monitoring and control mechanisms for open pit mining and strengthening capacities of relevant authorities for compliance assurance monitoring and control; building capacities of local communities for civil monitoring of mining operations; setting/ strengthening grievance redress mechanisms.
	Erosion of ploughed lands and loss of productive soils	Unsustainable agricultural practices - unsustainable agricultural techniques and practices (e.g., extensive land cultivation, no crop rotation, slope cultivation, etc.) Absence of erosion control and land reclamation measures; uncontrolled timber harvesting; land use change.	Absence of effective agricultural land management policy, including land use planning and implementation mechanisms (e.g., land use zoning, land inventory and monitoring, land usage fees, land allocation); lack of local knowledge of proper agricultural practices; climate change; CC; lack of scientific knowledge on human and CC impacts on land erosion; absence of agrometeorological and geo-hazard monitoring and early warning system.	
	Forest and floodplains degradation	Grazing, unsustainable and illegal logging, natural hazards, unsustainable land use practices; geo-hazards; change in climate factors.	Poor law enforcement; lack of mountainous forests and floodplains protection and restoration measures; CC; lack of scientific knowledge on human and CC impacts on land erosion; absence of agrometeorological and geo-hazard monitoring and early warning system.	
Soil pollution	Contamination of agriculture and non-agriculture land	Leaching of pollutants from waste dumps and burial sites, pit latrines; urban and agriculture runoff; discharge of untreated wastewater onto the earth's surface; open pit mining.	Absence of proper MSW management system, including capacities and infrastructure (containers, trucks), absence of regulatory and law enforcement mechanisms for soil quality; absence of effective environmental pollution control regulatory and/or economic mechanisms; absence of financial, technical and human resources for implementing effective environmental control policies, including policies for waste and wastewater management; poor monitoring and enforcement capacities for open pit mining, including sand and gravel extraction; absence of/weak public complaints handling/grievance redress mechanisms.	

Forest resources

Pressures. Major anthropogenic pressures on forest resources are imposed by:

- Unsustainable Logging:
    - *Unsustainable wood cutting, with young healthy trees cut in easily accessible areas;*
    - *Absence of/insufficient sanitary cutting;*
    - *Absence of cleaning of forests from fallen trees, inadequate pest control, etc.;*
    - *Illegal wood cutting for firewood provision and production of construction material – according to Keda forest management plan, total annual demand for timber is 33,500 m3/y, while the supply is only half of it. Besides, the demand for timber as construction material is unknown, but it is additional to timber demand for firewood. It must be assumed that local population cut trees illegally in order to meet the demand for firewood and construction material.*
- Uncontrolled collection of non-timber resources (berries, mash rooms and medicinal plants);
- Livestock grazing in high mountain and sub-alpine forest areas and floodplain zones;
- Illegal waste dumping and littering by tourists and local population;
- Artificial forest fires caused by tourists, local population, shepherds, and workman during construction of road infrastructure. However, this pressure is weaker than other current anthropogenic pressures, since Keda forests are dominated by broadleaf trees (e.g., chestnut, etc.) and therefore, are not significantly susceptible to forest fires.

Concerning natural pressures, notable ones are:

- Fungal pathogens and insects pose high pressure on certain deciduous tree species thus, affecting wood groves. These are:
    - *chestnut blight fungus (Cryphonectria (Endothia) parasitica Murr. Barr) causing weakening, drying, and ultimately dying of chestnut trees;*
    - *boxwood blight (Cylindrocladium buxicola) causing a severe leaf and twig blight on boxtree;*
    - *box tree moth (Cydalima perspectalis)* – larvae feed on the leaves and shoots of *Buxus* species. Young larvae only eat the upper part of the leaf, leaving the hardest inside structure. The leaves are not destroyed completely but appear as «peeled» in small parallel beats lines or almost completely. These peeled leaves eventually die. Old larvae are the most damaging: they massively and completely eat the leaves, sometimes leaving a thin part at the contour and centre of the leaf;[139]
    - *Tinder Hoof (Fomes fomentarius Gill.) causing rotting of beech, oak and hornbeam trees;*
- CC and CC-induced climate extremes, e.g., increased temperature and dry days/drought causing water shortage and thus, drying of trees; increased floods and flashfloods, causing inundation of large areas, including forests surrounding settlements;
- Geological hazards in particular, landslides, mudflows and avalanches causing slope destabilization, erosion processes and loss of significant area of land, including forested land. Geo-hazards are accelerated by ongoing CC;
- Wildfires caused by increased temperatures and droughts. As it was mentioned above, forest fires pose lesser threats to Keda forests than other anthropogenic and natural pressures, since they are pretty resistant to fires, due to prevailing broadleaf species.

Impacts. Impacts from existing pressures are as follows:

- Deforestation, reduced forested areas and timber resources;
- Deteriorated forest quality:
    - *Loss of young and mature healthy wood trees and increase in the number of overmature and old trees as well as rotten and dead trees;*
    - *Reduced density of forest groves;*
    Eroded soils of forests.

139 *Source: https://en.wikipedia.org/wiki/Cydalima_perspectalis*

According to Keda Forest Management Plan 2015, since 2003 total area of forest groves with prevailing species (e.g., chestnut, beech, oak, etc.) has significantly decreased. More specifically, beech groves have decreased by 2,188 ha, caused by intensive beech harvesting, young beech groves created through natural regeneration – by 53 ha; hornbeam groves – by 2,120 ha, hornbeam groves created through natural regeneration – by 26 ha, oak groves - by 88 ha, young oak groves – by 90 ha, chestnut groves – by 1,055 ha, alder groves – by 762 ha, common rhododendron groves – by 1,203 ha, pontic oak groves – by 99 ha, blueberry – by 25 ha, oak groves created through natural regeneration – by 90 ha, spruce groves – by 283 ha, pine groves – by 119 ha, maple groves – by 18 ha, ash tree groves – by 60 ha, walnut groves – by 62 ha and acacia groves – by 230 ha. Currently, non-degraded/untransformed virgin forests make up only 364 ha.[140]

Concerning age of trees and other forest quality indices, average age has decreased by 11 years and average density – by 0.03 (Currently, 68% of forest groves are represented by mature (middle-age) trees). Total resource has increased by 282,800 m3, with 11 m3 increment per ha. Stocks of mature and over-mature/old tree groves has decreased by 261,000 m3, with 2 m3 decrease per ha. Average increment has grown by 14,200 m3, with 0.5 m3 increment per ha. Total area of mature and old wood groves has decreased by 1,137 ha.

Reduction in forested areas and overall quality of forests is foremost caused by intensive harvesting of healthy trees in easy access areas due to the lack of forest roads. By 2015 only 60% of forest groves had roads, of which 20% required minor repair and another 20% - significant rehabilitation.

Meanwhile, sanitary cutting of trees has been implemented only in 48% forest groves, which is insufficient to improve forest quality across all forest sections of Keda forestry administration. Another significant stressor is grazing on forests adjacent to pastures, hindering natural regeneration of forests.

According to 2014 forest inventory data, extent of degradation of forests and their substrate (soil) is pretty high, especially in former collective farm (currently, municipal) forests. They are located in close vicinity of settlements and roads and around 47% of these forests are represented by low density groves, with crocked, dried and rotten trees. Significant portion of forests is transformed into secondary forests, with only up to 149 m3 stock per ha. In many places, tall trees are replaced with evergreen short trees and shrubs, hindering natural regeneration of forests. Additional types of forests, which are highly affected from past and current anthropogenic pressures, are chestnut groves. Currently, they represent only 22% of total forests of the municipality.

Illegal waste dumping in woodland edges as well as littering in woods is widespread phenomenon in the municipality. This causes deterioration of aesthetic and recreation value of forests, causes soil and thus, stream pollution and, sometimes poisoning of wildlife.

As for impacts from forest fires, at present they are negligible. However, due to the lack of forest fire preparedness and response/forest fire management plan, human resources and equipment within Keda forestry division/administration as well as due to the absence of stakeholder information campaigns on forest fires the risk of negative impact significantly increases.

Regardless of the fact, that overall pathogenic situation in Keda forests is satisfactory, there are still significant areas of forest groves affected by fungi and insects. 2014 forest pathogeny study revealed that around 12.97% of trees are either dry and rotten or are drying. The most affected are chestnut and boxwood groves. In chestnut forests, 38.19% are dried and drying trees, while in boxwood groves 42.37% are dried and drying trees. Other species are affected at a lesser extent. Wood rotting is found in 8.48% of beech woods, 26.02% of oak woods and 7.48% of hornbeam woods.

Kew Forest Management Challenges/Issues. Based on forest management concept, Keda Forest Management Plan, Local Development Strategy and 2017 and 2020 consultations with key stakeholders, key forest management challenges/issues, their underlying and root causes and needs are listed in the table below.

140 *Source: Keda Forestry District Forest Management Plan. Draft. Volume 1. 2015.*

85KEY FOREST MANAGEMENT CHALLENGES OF THE MUNICIPALITY

TYPE OF CHALLENGE/ ISSUE	CHALLENGE/ISSUE	IMMEDIATE/UNDERLYING CAUSES	ROOT CAUSES	NEEDS
Quantity of timber resources	Deforestation/ reduction of forest area and timber resources	Unsustainable use of timber resources, including uncontrolled/illegal cutting of trees for firewood and construction material; uncontrolled non-timber resource harvesting; overgrazing in forest ecosystems; absence of forest maintenance and restoration measures; pollution of forests with litter; climate-induced natural hazards, proliferation of pest diseases; forest fires.	Unsustainable logging methods, e.g., clearcutting, cutting of healthy trees; lack/absence of forest protection measures; lack of financial and technical resources to carry out sanitary cuttings, pest control and afforestation/reforestation and forest measures; underutilization of alternative energy sources; poor municipal solid waste management and law enforcement; low socioeconomic level of local population with limited/no access to secure energy sources (e.g., gas); poor forest inventory and monitoring systems; poor effective law-enforcement system; low awareness of local stakeholders and tourists on the value of forests, sustainable forestry, forest fires, etc.; climate change.	• Carrying out of all types of cutting based on annual average wood stock increment; • Leaving around 4-5 over-mature, old and dried trees during all types of cutting, since dead trees and down wood play an important role in ecosystems by providing wildlife habitat, cycling nutrients, aiding plant regeneration, decreasing erosion, and influencing drainage and soil moisture and carbon storage, etc.; • Identification and delineation of high ecological value sections for biodiversity conservation with red list, relict and endemic species and carrying out biodiversity monitoring, conservation and protection measures there; • Improvement of forest monitoring system and conducting continuous observation over state of the forests, implemented forestry measures, impacts of natural hazards, etc.; • Implementation of erosion control measures; • Construction/rehabilitation of forest access roads taking into account environmental safeguards; • Setting of livestock grazing norms and rules and improving law enforcement capacities; • Provision of piped gas supply to local communities; • Support to implementation of energy efficiency (high-efficiency wood stoves, etc.) and alternative energy source (biogas, solar water heaters, etc.) utilization initiatives at community and household levels; • Calculation of exact demand for firewood and sustainable logging norms; • Carrying out of pest assessment, monitoring and control measure (e.g., installation of pheromone traps); • Implementation of selective sanitary cutting in slightly degraded sections and clearcutting in sections with over 30% of dried and dying trees; • Implementation of reforestation/afforestation measures; • Implementation natural regeneration support measures, including soil cultivation, seeding, fencing, etc. • Awareness raising of local communities, shepherds, and tourists on the value of forest resources and sustainable forestry; • Improvement of municipal solid waste management and law enforcement; awareness raising of local population and other stakeholders on the negative impacts of littering on forest ecosystems; • Promotion and revival of traditional herding practices; • Strengthening law enforcement and firefighting capacities as well as infrastructure of relevant authorities; awareness raising of key stakeholders on forest fires.
Forest quality	Deterioration of overall quality of former collective farm and broadleaf forests in particular chestnut and boxwood groves.			

Biodiversity

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

- Unsustainable hunting and fishing in forests;
- Water abstractions by Atsi HPP and drinking and irrigation water systems, without taking into consideration environmental flows (discussed in detail in previous sections);
- River regulation by Atsi HPP (discussed in detail in previous sections);
- Unsustainable pasture management (discussed in detail in previous sections);
- Land use change – clearcutting of forest trees for pasturing;
- Unsustainable forestry - timber harvesting, illegal logging, construction of forest access roads (discussed in detail in previous sections);
- Forest fires (discussed in detail in previous sections);
- Introduction of invasive species;
- Pollution of surface waters and soil with nutrients/agricultural runoff, untreated municipal, household and industrial wastewaters, illegal waste dumping, littering in particular, in tourist attraction spots (discussed in detail in previous sections).

Concerning natural pressures climate-induced natural hazards (landslides, mudflows, avalanches, flashfloods), which are accelerated by ongoing CC, pose high threat to natural ecosystems, including floodplains, mountain and sub-alpine forests and alpine meadows. Moreover, pests which are proliferated under ongoing CC impacts, cause various wood diseases. At a lesser extent, forest fires caused by both anthropogenic and natural (droughts) factors pose pressures on forest ecosystems.

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

- Degradation, fragmentation, and loss of habitats/ecosystems, including floodplain vegetation, mountain and sub-alpine forests, alpine meadows;
- Loss of native terrestrial and aquatic species and transformation of local ecosystems due to multiple pressures including introduction of invasive species, river regulation, impoundment/damming.

Key Biodiversity Management Challenges/Issues. Key biodiversity management challenges/issues, their underlying and root causes, and needs, based on current pressure-impact analysis, National Forest Concept, Keda Local Development Strategy, Keda Forest Management Plan and Chorokhi-Adjaristskali River Basin Plan, are listed in the table below.

Key biodiversity management challenges in Keda municipality

TYPE OF CHALLENGE/ISSUE	CHALLENGE/ISSUE	IMMEDIATE/UNDERLYING CAUSES	ROOT CAUSES	NEEDS
Forest ecosystems	Degradation (destruction, modification and reduction) of municipal, mountain and sub-alpine forests	Overgrazing; intensive logging; distribution of invasive species; poaching and unsustainable tourism; man-made and wildfires; clearing for agricultural development; MSW dumping and littering; pest distribution; climate-induced natural hazards.	Absence of proper regulations for pasturing; poor forest and biodiversity monitoring and law enforcement capacity; lack/absence of biodiversity and forest data; lack of technical and financial resources and qualified staff for biodiversity and forestry, including firefighting and forest protection (pest control); poor MSW management system and lax enforcement related to MSW management; absence of/poor knowledge on CC impacts on ecosystems and species, absence of natural hazard assessment and monitoring as well as early warning systems; high poverty level and low environmental awareness in the local population.	• Improvement of forest and biodiversity monitoring system, including establishment of electronic databases; • Development and implementation of programs for monitoring and controlling invasive species; • Leaving around 4-5 over-mature, old and dried trees during all types of cutting; • Identification and delineation of high ecological value sections for biodiversity conservation with red list, relict and endemic species and carrying out biodiversity monitoring, conservation and protection measures there; Development and implementation of programs for monitoring and controlling invasive species; • Development and implementation of biomonitoring programs for following rivers: Adjaristskali, Dologani and Akavreta; • Calculation of environmental flow of the Adjaristskali River, water demand by various sectors, water balance and implementation of proper water allocation; • Improvement of law enforcement mechanisms and enhancing capacities of law enforcement agencies to protect biodiversity against poachers and illegal forest loggers; • Improvement of law enforcement mechanisms against illegal waste dumping and littering; • Establishment of sustainable rules to control hunting and fishing; • Proper pasture regulation and pasture rehabilitation; • Implementation of slope stabilization and erosion control measures in mountain and sub-alpine forests, sub-alpine and alpine meadow; • Rehabilitation of floodplain zones and organizing alternative livestock sheltering and drinking water supply systems; • Raising public awareness on the importance of local biodiversity and sustainable management practices; • Promotion of extra-curricular environmental educational activities and introduce biodiversity conservation in the school curricula; • Implementation of non-structural and structural measures to reduce/avoid forest and land degradation; • Promotion of nature based sustainable tourism; • Application of alternative energy sources and energy efficient technologies.
Sub-alpine and alpine meadows	Pasture degradation	Land erosion and compaction due to overgrazing, unsustainable tourism.	Absence of regulations and policy frameworks for pasturing; absence of uodated data on the state of pastures; lack of resources for implementation of pasture reclamation/improvement measures; low awareness of rural communities about sustainable pasturing and the value of ecosystems.	
Flood-plain zone	Fragmentation and modification of floodplain zones, loss of native species.	Riverbank and terrace erosion; cattle grazing.	River regulation (Damming, Adjaristskali HPP operations), absence of grazing norms and floodplain zone regulation mechanisms; lack of resources for building livestock alternative sheltering and drinking water supply systems as well as construct riverbank protection structures and restore floodplain vegetation; low awareness of rural communities.	
Species (aquatic and terrestrial)	Fragmentation and degradation of habitats and loss of native and important species, thus, deterioration of biological quality parameters of the Adjaristskali and Shkalta river	Water and soil pollution with suspended solids, nutrients and other chemicals from effluent discharges, leachates and drainage water from dumpsites, surface and agriculture (livestock) runoff; setting of artificial barrages in habitats and important corridors; destruction of fish migration routes and spawning areas; water abstractions; poaching.	River regulation, absence of data and knowledge on Adjaristskali environmental flow and absence of regulatory mechanism to set and implement requirements for environmental flows; absence of data and biomonitoring of aquatic species; Weak law enforcement system	

P3 - Problem Tree Analysis (Environment)

Effects/Results

Decreased natural resource base as a major source of local livelihoods and thus, increased rural poverty	Declined environmental quality, public health and wellbeing	Lost economic assets and deteriorated livelihoods and thus, hindered rural development
1. Degraded Degraded terrestrial and aquatic ecosystems, modified river bodies, floodplain zones, forests, arable and pasture lands pastures	2. Deteriorated water and soil quality	3. Enhanced climate-induced natural hazards (landslides, mudflows, avalanches, rockfalls, flashflood)

Core Problem: Human and climate change induced environmental degradation

Causes

1. Application of unsustainable environmental and natural resource management technologies and practices	2. Limited/absent information and local knowledge and capacities on sustainable environment and integrated natural resources management, CCA/DRR and RE/EE	3. Deteriorated /absence of basic environmental and CCA/DRR infrastructure	4. Poor access to environmental and CCA/DRR financing	5. Limited participation of local communities, including youth in environmental decision-making	6. Limited participation of women in environmental-decision making
1.1 Application of unintegrated/ unsustainable water management practices and technologies	2.1 Lack/absence of environmental data and proper monitoring systems, including hydrometric, geological/agro-meteorological and biodiversity monitoring	3.2 Deteriorated/absence of water infrastructure	4.2. Limited public financing for environmental protection	5.1 Limited number of youth environmental programmes	
1.2 Application of unstainable land, forest and biodiversity management practices	2.2 Limited knowledge and capacities on integrated water resources management, SLM and sustainable forestry	3.3. Deteriorated /absence of DRR infrastructure (stormwater drai-age systems, gabions, etc.)	4.3.Limited/no application of efficient economic instruments, e.g. pollution and natural resource fees	5.2 Low support for youth and community environmental initiatives	
1.3 Application of unsustainable waste management practices and technologies	2.3 Limited knowledge and capacities on integrated waste management		4.4. Limited/poor access to non public (community and private sector) financing linkages	5.3 Low number and capacities of eco-clubs	
1.4 Limited application of RE/ EE technologies					
1.5 Limited application of CCA/ DRR practices and technologies	2.4 Limited knowledge and capacities on CCA/DRR				

Cross cutting – Infrastructure	Cross cutting – Agriculture	Cross cutting – Governance	Cross cutting – Economy-tourism	Cross cutting – Health and social welfare, including youth and gender dimensions

P3 - (Environment) - Summary of Potential Intervention Actions

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

PROPOSED INTERVENTIONS	DETAILED COMMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	OECD REFERENCE POLICY INSTRUMENT	CROSS-CUTTING PROGRAMS
• P3-EN01. Integrated Natural Resources Management	The intervention aims at increasing the knowledge, capacities and application of sustainable environmental and natural resource management policies, practices and technologies in Keda municipality. In the area of environmental protection, the special focus will be on MSW, since municipal waste is one of the major pressures on all natural resources and also, hinders rural development (agriculture, tourism, etc.). In terms of natural resources management, the focus will be made on soft and hard measures that will remove/reduce anthropogenic and natural pressures on water, land and biological resources (former collective farm forests, low to middle mountain forests, floodplain zones, etc. and important plant and animal species). The intervention will address key environmental (in particular, waste management) and natural resource (water, land and biological resources, including forests) management issues and some of their critical underlying and root causes, identified through rapid pressure-impact and problem tree analysis conducted under this municipal assessment. They are also listed as priorities in various national and local strategies and plans, such are NEAP, rural development strategy, agriculture development strategy, regional development strategy, tourism development strategy, Adjara rural development strategy, Adjara regional development strategy, Keda Local Development Strategy, Keda Forest Section Management Plan, draft Chorokhi-Adjaristskali Plan, Keda Municipal Waste Management Plan. Moreover, many measures to be implemented under the given intervention were identified as priorities by local stakeholders, including LAG members during consultations conducted under ENPARD 1 and ENPARD 2.		• Ensuring environmental sustainability	Infrastructure, off-farm economy, public health, tourism, DRR, governance
• P3-EN02. Support to Enhancement of Community Resilience to Climate-Induced Natural Hazards	The intervention aims at enhancing local resilience to climate-induced natural hazards –mudflows, landslides, flashfloods, avalanches, wild-fires which are major natural pressures on natural and economic assets causing deterioration of local environment and livelihood and ultimately leading to increased rural poverty and hindered rural development. The intervention will focus on awareness raising and CCA/DRR prevention, preparedness and response capacity building of national authorities represented in the target municipality (forest rangers), the municipality and communities, including school children. This will be achieved through knowledge building (update of existing CC vulnerability and risk assessment study, creating disaster preparedness skills development, developing/expanding hydrometric, geological and agro-meteorological monitoring network and supporting design and implementation of CCA/DRR measures, such as rehabilitation/construction of stormwater drainage systems, river bank revetment structures, slope stabilization and erosion control measures (e.g., planting of deep root trees, terracing, etc.) The intervention will address key CCA/DRR issues that are one of the key root causes for degradation of local environment, natural resources and economic assets. CCA/DRR as part of the climate action is one of the key priorities of NEAP, rural and agricultural development strategies, national DRR Strategy and Action Plan, Regional Development Strategy, Adjara Development Strategy, Adjara Agricultural and Rural Development Strategy, Keda Local Development Strategy, Keda Forest Management Plan, draft Chorokhi-Adjaristskali River Basin Management Plan. Moreover, CCA/DRR was identified as one of the top priorities by local stakeholders, including LAG members during ENPARD 2 and ENPARD 3 projects.		• Resilience to CC	

5 Cross-Cutting Priorities (P4)

Infrustructure

Rural-Urban Linkages

5. CROSS-CUTTING PRIORITIES (P4)

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

INFRASTRUCTURE

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

Some General Considerations in Terms of Infrastructure[141]

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

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

For Keda population, the most pressing problem is the absence of gasification system, compared to other municipalities from the target group.

THE MOST IMPORTANT PROBLEMS IN THE SETTLEMENT[142]

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

Source: UNDP.

The most satisfactory performance of infrastructure/services across municipalities is shown by electricity supply (4.66), kindergartens (4.67), waste disposal (4.62), educational services (4.55), healthcare facilities (4.38), drinking water supply (4.08), conditions of road transport (4.06), transport service (4.05). At the same time such infrastructure/services as natural gas supply (2.09), has one of the lowest performance rates across municipalities.

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

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

EVALUATION OF THE ENVIRONMENT - INFRASTRUCTURE AND SERVICES - ACROSS MUNICIPALITIES[143]

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

Source: UNDP.

EVALUATION OF THE ENVIRONMENT - INFRASTRUCTURE AND SERVICES - ACROSS MUNICIPALITIES[144]

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

Source: UNDP.

Factual Description of the Municipality Infrastructure

Internal Roads. The length of internal rural roads in Keda Municipality is 657 km. 64.5 km are asphalted, 65 km are paved with concrete. Accordingly, 527 km (nearly 80%) of the internal roads need either asphalt or concrete pavement rehabilitation. As for the damaged sections, 3 areas are damaged: 1. Medzibna-Agoti road 0.5 km, 2. Tskhmorisi district road 0.5 km, 3. Sharabidze district road 0.5 km.

Water Supply. Drinking water is supplied to 64 villages and Keda town. The length of drinking water system is 129.8 km and there are 25 water reservoirs. Rehabilitation of water pipes is needed in following villages: Gogiashvili - 0.8 km, Dandalo - 3.7 km, Kharaula - 0.5 km, Jalabashvilis - 1.0 km. Also, reservoirs need rehabilitation in Zendidi, Tskhemna and Lower Makhuntseti and some of the villageslack drinking water (Vaio and Inasharidzeebi).

Sewage System. The total length of the sewerage systems is 8.75 km. There are no sewerage systems in rural settlements, there are no damaged sections, and the number of sewerage systems units is 4.

Natural Gas and Electricity. The gasification process is being carried out in 6 villages; gasification of the rest of the villages is planned for the next year. Electricity is provided to all households. The absence of gasification is perceived

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

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

as the most important problem in Keda (6.4%) compared to other IRDG target municipalities.[145]

Waste Management. Keda Municipality has a 5-year waste management plan approved in 2017. According to the plan, efficient waste collection and disposal services will be provided throughout the municipality. In order to improve the recycling processes, it is necessary to introduce a sorted waste collection in the municipality. Work is being carried out in the area to arrange appropriate waste collection points.

Sport Facilities and Parks. There are a total of 38 sport facilities in 10 administrative units of Keda municipality. There are 4 public parks in Keda municipality. There is a closed mini sports field on the balance sheet of the Keda Sports School, which needs repairs and installation of the heating system. Mini sports field and a wrestling hall also require repairs and installation of a heating system. Central stadium of Keda requires rehabilitation (arranging/updating spectator seats, lighting system, arranging exit for players and referees, etc.). In the future, it is necessary to build new mini-sports fields on Abuseridze Street, next to the community center, as well as near the social house on Sakhokia Street.

Public Schools. There are 29 schools in Keda municipality with 615 teachers and 2132 students. Infrastructure needs to be rehabilitated in 4 public schools of: Agari, Gegelidze, Bzubzu and Medzibani.

Kindergartens. There are 15 kindergartens (number of employees is 249) in Keda municipality, where 636 children receive pre-school education. As for the renovations of the kindergarten buildings, Keda Kindergarten # 1 needs full rehabilitation, also the interior of the buildings in Dandalo, Vaio and Dologni should be refurbished. No additional kindergartens are required.

Culture. Keda Municipality has 1 Keda Culture Center, 23 rural clubs and 4 houses of culture. The Keda Cultural Center employs 167 persons, rural clubs - 25 employees and 8 employees work in the Houses of Culture. Keda Cultural Center needs full rehabilitation. Full rehabilitation is required for 10 rural clubs located in the following villages as well: Zundagi, Uchkhiti, Zesofli, Vaio, Kvashti, Tsoniarisi, Akho, and Sikhalidzes. Small repairs are needed in Dologni, Tskhmorisi, Gegelidze, Dandalo, Ortsvi and Inasharidze. There is 1 library in the municipality, where 7 employees work. The library also needs full rehabilitation. There are 2 museums in the municipality. As for the infrastructure, the Keda Historical Museum is being completely rehabilitated, and the exterior facade of the Fridon Khalvashi Museum needs to renovated. There is one art institution in Keda with 178 students and in total 24 employees (including 19 teachers). The building requires full rehabilitation.

RURAL-URBAN LINKAGES

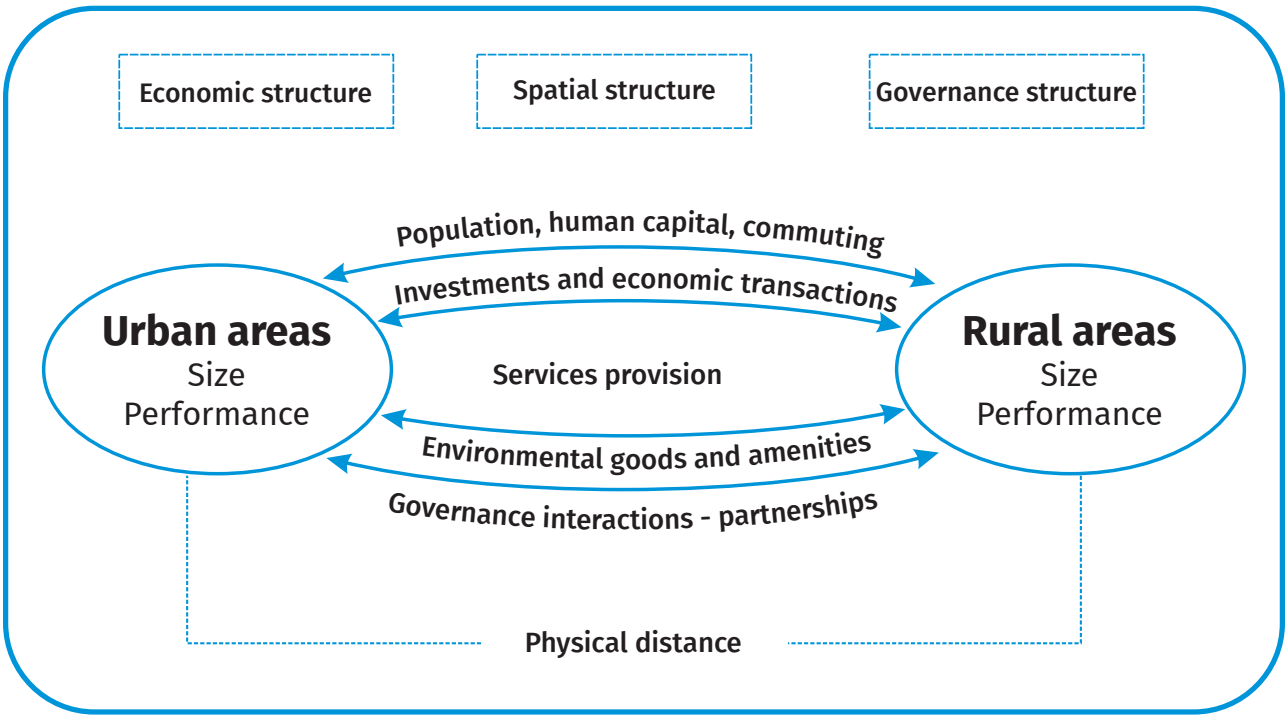
Functional Regions Concept

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

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

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

RURAL-URBAN INTERRELATIONSHIPS "FUNCTIONAL REGION"



Source: OECD approach.[146]

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

Demographic Linkages

Based on the Population Census (2014Y) rural population in Keda Municipality reached 91% (15,250) of total population and urban population amounted to 9% (1,510). Number of internal migrants is not identified.

The key mechanisms that facilitate migration flows to urban areas are social relations and networks. The number of emigrants from Keda Municipality is relatively low and equals 105 (75 Men, 30 Women). Remittances from migration can contribute to enhancement of welfare of rural households and to development of rural settlements.

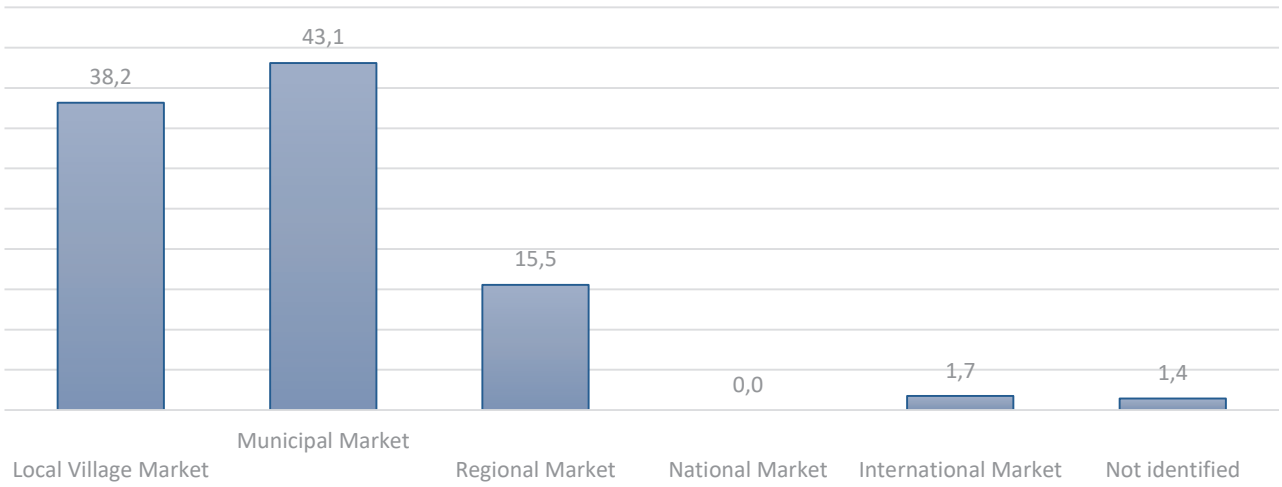
Economic Transactions and Innovation Activity

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

Flow of Goods. The important component of rural-urban linkages is the flow of goods between urban and rural areas. In the Keda Municipality the structure of local rural businesses, which have , demonstrates that rural entrepreneurs have some strong connections with local village (38.2%) and municipal (43.1%) markets, and very weak access to regional (15.5%), national (0%) and international markets (1.7%). These are flows of agricultural products going to urban and peri-urban areas. An average percent of products, produced by rural businesses, which are sold in different markets is shown in the chart below:

146 *The review in this section of this approach is based mainly on the OECD (2013) report*

AVERAGE% OF PRODUCTS, PRODUCED BY RURAL BUSINESSES, SOLD IN DIFFERENT MARKETS



Source: Business Survey of Non-farm Business Needs, UNDP, 2019.

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

GEOGRAPHICAL DISTRIBUTION OF JOBS AND NUMBER OF EMPLOYED PERSONS

SECTOR	LOCATION	FROM MUNICIPAL CENTER	FROM VILLAGE	TOTAL
Employed in the public sector	To Village/ Town	56	1501	1557
		100.0%	74.2%	74.9%
	To Municipal Center	0	400	400
		0.0%	19.8%	19.2%
	To City		121	121
			6.0%	5.8%
	Total	56	2022	2078
		100.0%	100.0%	100.0%
Employed in the private sector	To Village/ Town	30	206	236
		24.0%	25.4%	25.2%
	To Municipal Center	80	108	188
		64.0%	13.3%	20.1%
	To City	15	498	513
		12.0%	61.3%	54.7%
	Total	125	812	937
		100.0%	100.0%	100.0%
Self-employed	To Village/ Town	0	1346	1346
		0.0%	76.3%	76.3%
	To Municipal Center	0	96	96
		0.0%	5.4%	5.4%
	To City	0	306	306
		0.0%	17.3%	17.3%
	Turkey	0	16	16
		0.0%	.9%	.9%
	Total	0	1764	1764
		0.0%	100.0%	100.0%
Employed in the family business	To Village/ Town	0	294	294
		0.0%	100.0%	100.0%
	Total	0	294	294
		0.0%	100.0%	100.0%

Source: Population Survey of Non-farm Business Needs, UNDP, 2019.

Market Potential and Role of Intermediary Cities

Cities play important role in raising rural areas out of poverty. Therefore, it is important to evaluate the how the municipalities relate to the closest *intermediary cities* (population of more than 50,000). Understanding urban-rural linkages requires looking at the aspects such as: selling goods, buying inputs, labor market, communications and transport, access to public services.

Based on the methodology used by the World Bank (2018), market potential of a city is determined by the access a city possesses to a network of other cities. The market potential of a city is the ratio between the sums of the populations of all other cities in the country relative to the sum of the travel times to those other cities from the reference city.[147] Similar approach could be used to evaluate the potential of the municipality.

According to the methodology, Keda municipality is one of the most economically disadvantaged municipality, considering the market potential. Despite its proximity to Batumi, weighted potential access to the potential other larger cities are limited. The municipality ranks 7th among the target 8 municipalities and its index is 0.13 (thus close to 0).

MARKET POTENTIAL INDEX FOR THE MUNICIPALITY

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

Source: Authors' Calculations.

Relative proximity with Batumi as a functional urban area represents a challenge and an opportunity at the same time. Although, the overall market potential index of the municipality is rather low (calculated by cumulative distance from the rest of the large cities), the municipality can be categorized as Predominantly Rural Close to Cities, with less than 1-hour distance from a large city (or a Functional Urban Area - FUA) of more than 50,000 population. Considering this, proximity of the large FUA (Batumi) represents a key advantage, and this advantage should be capitalized by facilitating rural-urban linkages within the functional area. In such cases, much of the growth in the rural region is connected to the growth of the FUA.[148] Provided that there are good linkages between promoting the economy of the urban center, could also indirectly affect the overall wellbeing in Keda municipality.

Connectivity with the Rest of Georgia

Geographic disposition and connectivity of the region with the rest of the county and economy, has a strong influence on the development of the region. In this regard, for Keda, it would be very important to form an auxiliary axis or a corridor (considered as Southern Axis) of the main settlements of Georgia that will connect the following settlings: Tbilisi - Marneuli - Bolnisi - Tsalka - Ninotsminda - Akhalkalaki - Aspindza - Akhaltsikhe - Adigeni - Khulo - Shuakhevi – Keda-Khelvachauri - Batumi. Triggering of the Southern Axis settlement will naturally lead to the urbanization of the depressed areas of mountainous Adjara, their involvement in the unified national economic space and the potential demographic resources of these regions will contribute to a proper settlement.[149] In this respect, assigning the construction contract for the Khulo – Adigeni road sections has been the positive news for realization of the potential of the region.[150]

147 *South Caucasus in Motion, The World Bank, 2019.*

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

149 *Spatial Development Plan of Khulo Municipality 2019*

150 *Information Source: Local Government*

6 Annex

Interventions
Potential Skills Demand-Supply Balance
Social Programs
List of References And Sources Of Information
List of Consulted Key Stakeholders
Team of Experts
Methodology of SSA/Location Qutient

INTERVENTIONS

P1 - (Economy and Multisector Development) - Interventions

ACTION TITLE	P1-EC01 - TECHNICAL ASSISTANCE PROGRAM
Rationale	The objective of this program is to provide targeted and customized technical assistance to the municipality administration, the Government of Autonomous Republic of Adjara and in particular its Tourism Department as well as to the individual enterprises to find ways of inclusion into the national and global value chains. Tourism sector could be the first target of this program and efforts should include developing new tourism products and experiences, with the international appeal and creating opportunities to include them in the national and international value chains.
Relevance	This program addresses the causes of the main problem identified in the Problem Tree Causes Group 2. Supporting non-farm industry and promoting new investment opportunity is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural-related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating discovering new feasible business ideas.
Implementation modalities	The initial stage of the screening ideas could be carried out by IRDG project, which will include commissioning international consultants in the relevant sectors (e.g., cultural heritage preservation expert).
Facilitating arrangements	Some synergies could be achieved in cooperation with GNTA, international and donor organizations (e.g., USAID), which are working in the same sectors and areas in the municipality/region.
Specific measures for COVID-19	The tourism department might need some assistance in purchasing COVID-19 protective equipment (e.g., microphones and headphones) for the local guides.
Specific measures for targeting the needs from special groups	Specific focus should be made on developing the products and assisting to the enterprises of the youth and women as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: Future owners and employees of the tourism enterprises created or involved into the global value chains. Indirect beneficiaries: Local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Pooling and qualifying the ideas and enterprises/organizations for the program; 2. Commissioning consultants for technical assistance Outputs: a) Number of existing companies involved into the national/international value chains b) Number of newly created products of national/international appeal

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							100,000 – 150,000	The local authorities in the municipality, Tourism Department of Adjara AR, in coordination with the responsible parties
2.								

ACTION TITLE	P1-EC02 - E-COMMERCIALIZATION PROGRAM
Rationale	Integrating rural areas into the global value chains is a top policy instruments among the best practices of rural development. COVID-19 accelerated shift towards e-commerce. Finding ways to put the individual companies into e-commerce platforms can be a new post-COVID-19 challenge and a huge opportunity to be integrated into the global value chains. Especially DCFTA provides a good foundation for this. The objective is to identify eligible enterprises and provide them individual technical assistance on their journey towards this end – selling their inputs to the global companies or online retail selling as well as participate in virtual exhibitions and trade shows.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 4 (namely 4.2.). Increasing involvement of the non-farm industry in the international value chains and markets is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
Implementation modalities	The initial stage of the project should be collecting the applications and ideas from eligible companies, which want to commercialize their inputs/final products to the global markets or selling online on the leading international online retail platforms. This process could be carried out by IRDG project, which will require involvement of an international expert in e-commerce.
Facilitating arrangements	Some synergies could be achieved with international and donor organizations (e.g., EU4Georgia project), which are working in the same area.
Specific measures for COVID-19	Shift and more appeal towards online trade is an immediate result of the COVID-19 pandemic.
Specific measures for targeting the needs from special groups	Specific focus should be made on developing the products and assisting to the enterprises of the youth and women as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: Owners and employees of the enterprises who will start e-commerce and start selling nationally / internationally. Indirect beneficiaries: Local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Pooling and qualifying the ideas and enterprises/organizations for the program; 2. Commissioning consultants for technical assistance Outputs: a) Number of existing companies involved into the national/international e-commerce b) Number of newly created products of national/international appeal

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1							50,000-100,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2								

ACTION TITLE	P1-EC03 - EXPLORING SOURCES OF COMPETITIVENESS AND SPECIALIZATION
Rationale	Sectors in the municipality do not perform equally: some of the specialized sector loose relative competitive advantage and competitiveness. Other not very unspecialized sectors, on the contrary, gain competitiveness. These are the cases where interventions are necessary first to understand the root-causes of such dynamics. More in-depth studies are needed in this regard.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 3. Identifying the sources of competitiveness as well as challenges of non-farm industries is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
Implementation modalities	The project could be carried out by IRDG project in cooperation ARDA. IRDG will write TORs for the studies. ARDA can recruit and commission consultants to develop the sector assessments, which will enhance the capacities of ARDA in preparing sector assessments.
Facilitating arrangements	The sectors which showed underperformance in the municipal assessment reports in each municipality will be selected. Each municipality will be dealth with at a time.
Specific measures for COVID-19	The sectors which suffered most from COVID-19 crisis will be of priority. These are Immediate Impact Group and delayed Negative Impact Group of sectors (as classified by Galt & Taggart).
Specific measures for targeting the needs from special groups	The sector assessments will have dimensions of youth and women as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: The municipality and selected sectors as a whole as well as the enterprises in these sectors, which will be offered some measures based on the assessments. Indirect beneficiaries: The local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Developing TORs; 2. Commissioning consultants to do feasibility studies; 3. Conduct actual studies Outputs: Detailed sector assessments (about 5) in each of the 8 municipalities

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							80,000-120,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2.								
3.								

ACTION TITLE	P1-EC04 - FEASIBILITY STUDY PROGRAM
Rationale	Showcasing economically feasible new ideas to the entrepreneurs in and out of the municipality will stimulate thinking and facilitate starting new non-farm businesses in the municipality, which will be built upon key comparative advantages of the municipality.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 2. Supporting non-farm industry and promoting new investment opportunity is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating discovering new feasible business ideas.
Implementation modalities	The initial stage of the screening ideas could be carried out by IRDG project. The second stage of the program could be implemented through ARDA, which will recruit and commission consultants to develop the feasibility studies.
Facilitating arrangements	Some synergies could be achieved in cooperation with Enterprise Georgia, GITA, to collect and screen the ideas
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on promoting the business ideas of the youth and women as well as IDPs and other vulnerable groups. The results of the feasibility studies should be communicated with these groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: The existing and future entrepreneurs who are interested to develop new ideas in the municipalities. Indirect beneficiaries: future employees of the businesses to be created and local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Pooling ideas; 2. Commissioning consultants to do feasibility studies Outputs: a) A short-list of ideas for feasibilities b) Feasibility studies of new businesses (about 5)

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							100,000 - 170 000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2.								

ACTION TITLE	P1-EC05-01 - PRODUCTIVITY REALLOCATION - SKILLS DEVELOPMENT PROGRAM
Rationale	There is a notable gap in the municipality in terms of productivity, across and within the sectors. There is no reason why the non-performing sectors and firms should not catch up. Reallocation measures might include the efforts to raise the skills of the workforce, which would help them move to more productive jobs. This will include targeted training programs for different sectors of the municipality aimed at enhancing skills of the employees. (The detailed list of skills identified for the municipality is provided in the Annex of the document).
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 1. Raising overall output of the local economy is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating moving resources towards more productive enterprises and sectors.
Implementation modalities	IRDG project could specify the eligible sectors (based on this report as well as additional research) in the municipality and develop training curriculum specifically addressing the needs of each sector under 2.3.1. Skills development program. The second stage of the program can be implemented through ARDA, which will recruit and commission trainers.
Facilitating arrangements	When it comes to the workforce development, some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on developing skills of youth and women as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: The employees of the municipality. Indirect beneficiaries: The employers, who will benefit through better trained staff, as well as local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Select eligible sectors; 2. Develop training program 3. Deliver trainings Outputs: a) Short listed sectors and their training needs b) Training materials c) Trained employees by sectors (about 2-3 sectors and about 20 or so in each sector)

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							150,000-250,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2.								
3.								

ACTION TITLE	P1-EC05-02 - PRODUCTIVITY REALLOCATION - TECHNOLOGY UPGRADE
Rationale	There is a notable gap in the municipality in terms of productivity, across and within the sectors. There is no reason why the non-performing sectors and firms should not catch up. Reallocation measures might include providing incentives (including tax incentives, feasibility of which should be discussed with the GoG) to the existing companies to spend more on better technology and catch up with best performers. This will include cost-sharing grant financing for the non-farm enterprise to upgrade their technology, which will enhance automatically productivity of their employees.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 1. Raising overall output of the local economy is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating moving resources towards more productive enterprises and sectors.
Implementation modalities	IRDG project could specify the eligible sectors (based on this report as well as additional research) in the municipality and develop grant program specifically addressing the needs of each sector. The second stage of the program could be implemented through ARDA, which will accept applications and issues grants.
Facilitating arrangements	When it comes to the technology transfer and upgrade, some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on enterprises run by youth and women as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: The eligible non-farm enterprises of the municipality. Indirect beneficiaries: The employees, who will benefit from better technology and possibly higher productivity and corresponding wages. Indirect beneficiaries will also be local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Write detailed program 2. Arrange funds 3. Identify and accept applications from eligible sectors and enterprises 4. Launch the program. Outputs: a) Program concept document b) Approved budget c) Issued grant

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.	■						500,000 – 1,000,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2.	■	■						
3.		■	■					
4.		■	■	■				

ACTION TITLE	P1-EC06 - WORKFORCE GROWTH PROGRAM
Rationale	Women are less actively involved in the labour force, resulting in unearned output of the economy. The objective of this intervention is to increase qualified supply of local labour force through the means of: a) promotion of participation of women in labour force and alleviating limiting the social norms; b) providing the sufficient skillset, leading to productive jobs c) providing local high quality services for childcare to enable them to free up some time. While all the approaches are justified to stimulate and empower women to be involved in the economy to a greater extent, component "a" is more of an immediate attention, whereas "b" objective could be addressed through other interventions and "c" also should be further explored and addressed as part of the interventions under the broader Society priority.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 6. Promoting economic participation of women and raising overall output of the local economy is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project by stimulating more active involvement of women to entrepreneurship and economic activity.
Implementation modalities	IRDG program could develop the design of the campaign program. The program could be implemented by ARDA. The creative agency could be used to come up with the message box and the campaign program.
Facilitating arrangements	When it comes to the workforce development as well as technology transfer, some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on developing skills of youth and women as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: The women employees of the municipality. Indirect beneficiaries: The employers, who will benefit through better trained staff, as well as local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Design the campaign; 2. Carry out campaign. Outputs: a) Campaign brief and design b) Conducted campaign

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							50,000 – 100,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2.								

ACTION TITLE	P1-RU01 – EXPLORING RURAL-URBAN LINKAGES (ECONOMY)
Rationale	Rural-urban linkages is one of the cross-cutting areas, which requires multifaceted approach. Focus on the use of industrial clusters, economic corridors, and transport infrastructure to facilitate trade in goods, services and human resources between complementary activities and to incorporate remote areas into regional markets is important. Investing in infrastructure development to establish industrial areas located in secondary and tertiary cities where labor is cheaper can also be considered. Broad investments in transportation networks help integrate local economies into regional markets; heavy investments in human capital, including health, education, and public services are also very important. Overall, the case studies show that successful "rural" development strategies are not limited to policies that explicitly target rural areas. Rather, they integrate rural areas into national policy, building on the diverse links between rural and urban areas to make rural areas more resilient, productive contributors to the national economy.[151] Stemming from the logic of eligible policies, fostering rural-urban linkages for the municipality first of all considers understanding the role of the municipality within the greater national economy of Georgia. Identifying the emerging non-farm sector clusters, economic corridors, and other contexts, which can help the municipality become an integral part of the national economy. This requires an integrated approach and a separate study exploring the municipality and its rural-urban context.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 4. Understanding the obstacles of rural development in the areas of rural-urban linkages is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
Implementation modalities	The specification of the study should be prepared by IRDG project. The second stage of the program could be implemented through ARDA, who will recruit and commission consultants to develop the studies. The interventions required in the direction of rural-urban linkages will be revealed as a result of the study.
Facilitating arrangements	NA
Specific measures for COVID-19	None identified at this moment
Specific measures for targeting the needs from special groups	Specific focus should be made on promoting the rural-urban linkages of enterprises owned and run by the youth and women as well as IDPs and other vulnerable groups. Communication of the results of the feasibility studies should be made among these groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: IRDG program, which will have a clear understanding of the rural-urban linkage requirements and potential of the economy of the municipality. Indirect beneficiaries: Enterprises and their employees from the sectors for which the interventions will be identified; local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Develop TORs; 2. Commission consultants and do actual studies Outputs: Detailed assessments or rural-urban linkages in each of the 8 municipalities

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.1.							30,000 – 50,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
1.2.								
1.3.								
1.4.								
1.5.								

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

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

ACTION TITLE	P1-EC08 – AFTER COVID-19 RE-LAUNCH OP-EX FINANCING
Rationale	During the COVID-19 pandemic, working capital for many SMEs dried up due to the combination of the contracted/diminished demand and the continuous running costs. In the post COVID-19 period, working capital financing will be needed for many companies to purchase inputs, pay to the workers and restart operations. Such financial products which targets working capital financing does not exist on the market. The program should be aimed at facilitating creation and offering specially designed working capital financing products by financial institutions (banks and MFOs), which would consider specifics of the current situation. It is expected that the demand on such working capital will increase during the course of the post-pandemic period.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 3 and namely the 3.1. Access to Finances, especially for such new type of needs as working capital needs of the enterprises. Promoting access to finances for the rural enterprises in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
Implementation modalities	IRDG program could specify the design of the program together with the leading finance institutions. The execution of the program could be carried out by ARDA or Enterprise Georgia and participating finance institutions.
Facilitating arrangements	Special arrangements should be made within the existing scheme and framework of cooperation between the finance institutions and ARDA to offer such new product. Some synergies could be achieved with the ongoing other access to finance programs (e.g., credit guarantee scheme) offered by the GoG through the financial institutions recently as a response to the pandemic.
Specific measures for COVID-19	Fully related to the needs created by COVID-19.
Specific measures for targeting the needs from special groups	Specific focus should be made the enterprises run by women and young managers as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: Enterprises, potential beneficiaries of the working capital financing. Indirect beneficiaries: The local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Write detailed program 2. Secure funds 3. Identify and accept applications from eligible sectors and enterprises 4. Launching the program. Outputs: a) Program concept document b) Accepted budget c) Loan issuance

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							1,000,000-5,000,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2.								
3.								
4.								

ACTION TITLE	P1-EC09 – AFTER COVID-19 COMPLIANCE FINANCING
Rationale	Regulations following the post COVID-19 period in the country represent considerable additional burden for most companies in terms of both additional costs (additional equipment and consumable as well as staff responsible for the check-up) as well as decreased capacities (e.g., less guests for the restaurants considering the space limitations). These costs are particularly high for the enterprises from the tourism industry. In the conditions of the overall economic slowdown in the country, these additional expenses might represent significant obstacle for many small and medium businesses on their way to get back to business as usual. The program should be aimed at providing additional small grant financing for the companies to comply to the rules.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 3 and namely the 3.1. Access to Finances, especially for such new type of needs as compliance costs to new unforeseen regulations. Promoting access to finances for the rural enterprises in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
Implementation modalities	IRDG program could develop the design of the program and detailed budget. The execution of the program could be carried out by ARDA or Enterprise Georgia. The separate financial resources should be allocated for this project.
Facilitating arrangements	The grant will be aimed at providing up to 50% small/micro grants to the eligible enterprises for purchasing new equipment and making adjustments pursuant to the new regulations. Some synergies could be achieved with the ongoing other donor projects aimed at reducing the direct impacts of COVID-19 pandemic for private enterprise.
Specific measures for COVID-19	Fully related to the needs created by COVID-19.
Specific measures for targeting the needs from special groups	Specific focus should be made on the enterprises run by women and young managers as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: Enterprises, potential beneficiaries of the compliance grant. Indirect beneficiaries: The local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Write detailed program; 2. Secure funds; 3. Identify and accept applications from eligible sectors and enterprises 4) Launch the program. Outputs: a) Program concept document b) Approved budget c) Grant issuance

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							400,000-500,000	The local authorities in the municipality, Government of Adjara AR, in coordination with the responsible parties
2.								
3.								
4.								

ACTION TITLE	P1-EC10 - STRENGTHENING VOCATIONAL EDUCATION
Rationale	The project aims to develop flexible vocational education mechanism that would be suitable for labour market requirements. These will provide the development of quality competences for the economically active population of the municipality. Also, the objectives of the project are training of competitive staff for the local labour market and their employment. Hence, according the national, regional, or municipal strategic documents, as well as based on the qualitative research tourism, Environmental Protection and construction are the most priority sectors in Keda municipality. Several directions of tourism (ecotourism, rural tourism, adventure tourism, mountain tourism) have been identified, where qualified labour is required.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 1 – (1.2. limited skills of the staff). Preparing a workforce for the tourism sector is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). This initiative will complement and make a perfect synergy with the ongoing IRDG project, by facilitating development of the skills.
Implementation modalities	At the initial stage, the activities will be carried out as part of the IRDG project. Further activities should continue as part of a public-private partnership. The Ministry of Education and Science will finance the implementation of vocational training programs.
Facilitating arrangements	Some synergies could be achieved in connection to Ministry of Education and Science, Adjara Tourism and Resorts administration and to international and donor organizations, which are working in the same sectors and areas in the municipality/region.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus will be directed from the youth and women as well vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: Local population and local community. Indirect beneficiaries: Future owners and employees of the tourism enterprises created or involved into the global value chains.
Description of inputs and outputs	Inputs: 1. Creating a learning environment 2. Teachers training in pedagogical and professional skills 3. Implementation of training courses in Tourism vocations 4. Implementation of training courses in Entrepreneurship 5. Implementation of training courses in Construction vocations 6. Implementation of training courses in Env. Protection vocations Outputs: a) Number of trained teachers; b) Number of developed programs; c) Number of trained attendees

Proposed timeline of implementation and estimate of costs.

n	2021	2022	2023	Approx. Costs (GEL)	Responsible
1. Creating a learning environment	■			25 000	Vocational Colleges, Municipality, in coordination with the responsible parties
2. Teachers training in pedagogical and professional skills	■			30 000	
3. Implementation of training courses in Tourism vocations	■	■	■	30 000	
4. Implementation of training courses in Entrepreneurship	■	■	■	25 000	
5. Implementation of training courses in Construction vocations	■	■		20 000	
6. Implementation of training courses in Env. Protection vocations	■	■	■	10 000	
Total				140 000	

ACTION TITLE	P1-YU01. YOUNG CEO INCENTIVE PROGRAM
Rationale	Enterprises run by young entrepreneurs and managers, with higher education, show better productivity performance. The idea is to provide incentives of existing companies to bring younger people on the positions of CEO/Manager. This could be accomplished by a financial subsidy as well as other types of assistance to the existing local enterprises to attract young managers, possibly from the same municipality, with higher education and skills and innovation mindset. This initiative will complement and make a perfect synergy and complement with the ongoing IRDG project by stimulating more active involvement of the youth into entrepreneurship and economic activity (For instance, as an experiment, the scheme might involve subsidizing of the salary of the young managers up to 50% during 1-15 years).
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 5. Promoting economic participation of youth and raising overall output of the local economy is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity).
Implementation modalities	IRDG program could specify the design of the program and detailed budget. The program could be implemented by ARDA. The separate financial resources should be allocated for this project.
Facilitating arrangements	Some synergies could be achieved with the ongoing other donor projects as well as the program implemented by Enterprise Georgia and GITA. On top of the direct subsidy, other types of financial assistance such as income tax relief/arrangements could also be considered and discussed with the GoG.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on developing potential women managers as well as IDPs and other vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: Local youth (potential candidates of for the program as well as eligible enterprises. Indirect beneficiaries: The local population and local community as a result of greater economic diversification.
Description of inputs and outputs	Inputs: 1. Write detailed program; 2. Secure funds; 3. Identify and accept applications from eligible sectors and enterprises; 4. Launching the program. Outputs: a) Program concept document b) Accepted budget c) Subsidized cases (up 5 companies in each sector)

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							300,000 – 500,000	The local authorities in the municipality , Government of Adjara AR, in coordination with the responsible parties
2.								
3.								
4.								

ACTION TITLE	P1-YU02 - ENTREPRENEURIAL SKILLS DEVELOPMENT PROGRAM FOR KEDA YOUTH
Rationale	Research has shown that on seasonal employment in Turkey, mostly young people are employed. The closure of borders due to COVID-19 and the ban on employment opportunities abroad have reduced the income of young people in the municipality and increased the unemployment rate. Besides this, there is a natural lack of economic participation among youth in Keda. Based on this reality it is necessary to implement such an intervention that will provide local youth with new entrepreneurial skills and will support to develop and start a business idea.
Relevance	The intervention aims to reduce the level of seasonal migration abroad and increase local employment opportunities in Keda. The proposed intervention is in line with Keda Local Development Strategy (2019), Agricultural and Rural Development Strategy of Adjara Autonomous Republic of Georgia 2021-2027 as well as Rural Development Strategy of Georgia (namely, Strategic Objective 2 and 3 of 4.2.1. Priority Area 1: Economy and Competitiveness: Objective 2: Diversification of the rural economy through strengthening the agricultural- related value chain and promoting various sustainable non-agricultural activities. Objective 3: The development of tourism in rural areas, based on rural specificity and unique cultural identity). The intervention addresses the root-cause Group 5 (Limited economic participation of youth).
Implementation modalities	Entrepreneurial skills development program will cover following training topics: a) Different forms of entrepreneurship and registration process; b) Entrepreneurial skills relevant to the local economic context; c) How to analyze the needs of the local market; d) acquire knowledge about different small business opportunities; e) Visit local large and small enterprises for practical experience.
Facilitating arrangements	Projects can be easily adapted for rural areas and have a bigger impact on the diversification of social and economic services, as well as the impact on job creation and diversification of opportunities.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Training will target youth affected by the closure of the borders and other youth vulnerable groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: 18-25-year-old NEET and the unemployed youth who recently lost their incomes; Indirect beneficiaries: members of the local community who will receive different services out of project implementation.
Description of inputs and outputs	Inputs: 1. Working with municipality representatives; 2. Prepare entrepreneurial skills development program; 3. Identification and selection of participants; 4. Implement training program and visit existing local enterprises. Outputs: a) 15-25 economically inactive youth enhanced economic knowledge and skills; b) Trained youth were able to start up economic activity

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.	■						5,000	Local LAG, in coordination with the responsible parties
2.	■						10,000	
3.		■					5,000	
4.		■					20,00	
Total							40,000	

ACTION TITLE	P1-YU03 – PROMOTING TOURISM EMPLOYMENT OPPORTUNITIES
Rationale	The majority of the population in Keda municipality does not have reliable information and experience about tourism industry and tourism-related farm and non-farm businesses. Therefore, it is important to conduct massive information campaigns and meetings among the Keda population and especially youth about tourism employment opportunities, benefits, sources of financing and other non-farm businesses opportunities. This will help to involve more people in tourism sector and improve local living conditions.
Relevance	Promotion of tourism is one of the main goals of Keda Local Development Strategy. Information campaign about exploring tourism employment opportunity in Keda municipality will support stimulation of existing enterprises as well as will be bases for new start-up ideas. The intervention addresses the root-cause Group 5 (Limited economic participation of youth).
Implementation modalities	Under the project it is foreseen to conduct awareness raising campaign among the local people about Keda municipality tourism resources and the opportunities. Besides, the campaign and training seminars will be done on following topics: • The hospitality industry • Cultural tourism and ethnography • Agro tourism, Ecotourism and Adventure tourism
Facilitating arrangements	Joint efforts of the municipality, Adjara Government and private sector will create synergy to successfully implement the project.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Youth from remote area of the municipality, NEET and other groups of vulnerable youth.
Description of direct and indirect beneficiaries	Direct beneficiaries: local vendors and service providers such as accommodation and catering facilities owners; youth interested in starting a business and in developing adventure tourism etc. Indirect beneficiaries: local people, who will benefit with the increased number of tourists.
Description of inputs and outputs	Inputs: 1. Meeting with local and regional stakeholders; 2. Preparing information campaign promo materials; 3. Meetings and trainings with local population Outputs: 1) Up to 40 thousand promo materials would be distributed in municipality during the campaign; 2) Up to 150 persons would receive training on relevant program; 3) Up to 10 new business ideas developed by local population during the trainings

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.	■						50,000 – 80,000	The local authorities in the municipality, Tourism Department of Adjara AR and Youth Agency, in coordination with the responsible parties
2.	■	■						
3.		■	■					

P1 - (Economy and Multisector Development) - Results Framework

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

SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program Goal: Increasing incomes of the municipality residents through non-farm employment and diversified economy	Measure of Goal Achievement: • Growth of incomes from employment and entrepreneurship	• Survey of businesses operating in the municipality • Survey of households in the municipality • Official statistics of Geostat	• The key assumption is that other economic fundamentals remain stable
Project Purpose: Maximizing overall output and value added in the municipality with limited existing labor supply, through reducing resource misallocation among and within individual sectors in the municipality, activating youth and women, and providing business opportunities to the local population	• Dispersion of productivity of individual firms within each of the industries is reduced considerably measured by the size of standard deviation in relation to the mean • Differences of the productivity of various sectors become smaller • Overall output and value added by business sectors is increased • More youth and women are involved into the economy (labor force, entrepreneurship)	• Survey of businesses operating in the municipality	• The key assumption is that other production factors such access to capital does not become limited and the sectors demand continue to grow.
Outputs: • Employees of the selected industries trained • Feasibility studies/investment proposals prepared • New competitive sectors identified • Additional financial incentives provided • Additional incentives provided to youth and women to be involved into the economy • Facilitating arrangements made related to rural-urban linkages • Capacity of Tourism Department of Adjara A/R improved, and assistance provided • New VET course are developed and offered locally	• At least 2 industries, with high dispersion of productivity among firms within the sectors and 2 industries, the productivity of which are lower than the other sectors are addressed • At least 10 people retrained in each selected sector • At least 5 new feasibility studies are prepared for non-farm businesses • 10-20 new VET courses are offered locally • At least 2-3 projects are implemented under rural-urban linkages auspices	• Project reports • Periodic assessments	• The key assumption is that the people with new skills find new and better jobs in the same of different industry in the same municipality and they do not move elsewhere • Another key assumption is that new feasibility studies stimulate local and other entrepreneurs • There are enough economically feasible applications for financing
Inputs: Activities and Types of Resources: Design and implement programs under P1 (From P1-EC01 through P1-EC10 which are related to: a) Promoting rural industries; b) Promoting access to finance, credits and markets; c) Integrating rural areas into global value chains; d) Promoting sustainable tourism. On top of that, implement cross-cutting programs related to a) Activating youth women and involving them into the economy (P1-YU01, P1-YU02; P1-GE01); b) Exploring and promoting rural-urban linkages (P1-RU01)	• To be developed	• Project reports and budgets	• The key assumptions are that: a) There is enough interest among the people from the industry to upgrade skills b) The best trainers and the best training modules are selected c) there are sufficient number of feasible ideas

P2 - (SOCIETY) - (SOCIAL DIMENSION) - INTERVENTIONS

ACTION TITLE	P2-SO01- SOCIAL SERVICE DEVELOPMENT PROGRAM
Rationale	The main challenges for all municipalities in Georgia are lack of services for vulnerable groups and adequate social protection of local population. The municipality social programs are limited and do not cover all groups of population. One-time cash benefits are ineffective. For providing adequate services and support inclusion of vulnerable groups, the municipality needs relevant databases and information on real needs of vulnerable groups, based on the assessment. All stakeholders agree that existing municipal social programs are limited, are not effective and the transformation of cash benefit into services is main challenges for all municipalities.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 2 and 3 and namely the 2.1, and 3.1, 3.2, 3.3
Implementation modalities	The Central government and the municipality
Facilitating arrangements	When it comes to the social service development, some synergies could be achieved with the ongoing other donor projects
Specific measures for COVID-19	Fully related to the needs created by COVID-19
Specific measures for targeting the needs from special groups	Specific focus should be made on children, PWD, households who received TSA
Description of direct and indirect beneficiaries	Direct beneficiaries: The children for vulnerable families, persons and children with disabilities, the elderly. Indirect beneficiaries: The local community, who will benefit from reduction of social risks, as well as local population and local community as a result of inclusion of various groups
Description of inputs and outputs	Inputs: 1. Develop databases of vulnerable groups; 2. Detailed assessments of needs of vulnerable groups in each of the 8 municipalities; 3. Transformation of local budget social programs from one-time cash benefit to services Outputs: 1) Complete databases of vulnerable groups; 2) Needs assessment reports; 3) New social services portfolio for municipality.

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							20 000	The local authorities in the municipality, in coordination with the responsible parties
2.							45 000	
3.							400 000	

ACTION TITLE	P2-SO02 - CAPACITY BUILDING OF COUNSELING BOARDS
Rationale	There are PWD councils in every municipality but the participation of community is very low and the functions of the councils in many cases are formal.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 4 and namely the 4.1, 4.2, and 4.3
Implementation modalities	The municipality, Local NGOs
Facilitating arrangements	When it comes to the trainings of community members, some synergies could be achieved with the ongoing other donor projects
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on PWD
Description of direct and indirect beneficiaries	Direct beneficiaries: persons with disability. Indirect beneficiaries: The municipality, who will benefit through better trained community leaders, as well as local population and local community as a result of full participation of community representatives in decision making process
Description of inputs and outputs	Inputs: 1. Trainings of community members; 2. Increase capacity of local councils Outputs: 1) Training materials and manuals 2) Trained community members (20-25 persons); 3) Adoption of new regulations for local councils.

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1,2.							10 000	The local authorities in the municipality, in coordination with the responsible parties
3.							30 000	

ACTION TITLE	P2-SO03 - TRAINING OF PERSONNEL OF LOCAL AUTHORITIES
Rationale	Despite the recent changes (new law on social work, Code on the Rights of the Child), social units of the local municipalities still have a lot of challenges - limited and unskilled personnel, insufficient financial resources, lack of professional social workers. Also, the local community who represents the vulnerable groups is still in need of support and development. The new Law on Social Service increase the function of local social services and state new standards.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 1 and namely the 1.1 and 1.2
Implementation modalities	The municipality and the Central Government
Facilitating arrangements	When it comes to the trainings of the municipality staff, some synergies could be achieved with the ongoing other donor projects
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on representatives of vulnerable groups
Description of direct and indirect beneficiaries	Direct beneficiaries: The employees of the municipality. Indirect beneficiaries: local population and local community as a result of effective social policy and programs
Description of inputs and outputs	Inputs: Increase capacity of municipalities social unit Output: 1) Training materials and manuals developed; 2) Trained Social unit staff (10 persons) of the local authorities.

Proposed timeline of implementation and estimate of costs.

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

ACTION TITLE	P2-SO04 - INSTITUTIONAL AND FINANCIAL CAPACITY BUILDING FOR SERVICE PROVIDERS AND SOCIAL ENTERPRISES
Rationale	The most important part of inclusion vulnerable groups is giving them needed social services and support their employment. Establishment of social service providers without governmental/donor support is practically impossible especially in mountainous regions. Nowadays, persons with disability form Keda municipality does not have any access to social services and COVID-19 impact practically isolated this category from society. Vulnerable groups, especially in the post pandemic period, are not competitive on labour market and they need special condition and employment support. Social entrepreneurship is a great opportunity for income generation for such groups.
Relevance	This program addresses the causes of the main problem from the Problem Tree Causes Group 2 and namely the 2.1 and 2.2
Implementation modalities	Local government with support of donors
Facilitating arrangements	When it comes to the establishment of service providers and financing of social enterprises, some synergies could be achieved with the ongoing or future donor projects
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Specific focus should be made on working age population receiving TSA, PWD
Description of direct and indirect beneficiaries	Direct beneficiaries: working age population. Indirect beneficiaries: socially vulnerable population who received social services, as well as local population and local community as a result of new services
Description of inputs and outputs	Inputs: 1. Special trainings for become service provider or social enterprise; 2. Access to financial resources Outputs: 1) Training materials and manuals 2) Trained social service providers and social enterprise. 3) New social programs developed.

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.2.							40 000	The local authorities in the municipality, in coordination with the responsible parties
3.							450 000	

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

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

SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program Goal: Development of inclusive society	Measure of Goal Achievement: • Decrease of poverty in vulnerable groups and increase social services in Keda municipality	• Social service agency reports • Keda municipality Social programs • social programs for Keda municipality	• The key assumption is that other economic fundamentals and state budget remain stable
Project Purpose: Development of social services and programs for vulnerable groups and decrease poverty and increase wellbeing of local community members	• The number of vulnerable groups household in TSA is decreased • The number of persons form vulnerable groups receiving social services is decreased • The number of persons form vulnerable groups working goes up	• SSA monthly report • Report on the municipality programs • Household survey	• The key assumption is that the l municipality budget is increased progressively, and donors supports social programs
Outputs • Development of the new social services for vulnerable groups • Development local social protection schemes for vulnerable groups; • Increase of participation of representatives of vulnerable groups in decision making process • Creation of income generation programs for vulnerable groups	• At least 2 new services will be developed • At least 2 new social protection programs form local budget will be developed • Local councils' (PWD, Gender) effectiveness will be increased • New Social enterprises/ social services give possibility most vulnerable groups income generation	• Project reports • Municipal reports	• The key assumption is that representatives of municipality agreed on real changes in social programs • Another key assumption is that a donor organization will support creation of new services/ social enterprises
Inputs: Activities and Types of Resources Activities envisioned by the proposed interventions from P2-SO01 through P2-SO04, including: 1. Trainings of the municipality staff 2. Trainings of community members 3. Creation of data base of vulnerable groups 4. Needs assessment of vulnerable groups 5. Development of new social protection schemes and services based on the need assessment with participation of community members 6. Increase capacity of municipalities social unit 7. Increase capacity of local councils (PWD, Gender)	• To be developed	• Project reports and budgets	• The key assumptions are that: a) There is enough interest among the representatives of community and municipality b) The best trainers and the best training modules are selected c) there will be donor support additional to local budget to finance some activities

P2 - (SOCIETY) - (HEALTHCARE DIMENSION) - INTERVENTIONS

ACTION TITLE	P2-HE01 - HOME-BASED MATERNAL AND CHILDCARE PROGRAM
Rationale	Infant mortality was 20.7 deaths per 1000 life births and under-5 mortality rate is 20.7 per 1000 live births in 2018 in the Keda municipality. Both rates are extremely high compared with regional and county rates. Based on the SDGs health related indicator, that is adjusted by Georgia:Georgia is aiming to reduce neonatal mortality to at least 3 per 1,000 live births and under-5 mortality to at least 6 per 1,000 live births by 2030
Relevance	The goal of the Maternal and Child Health State Strategy is to maintain and expand the coverage of evidence-based, high impact and cost-effective interventions for maternal and new-born survival, as well as for immediately related reproductive health fields, and to guarantee access to those services for everybody, who needs them.
Implementation modalities	Develop and implement home-based Maternal and childcare program as part of the Municipal Healthcare Program. PHC should be the core implementing party. It is recommended to plan interventions program based on the preliminary needs assessment. The program should envisage support to PHC providers for making designated home visits through travel and transport allowance.
Facilitating arrangements	(1) Small-scale surveys on the maternal and child health needs assessment to conduct in depth analyses and afterwards to plan specific interventions
Specific measures for COVID-19	Considering the anticipated second and third waves of the pandemic, it would be beneficial for the Municipal Budget to include some sources for ensuring provision of basic urgent needs of the health sector during crises.
Specific measures for targeting the needs from special groups	Specific focus should be made on mothers with disabilities
Description of direct and indirect beneficiaries	Direct beneficiaries: women and children Indirect beneficiaries: Population of Keda
Description of inputs and outputs	Inputs: 1.1) needs assessment, 1.2) the program design Outputs: a) increased municipal expenditure on health, b) targeted maternal and child health programs with respective budget lines

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							20 000	The local authorities in the municipality, in coordination with the responsible parties
2.							40 000	

ACTION TITLE	P2-HE02 - TO ENSURE PROVISION OF CONTINUES MEDICAL EDUCATION FOR MEDICAL PERSONAL
Rationale	Low qualification of medical personnel is often highlighted in regional and municipal level documents while assessing the health sector in Keda. During the development of this document, information was collected regarding the operation, needs and challenges of rural out-patient clinics in Keda. One of the most important issues faced by rural doctors and nurses was named the need for more frequent trainings in PHC topics. Furthermore, there is a problem with infant and under five mortality rates, therefore training should include maternal and child health module.
Relevance	The healthcare workforce is central to managing and delivering health services especially in rural areas. Lifelong learning and continued education are essential elements of practice and service for doctors and nurses. Health professionals should undertake frequent training to up to date knowledge and skills in order to provide the high-quality health services to the patients.
Implementation modalities	Plan and implement on-site and on-line trainings for rural doctors and nurses. Training topics should be selected based on the specific needs and priority areas for the municipality (it would be beneficial to conduct small-scale needs assessment among PHC personnel to determine priority areas for development)
Facilitating arrangements	Collaboration with Ministry of Health and Continuous Medical Education programs, Tbilisi State Medical University, Professional Associations
Specific measures for COVID-19	Current PHC personnel undergoes intensive training on COVID-19 presumptive case management at PHC within various donor-funded programs. This topic should remain the priority and might be included in training programs on as needed bases.
Specific measures for targeting the needs from special groups	Specific focus should be made on people with disabilities and their needs, maternal and child health issues, youth, chronic diseases, etc.
Description of direct and indirect beneficiaries	Direct beneficiaries: rural doctors and nurses; Indirect beneficiaries: population of Keda
Description of inputs and outputs	Inputs: 1.1) Continuous education 1.2) training Outputs: (1) Increased knowledge of medical personal; (2) Improved quality of services provided by medical staff in Keda

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							15 000	The local authorities in the municipality, in coordination with the responsible parties
2.							15 000	
3.								

ACTION TITLE	P2-HE03 - ACCESS TO INTERNET FOR RURAL MEDICAL STAFF
Rationale	While collecting information regarding the operation, needs and challenges of rural out-patient clinics in Keda it became evident that rural out-patient clinics do not have access to Internet. This obstacle is surely hindering the process of information flow, which is crucial for representatives of medical sector.
Relevance	Access to internet is crucial for continuous medical education as well as for developing the health information system for the whole country. Besides, in the COVID era, when there is shift to extensive online communication, access to internet is to be a priority. Therefore, an improved access to internet services among rural doctors and nurses is critical.
Implementation modalities	Ensure installation and operation of high-quality Internet in all rural out-patient clinics in Keda Municipality.
Facilitating arrangements	(1) Ensuring allocation of funding from Municipal Budget on installation and operation of Internet in rural out-patient clinics (2) Ensure the funding sustainability
Specific measures for COVID-19	Internet is needed to provide distance/online consolation during the COVID outbreak. Also, to attend online training for primary health care personal on coronavirus issues.
Specific measures for targeting the needs from special groups	N/A
Description of direct and indirect beneficiaries	Direct beneficiaries: rural doctors and nurses. Indirect beneficiaries: population of Keda
Description of inputs and outputs	Inputs: 1.1) Installation of high-quality Internet Outputs: a) Better statistics/improved health information system b) access to updated materials, guidelines, and protocols

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							10,000	The local authorities in the municipality, in coordination with the responsible parties
2.								
3.								
4.								

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

Project Title: Patient centered care and better population health

SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Program Goal: Improving health status of the population	Measure of Goal Achievement: • Increase in life expectancy at birth • Increase in birth rate per 1000 population • Decrease in infant mortality rate per 1000 population • Decrease in prevalence of the top chronic conditions	• Geostat • NCDC	• Socio-economic conditions improve • Wellbeing improves
Project Purpose: Enhancing access to quality essential health-care services	• The number of out-patient facilities grows • Percentage of total population with access within 15 minutes by normal means of travel to a facility where they would normally see a doctor, is increased • The number of outpatients visits per capita is increased	• NCDC	• UHCP remains stable
Outputs: • Empowerment of patients • Satisfaction with health services • Utilization of health service • Coverage of essential health services • Access to essential medicines • Water and sanitation	• Percentage of patients reporting that they were involved as much as they wanted to be in decisions about their care and treatment • Average number of outpatient consultations (all types) per person per year • % of population who reported being sick with any condition in the 6 month and consulted a health care provider. • Average availability of 14 selected essential medicines in public and private health facilities • % of Population using safely managed drinking-water services • % of Population using safely managed sanitation services	• Local survey (Health care utilization survey) • MoH/SSA • Household surveys, population census	• Continued public investment in the health sector • Out-of-pocket payments decrease • New regulations are introduced
Inputs: Activities envisioned by the proposed interventions from P2-HE01 through P2-HE04, including: • Training of medical staff; (rural doctors) • Rehabilitation of out-patient clinics ambulatories • Building 3 new out-patient clinics • Introducing new Health care municipality programs to support the local needs of the population • Improving access to internet services among rural doctors	• Detail budget to be developed	• MoH/ the municipality • MoH/ the municipality	• Continues medical education is implemented in the country • PHC reform is launched

P2 - (SOCIETY) - (YOUTH DIMENSION) - INTERVENTIONS

ACTION TITLE	P2-YU01 - VOLUNTEERS IN ACTION
Rationale	Research analyses has identified that there is especially low levels of civic activism of youth. Young people do not use their free time rationally, they are less involved in the decision-making process and other social activities. Hence, the program for civic and social stimulation of youth – "Volunteers in Action" is proposed. The program will promote the youth participation in public life and improve social environment in rural areas.
Relevance	Activities envisaged as part of the program are directly related to the local needs that have been identified under this report. Besides, promotion of volunteerism is one of the priorities of State Youth Agency. This program addresses the causes of the main problem from the Problem Tree (Youth Dimension of Society) Causes Group 3.
Implementation modalities	The goal of the program is to promote volunteerism, enhance civic awareness among youth, and break stereotypes around volunteerism. Volunteers selected under the program will implement activities that will correspond to the needs and specificities of the local communities. Young people selected as part of the program will undergo a 5-day preparatory training course on different topics and mechanisms of volunteerism. • volunteerism and recruiting volunteers • Planning and implementation of volunteer initiatives • Lobby and advocacy skills • communication and presentation skills • Writing projects and raising funds
Facilitating arrangements	The program will cover all villages of Keda municipality and will contribute to the improvement of the social environment in rural areas.
Specific measures for COVID-19	N/A
Specific measures for targeting the needs from special groups	Youth, women, and other vulnerable youth will be targeted under the project.
Description of direct and indirect beneficiaries	Direct beneficiaries: 16-24-year-old young people from rural areas of the municipality. Indirect beneficiaries: youth and local community members who will be able to take part in the programs and activities planned by the program participants.
Description of inputs and outputs	Inputs: 1. Working with the representatives of the municipality; 2. Develop a training program; 3. Selection of participants and conduct the 5-day training; 4. Project implementation. Outputs: a) Up to 30 trained young volunteers; b) 30 local youth activities

Proposed timeline of implementation and estimate of costs.

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

ACTION TITLE	P2-YU02 - KEDA MUNICIPAL LOCAL YOUTH POLICY STRATEGY
Rationale	Local self-government bodies have a special role to play in defining local youth policy. Therefore, it is necessary to have a municipal strategy to support the development of youth, which will take into account the specific needs and interests of young people living in the municipality that will serve to improve the situation of young people. Development and adoption of local youth strategy will have a positive impact or rural living conditions of young people and will support diversification of economic opportunities.
Relevance	Local youth policy development, research and needs analysis of the young people living in the municipality is one of the main fields of work of the State Youth Agency. With this regard, the local needs of the youth policy is in line with the national youth strategy. This program addresses the causes of the main problem of the Problem Tree (Youth Dimension of Society) Causes Group 1.
Implementation modalities	Local youth strategy aims to create an environment where young people have decent employment opportunities, access to quality education, are active citizens, live in a healthy and safe environment, have the opportunity to self-realize, enjoy equal opportunities, tolerate and cooperate.
Facilitating arrangements	Joint efforts of Adjara Government, State youth Agency and donor organization will create synergy to successfully implement the project in other municipalities of Adjara A. R
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Youth, woman, IDP, and other vulnerable youth will be targeted while drafting local youth strategy.
Description of direct and indirect beneficiaries	Direct beneficiaries: The local youth of Keda municipality as well as municipal authorities. Indirect beneficiaries: The youth and local population who will be able to benefit with new youth strategy.
Description of inputs and outputs	Inputs: 1. Working with local and regional stakeholders; 2. Prepare framework agreement with local stakeholders; 3. Partner organization on research has developed questionnaire; 4. Conduct research on the needs of the youth; 5. Develop and adopt local youth strategy Outputs: a) Agreement on cooperation reached and signed with the municipality; b) Existing local and Adjara A.R. programs analyzed; c) Research and needs analysis of Keda youth conducted; d) Partner organization for research implementation identified.

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							10,000	Local authorities in the municipality, Adjara AR and Youth Agency, in coordination with the responsible parties
2.							10,000	
3.							10,000	
4.							30,000	
5.							50,000	
Total							110,000	

ACTION TITLE	P2-YU03 - SUPPORT TO DEVELOP A LOCAL YOUTH NGO
Rationale	One of the ways of youth participation in public and civic life can be through their engagement in youth non-governmental organizations. Unfortunately, there is a lack of this opportunity in the Keda municipality. Being part of a youth NGO allows young people to express themselves on behalf of their community or other youth in order to address local needs and challenges. Membership of youth NGO gives possibility for self-development and chance to gain knowledge about issues like environmental protection, equal rights, civil and public participation, communication skills and other useful features.
Relevance	Project implementation will support increasing the democratic participation of young people in local community and society which is expressed local need among Keda youth. As far as there is no local youth-led organization in the municipality, supporting the development of such an organization will have a positive impact on local youth opportunities. This program addresses the causes of the main problem from the Problem Tree (Youth Dimension of Society) Causes Group 3.
Implementation modalities	Under the program, youth capacity building projects will be implemented in Keda municipality to enhance youth with knowledge and skills on how to create and manage youth NGO. Participants will be able to participate in trainings and get information on the following topics: a) What is the purpose of NGO; b) How to Register NGO; c) Fundraising; d) Project management After the training participants can register youth NGOs based on their local community needs, they will develop new project ideas and participate in public and social life.
Facilitating arrangements	Support from the local LAG will contribute to the project implementation.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Youth, women, and other vulnerable youth will be targeted under the project.
Description of direct and indirect beneficiaries	Direct beneficiaries: 15-25-year-old youth living in the municipality. Indirect beneficiaries: The local population who will benefit from initiatives of new NGOs.
Description of inputs and outputs	Inputs: 1. Develop training module; 2. Identification and selection of participants; 3. Implement training module; 4. Establish youth NGO Outputs: a) Up to 25 participants trained; b) Up to 3 new youth NGOs created

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							10,000	Local partners, in coordination with the responsible parties
2.							5,000	
3.							10,000	
4.							5,000	
5.	Total						30,000	

ACTION TITLE	P2-YU04 - MUNICIPAL YOUTH WORKERS DEVELOPMENT PROGRAM
Rationale	Information received from the local authority of the municipality has revealed that municipal employees responsible for youth issues has never participated in professional development programs. As a result, municipal services provided for the youth mainly include sport and cultural directions, which is important. However, in response to the modern challenges of young people, it is also necessary to plan appropriate programs for them, which includes diverse range of youth programs and activities in order to ensure this, it is necessary to raise the professional level of the employees responsible for the youth programs of the municipality.
Relevance	This program addresses the causes of the main problem from the Problem Tree (Youth Dimension of Society) Causes Group 1. Professional development of municipal youth workers is strategic directions of State youth Agency, therefore local needs and state policies are in line with each other.
Implementation modalities	The main aim of the project is to provide municipal youth workers with training and knowledge about how to develop modern municipal program for youth. On the first stage consultations with local and regional authorities should be carried out in order to ensure successful implementation of the project. On the second stage a relevant training program for professional development of the local youth workers should be implemented and as a result new municipal youth program should be adopted.
Facilitating arrangements	Joint efforts of the municipality, Adjara Government and private sector will create synergy to successfully implement the project.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Youth and woman participation will be ensured in different implemented activities.
Description of direct and indirect beneficiaries	Direct beneficiaries: Employees responsible for the youth programs of the municipality. Indirect beneficiaries: the youth who will be able to participate in programs and activities planned by the municipality.
Description of inputs and outputs	Inputs: 1. Presenting project Idea to the municipal authorities and other state and regional stakeholders; 2. Developing a training program; 3. Conducting the training for municipal youth workers; 4. Develop a new municipal youth program. Outputs: a) Agreement on cooperation reached with the municipality; b) municipal youth workers professional development training program is developed c) Training program is implemented. d) New municipal youth program adopted.

Proposed timeline of implementation and estimate of costs.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible Party / Counterpart
1.							5,000	The local authorities in the municipality, Adjara AR and Youth Agency, in coordination with the responsible parties
2.							10,000	
3.							10,000	
4.							5,000	
Total							30,000	

ACTION TITLE	P2-YU05 - PROJECT "YOUTH SPACE"
Rationale	Youth Space is a safe and youth-friendly multifunctional environment where youth can spend their free time, improve personal skills, plan activates, brainstorm, use free Wi-Fi, develop ideas and recommendations for local authorities and other stakeholders, let young people with disabilities to be part of social life. "Youth Space" initiative will stimulate youth activism and will help to revitalize the rural atmosphere. Project implementation will support the sustainable development of youth capacity.
Relevance	The proposed project is directly linked to the needs and challenges of local youth, as the analysis revealed main problem problematic issues are connected to an environment where youth can come together and productively spent their time as well as take some initiative to positively change local reality. Project is linked to the "Local Development Strategy of Keda Municipality and addresses the causes of the main problem from the Problem Tree (Youth Dimension of Society) Causes Group 2.
Implementation modalities	Under the "Youth Space" initiative concept of youth-friendly environment will be created. "Youth Space" will be a specially designated location for young people, which will be managed and led by youth. For a successful realization of the project equal involvement of municipality, donor organization and business sector will be important. Municipal authorities should give a space for the project in one of the municipal property. Donor organizations should empower a team of young people with related knowledge and skills for running the space, and youth should be able to implement their initiatives and maintain running of the space.
Facilitating arrangements	Support from the local LAG and local authority will contribute to the project implementation.
Specific measures for COVID-19	N/A
Specific measures for targeting the needs from special groups	Specific focus will be made on youth with disabilities and participation of young woman and other minorities from remote areas will be foreseen
Description of direct and indirect beneficiaries	Direct beneficiaries of the program are 15-25-year-old youth living in the municipality. Indirect beneficiaries of the program will be the youth who will be able to participate in programs and activities planned with the involvement of the direct beneficiaries.
Description of inputs and outputs	Inputs: 1. Identify stakeholders and establish partnership; 2. Recruit youth and enhance their capacity; 3. Develop an organizational chart and establish "youth space"; 4. To find an appropriate location in a municipal building for the project; 5. Implement youth initiatives Outputs: a) Group of local youth has been recruited; b) Youth Space established; c) Appropriate space is provided by the municipality; d) Number of youth initiatives are implemented.

Proposed timeline of
implementation and estimate of costs.

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

7ACTION TITLE	P2 -YU06 - KEY PERSONAL COMPETENCIES FOR ECONOMIC EMPOWERMENT
Rationale	The study of the local needs of the youth has revealed that there is lack of entrepreneurial competencies and knowledge, which is important matter for self-employment opportunities. Considering the aforementioned situation, it would be reasonable to offer to youth programs and services for developing key entrepreneurial competencies. Entrepreneurship competence refers to the capacity to act upon opportunities and ideas, and to transform them into values for others. Entrepreneurial competencies are founded on creativity which includes imagination, strategic thinking and problem-solving, and critical and constructive reflection within evolving creative processes and innovation.
Relevance	Promotion of entrepreneurial competencies and knowledge is one of the key personal competences for lifelong learning of the Council of Europe and at same time one of the strategic priorities of State Youth Agency. Promoting economic participation of youth is in line with the Local Development Plan of Keda, as well as The intervention addresses the root-cause Group 5 (Limited economic participation of youth).
Implementation modalities	The program covers different topics for development of entrepreneurial competencies, such as creativity, critical thinking and problem solving, taking initiative, active citizenship, employment, social entrepreneurship and leadership; it helps youth in realizing their full potential in social, civic and economic life.
Facilitating arrangements	Adapt the program training module to enable turning the program into municipal service that will ensure scaling up the program and covering more youth.
Specific measures for COVID-19	None identified
Specific measures for targeting the needs from special groups	Training will target youth affected by the closure of the borders and other vulnerable youth groups.
Description of direct and indirect beneficiaries	Direct beneficiaries: 15-25-year-old youth in the municipality; Indirect beneficiaries: The youth from the municipality who will be able to take part in programs and activities planned by the Program participants.
Description of inputs and outputs	Inputs: 1. Working with municipality representatives; 2. Develop training module in line with key personal entrepreneurial competences for lifelong learning; 3. Project implementation; 4. Implement a program module as a municipal service Outputs: a) 15-25 economically inactive young people with enhanced economic knowledge and skills; b) Training module is created; c) Training integrated to municipal program

Proposed timeline of implementation and estimate of costs.

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

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

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

CONTENT	OBJECTIVELY VERIFIABLE INDICATORS	MEANS FOR VERIFICATION	IMPORTANT EXPECTATIONS
Program goal: Increase youth engagement in public and social life through supporting local youth policy, municipal stakeholders responsible for the youth and active citizenship	Measure of Goal Achievement: • Municipal local youth policy adopted • Multifunctional youth space established • Number of youth involved in volunteerism activities	• Study on local youth participation and inclusion in public and social life	• All counterparts will have corresponding commitment for cooperation
Project Purpose: Promote youth volunteerism, providing youth with opportunities of active citizenship and enhancement of knowledge of municipal employees working on youth issues for better local youth policy strategy	• Level of professional development of municipal employees working on youth issues enhanced • Youth involvement in volunteerism increased • Youth NGO established	• Local youth strategy has been adopted	• The key assumption is that Active youth participation and inclusion will have a positive impact on Increasing youth engagement in society • Municipal Budget for youth programs will be increased, donor financial support will be available
Outputs: • Agreement on cooperation reached with the municipality • Different TCs are developed and offered locally • Municipal youth employees are trained • Existing local and Adjara A.R programs analyzed • Research and needs analysis of Keda youth conducted • Multifunctional youth space established • Local youth NGO established • Youth activism and volunteerism promoted	• Professional skills of at least 20 municipal youth employees are improved from 10 Keda administrative unit • At least 3 youth NGOs registered • At least 30 local youth volunteer activities implemented • Research on local youth needs assessment conducted • Trainings for professional development of municipal youth employees conducted • Youth activism as well as public and social inclusion opportunities are provided by the established “youth Space”	• Partner organization’s evaluation report about the engagement of youth	• The key assumption is that local youth strategy will support economic empowerment of youth • New professional skills of municipal youth employees will let them adopt modern municipal youth programs • Local youth will be motivated to take active part in new opportunities provided by volunteerism and youth engagement programs
Inputs: Activities and Types of Resources: Design and implement programs under P2 (From P2-YU01 through P2-YU06 which are related to: a) Providing education and training; b) Building government capacity; c) Building social capital	• To be developed	• Project manager’s evaluation report	• The key assumptions are that: a) Municipal authorities will fully support the project ideas; b) Partner organization will be fully able to fulfil own responsibility; c) A space for youth entertainment and recreation will be provided by the municipality; d) youth are committed to take part in volunteer activities

P2 - (SOCIETY) - (GENDER DIMENSION) - INTERVENTIONS

ACTION TITLE	P2-GE01. STRENGTHEN THE CAPACITY OF WOMEN'S ROOMS
Rationale	Women's Room is a municipal service created to support women and girls. The Women's Room manager provides consultations and information to every person interested in different municipal services in person, as well as during community field trips. WIC assessed the situation of Women's Room in cooperation with UN Women. The Women's Room Manager in Keda is also a person responsible for the Gender issues and is a member of the Gender Equality Council.
Relevance	WIC developed a guideline for women's room in cooperation with Women's Rooms and Ministry of Regional development and infrastructure of Georgia, in which the role of women's room in women's economic empowerment was identified
Implementation modalities	The activities of Women's Room directed towards women's empowerment, including economic empowerment to be included in the Gender Equality Action Plan and the budget should be allocated.
Facilitating arrangements	Meeting with Women's Room Manager and representative of GE council Women's Room Manager to create a database of relevant programs and program providers Women's Room to elaborate Action Plan of Women's Room Action Plan of Women's Room to be supported by the Gender Equality Council of the municipality Women's Room managers to provide women with information about existing services and possibilities for their economic empowerment and to support them to participate in them
Specific measures for COVID-19	Considering the anticipated second and third waves of COVID-19, it would be beneficial that Women's Room provide Gender Equality Council and other relevant stakeholders with information about women's needs and challenges during the crisis, including about economic challenges.
Specific measures for targeting the needs from special groups	With an aim "leave no one behind" women's room managers will be responsible to cover and provide information to every member of the community, including the most vulnerable persons.
Description of direct and indirect beneficiaries	Direct beneficiaries: Population and women specifically and Women's Room managers Indirect beneficiaries: Gender Equality Council of Municipality of Keda
Description of inputs and outputs	Inputs: 1. Meeting with WR Manager and GE representative 2. Creation of database of services and programs, 3. Creation of Action Plan of Women's Room 4. Support of Action Plan of women's room by the GE council 5. Information Dissemination among different communities regarding women's empowerment Outputs: a) Strengthened Women's Room Service b) Created Database of programs and services c) Created Action Plan of WR. D) Municipal support and budget allocation for specific activities E) Informed women about existing services and programs for their empowerment.

Proposed timeline of implementation and estimate of costs

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-5							12,000	Municipality, in coordination with the responsible parties
1-5							14,000	
1-5							15,000	

ACTION TITLE	P2-GE02. AWARENESS-RAISING CAMPAIGN ON GENDER SENSITIVITY
Rationale	There are stereotypical attitudes towards women in the society, double working load of women and unpaid work hinders women, limit their opportunities and lower their self-esteem. Women's non-recognized work is also seen in mistrust of men towards women's organizations work. Therefore, the motivation of women lowers to be involved in socio-economic life.
Relevance	The Constitution of Georgia and other policy documents of Georgia recognize that real equality and women's participation in socio-economic processes is crucial. In the process of Gender Policy localization, municipalities also have obligation of women's empowerment and engagement. Despite all this, existing stereotypes and social norms hinder the advancement of real equality.
Implementation modalities	The campaign will cover all communities and not only the municipal center and, in this process, local government and women themselves would be involved.
Facilitating arrangements	Awareness campaign to cover all communities, including vulnerable population. Development of the communication strategy is needed, in which concrete information dissemination channels will be identified and opinion leaders will be identified in each community and media campaign will also be conducted.
Specific measures for COVID-19	During COVID19 the access of women to some services and information is limited. Specific awareness raising activity regarding COVID19 issues would be conducted, different state and non-state services, which could be used during COVID19 would be provided.
Specific measures for targeting the needs from special groups	The activity will ensure the engagement of all vulnerable groups
Description of direct and indirect beneficiaries	Direct beneficiaries: Women and girls; Indirect beneficiaries: Population of the municipality
Description of inputs and outputs	Inputs: 1. To elaborate communication strategy 2. To identifies opinion leaders 3) To prepare visual information materials 4) To conduct the campaign Outputs: a) the document of communication strategy b) database of opinion leaders c) printed materials d) informed population regarding the issues of the campaign.

Proposed timeline of implementation and estimate of costs

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-4	■						15,000	Municipality, in coordination with the responsible parties
1-4		■					17,000	
1-4			■				20,000	

ACTION TITLE	P2-GE03. SUPPORTING WOMEN'S INITIATIVES AND COMMUNITY GROUPS
Rationale	There are no women's organizations in Keda municipality. Women's Room has a database of opinion leader women. The municipality has obligation by Gender Equality Action Plan to cooperate with women's organizations. There is only 3 NGOs, but none of them are focused on supporting women's issues.
Relevance	The Beijing Platform for Action indicates the role of involvement of women's organizations. Moreover, the municipalities have obligation to ensure the participation of CSOs, women's organizations and leader women during the planning and implementation processes of the Gender Equality Action Plans.
Implementation modalities	Opinion leader women, as well as local municipalities and the women in the community will be involved in the process. The grants will be issued for women's initiative groups in cooperation with the municipality.
Facilitating arrangements	To initiate the establishment of the community groups To issue grants to support the initiatives of community groups in cooperation with the municipality
Specific measures for COVID-19	In case of the other waves of the COVID, women's special needs will be supported during the crisis period
Specific measures for targeting the needs from special groups	Women's room managers and governor's representatives in administrative units of all communities will be informed about the possibilities to be involved in community groups and so on.
Description of direct and indirect beneficiaries	Direct beneficiaries: leader women from communities; Indirect beneficiaries: community and the families of the women
Description of inputs and outputs	Inputs: 1. To identify opinion leader women from communities; 2. To inform women about CBOs; 3. To initiate creation of CBOs; 4. Capacity Building of CBOs; 5. To issue small grants to support CBO initiatives. Outputs: a) Created CBOs; b) Awareness-raised, confident leader women; c) Issued grants and supported initiatives.

Proposed timeline of implementation and estimate of costs

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1.1.							40,000	Municipality, in coordination with the responsible parties
1.2.							45,000	
1.3.							50,000	

ACTION TITLE	P2-GE04. GENDER MAINSTREAMING IN MUNICIPAL PROGRAMS
Rationale	Municipality local authorities is the closest institution to the people and it should consider the needs of women and men, girls and boys. Moreover it has local as well as international obligations, but the municipality does not see things with gender lenses. Moreover, as there are not many women engaged in decision-making and the men tend to be the high-level officials, women's priorities are lost in the process of local policy planning.
Relevance	Gender policy implementation and mainstreaming are the obligations of the municipality. However, often the municipality authorities do not consider the infrastructure projects during planning with gender lenses, therefore as infrastructure is not well organized, there is no municipal transport etc., women spend more time and incur costs in order to access different services, including health and other services, which on the other hand are also not well arranged. Moreover, women have lower incomes and lower access to private cars. Therefore, they have less time and motivation for development and engagement in the socio-economic life.
Implementation modalities	To ensure women's participation in infrastructure and service planning process, so that their real needs and priorities are considered.
Facilitating arrangements	To organize meetings between decision–makers, including WR managers and governor's representatives and women.
Specific measures for COVID-19	During the COVID-19 crisis access to some services are limited. The services with limited access during the lockdowns should be accessible for women on site in close cooperation with WR manager and governor's representatives in the administrative units.
Specific measures for targeting the needs from special groups	All community members should be involved during the meetings with decision-makers. Moreover, the access to services must be facilitated for vulnerable persons, such as persons with disabilities, single moms and other.
Description of direct and indirect beneficiaries	Direct beneficiaries: women and the municipality; Indirect beneficiaries: population
Description of inputs and outputs	Inputs: 1. To evaluate gender aspects of municipal infrastructure programs 2. To organize a meeting between decision-makers and women to exchange information 3. To reflect the needs and perspectives of women in the municipal documents. Outputs: a) evaluation document; b) identified perspectives of women; c) women's needs reflected in policy documents.

Proposed timeline of implementation and estimate of costs

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1							10,000	Municipality, in coordination with the responsible parties
2-3							12,000	
2-3							13,000	

ACTION TITLE	P2-GE05. INCREASING GENDER SENSITIVITY OF MEN IN THE MUNICIPALITY
Rationale	In societies where with women participation issues, there is a need to address stereotypes that are entrenched by society before any meaningful change can take a place. These stereotypes can be and are unintentionally harming progress and women's development. Therefore it is important to also have men to understand genders issues, women's role and workloads.
Relevance	In Keda municipality, women face double workload, and the fact that they have low self-esteem, self-efficacy and outlook, only highlights the stereotype that is widely accepted there- that man is a breadwinner. In order to address this stereotype, only training women would not be enough, as it could create discord. Having gender sensitive men is integral to creating a healthy dynamic where both parties fully understand the rights and responsibilities of one another.
Implementation modalities	Optimally, selected men participants should act as the opinion leaders in society
Facilitating arrangements	• Identifying participants for the training • Training men participants on gender sensitivity • Work together with participants to create support statements for women
Specific measures for COVID-19	1. Men to be included in the awareness raising campaign on distribution of workload during crisis period 2. Men to conduct awareness raising campaign against violence against women during the crisis
Specific measures for targeting the needs from special groups	Opinion leader men, whose ideas and thoughts are important for the society will be involved to include more men in this type of activities.
Description of direct and indirect beneficiaries	Direct beneficiaries: Men who have a better understanding of gender as well as roles and responsibilities that women have in society. Indirect beneficiaries: Other men who indirectly gain knowledge and understanding of the issue from the opinion leader men and women who gain from a more gender sensitive environment.
Description of inputs and outputs	Inputs: 1. Develop a detailed training module; 2. Select opinion-leader participants; 3. Create awareness raising campaigns against DV and on distribution of work at home Outputs: a) Increased number of men who are gender sensitive; b) Gender sensitive men supporting women's initiatives and their active economic engagement; d) Information campaign with men's involvement

Proposed timeline of implementation and estimate of costs

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-3	■						25,000	Municipality, in coordination with the responsible parties
2-3		■					30,000	
2-3			■				32,000	

ACTION TITLE	P2-GE06. INFORMAL EDUCATION COURSES FOR CHILDREN TO SUPPORT WOMEN AND THEIR FAMILIES
Rationale	Since women face double workload, which prevent them from active economic engagement and development opportunities. Their children also have limited access to the informal education, as there are no NGOs in the municipality. Moreover, there are no alternative education spaces for children apart from school and kindergartens.
Relevance	According to the target 5.4 of the SDG 5 unpaid care and domestic work of women should be recognized and valued through the provision of public services, infrastructure, and social protection policies. By creating informal education space for children, women will be released from this responsibility a bit and will have opportunity for personal development as well.
Implementation modalities	To create different groups (based on age) for children and informal education program, which will be implemented in cooperation with the municipality in the space of Women's Room which is allocated for women and children
Facilitating arrangements	• To meet with the municipality • To announce a competition on creation of informal education innovative programs
Specific measures for COVID-19	In case of other waves of COVID, the elaborated program will be conducted online
Specific measures for targeting the needs from special groups	Specific groups will be created to involve children with disabilities as well
Description of direct and indirect beneficiaries	Direct beneficiaries: Children; Indirect Beneficiaries: Women and their families
Description of inputs and outputs	Inputs: 1. Agreement with the municipality regarding the initiative; 2 To announce a competition on elaboration of innovative program; 3. To implement the program in the space of Women's Room Outputs: a) Elaborated Innovative Program; b) Awareness-raised children

Proposed timeline of implementation and estimate of costs

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1-3							15,000	The municipality, in coordination with the responsible parties
1-3							20,000	
1-3							25,000	

SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program Goal: To increase socio-economic participation of women	Measure of Goal Achievement: Number of women proposed initiatives that are considered by the municipality have increased	• Media coverage about women's initiatives and changes through their involvement	• Stereotypical attitudes regarding women are changed and therefore women's participation in socio-economic and public processes is increased
Project Purpose: Gender Stereotypes of society towards women to be eliminated and municipal policy to be gender sensitive during service elaboration and infrastructure projects	• Number of initiatives/ideas of women • Number of women who participated in municipal socio-economic policy planning process	• Written initiatives • List of womenengaged in policy formation process	• The potential of women is recognized and the motivation and self-confidence of women will be increased • Women's resources will be used in development and socio-economic processes • Gender mainstreaming will be a key in municipalities policy
Outputs: • Strengthened Women's Room Service • Created Database of programs and services • Created Action Plan of WR. • Municipal support and budget allocation for specific activities • Informed women about existing services and programs for their empowerment • Created document of communication strategy • Database of opinion leaders • Printed materials • Informed population regarding the issues of the campaign • Created CBOs • Awareness-raised, confident leader women • Issued grants and supported initiatives • Elaborated evaluation document • Identified perspectives of women • Women's needs reflected in policy documents • Increased number of men who are gender sensitive • Gender sensitive men supporting women's initiatives and their active economic engagement • Information campaign with men's involvement • Elaborated Innovative Program • Awareness-raised children	• Number of meetings and information materials disseminated during the campaign • Number of organizations created. • Number of women involved • Number of communities where groups were created • Number of amendments in municipal documents • Increased number of service use by the women • Number of men who wanted to participate in the training problem and the number of men who participated	• Minutes of the meetings and information materials • Photo/video materials of the meetings of the groups; official letters to the municipalities • Municipal meetings reports, where group members participated • Database of municipal service beneficiaries • List of participants, photo video materials, minutes of meetings	• Attitudes towards women will be changed, therefore women will become actors for change from being vulnerable and they will be involved in municipal life • The level of life will be improved
Inputs: Design and implement programs under P2 (From P2-GE01 through P2-GE06 which are related to a) Strengthen the capacity of Women's Rooms b) Awareness-raising campaign on gender sensitivity c) Supporting women's initiative sand community groups d) Gender mainstreaming in municipal programs e) Increase gender sensitivity of men in the municipality f) Initiate informal education courses for children to support women and their families	• Number of municipal population (women/men) who received information about the issue • Number of women's initiatives and community groups • Number of gender-sensitive amendments in municipal infrastructure direction and services • Number of men participants, who received information regarding gender aspects	• Media coverage/ information shared on municipal web-pages • Initiatives of women and community groups • Amendments reflected in municipal documents • Media coverage/ the list of participants/report	• The following activities will affect and change the lives of women

ACTION TITLE	P3-ENV01 – SUPPORT TO SUSTAINABLE ENVIRONMENT AND NATURAL RESOURCES MANAGEMENT
RATIONALE	The intervention aims at increasing the knowledge, capacities and application of sustainable environmental and natural resource management policies, practices and technologies in Keda municipality. In the area of environmental protection, the special focus will be on MSW, since municipal waste is one of the major pressures on all natural resources and also, hinders rural development (agriculture, tourism, etc.). In terms of natural resources management, the focus will be made on soft and hard measures that will remove/reduce anthropogenic and natural pressures on water, land, and biological resources.
RELEVANCE	The intervention will address key environmental (in particular, waste management) and natural resource (water, land and biological resources, including forests) management issues and some of their critical underlying and root causes, identified through rapid pressure-impact and problem tree analysis conducted under this municipal assessment. They are also listed as priorities in various national and local strategies and plans, such are NEAP, rural development strategy, agriculture development strategy, regional development strategy, tourism development strategy, national forest concept, Adjara rural development strategy, Adjara regional development strategy, Keda local development strategy, Keda forest section management plan, draft Chorokhi-Adjaristskali plan, Keda municipal waste management plan. Moreover, measures to be implemented under the given intervention were identified as priorities by local stakeholders, including LAG members during 2 consultations conducted under ENPARD 1 and ENPARD 2.
IMPLEMENTATION MODALITIES	National-wide environmental NGO/NGOs having strong experience in integrated natural resource management and grassroots network, in cooperation with local NGOs, municipality and LAG. Small-scale initiatives (small grants) should ensure co-funding from project proponents/grant recipients either cash or in-kind. Co-funding from any of following source will be allowed: state and local budget, private investment, NGO/SCO funding, international donor financing. The project can be implemented in cooperation with the UNDP/GEF small-grants program, ENPARD-3, as well as UNDP/GCF MHEWS project that will work with up to 100 vulnerable communities across the country on integrated natural resources management and CCA.
FACILITATING ARRANGEMENTS	Joint efforts of the Adjara A.R government (Environmental Division/Directorate, Adjara forest agency, etc.), the Municipality, Keda LAG, community-based organizations/community incentive groups, other local NGOs and private sector will create a synergy to successfully implement the project.
SPECIFIC MEASURES FOR COVID-19	Not identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Along with local authorities and farmers, specific focus will be made on rural communities, school children and women
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries of the program are local communities, where pilot activities will be implemented, the Municipality, farmers, Keda forestry unit of Adjara Forest Agency, school children, and women. Indirect beneficiary is general public.

DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: • Consultants to conduct field and desk studies and development of policy documents • Meetings, consultations with local stakeholders • Training, education information and promo materials • Meetings and consultations with the local population • Small grant financing for community initiatives • Eco-awards Outputs and output targets: 1.1 Studies on natural resources conducted in priority areas - at least 4 studies in water, land, forest and biodiversity management 1.2 Policy/planning frameworks developed in priority areas - at least 4 strategic/planning documents 1.3 Local stakeholder consultations on priority interventions and other issues – at least 8 consultations 1.4 Small-scale community environmental and natural resource management initiatives - at least 15 sustainable environment and integrated natural resources management initiatives to be implemented in administrative-territorial units, state and municipal forests, etc. 1.5 Awareness raising seminars for local communities and other stakeholders – at least 5 trainings 1.6 Eco-clubs/school children initiatives: ○ at least 15 awareness raising seminars/trainings, consultations, meetings ○ at least 4 on-the-ground environmental awareness actions (e.g., clean-up, greening, etc.) ○ at least 4 research/education excursions ○ at least 10 eco-awards for eco-clubs

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1.1.							80,000	National-wide NGO in a partnership with local NGO and in close cooperation with the municipality, LAG, and local communities
1.2.							35,000	
1.3.							40,000	
1.4.							600,000	
1.5.							25,000	
1.6							100,000	
Total:							880,000	

ACTION TITLE	P3-ENV02 – SUPPORT TO ENHANCEMENT OF COMMUNITY RESILIENCE TO CLIMATE-INDUCED NATURAL HAZARDS
RATIONALE	The intervention aims at enhancing local resilience to climate-induced natural hazards – mudflows, landslides, avalanches, flashflood, and wildfires which are major natural pressures on natural and economic assets causing deterioration of local environment and livelihood and ultimately leading to increased rural poverty and hindered rural development. The intervention will focus on awareness raising and CCA/DRR prevention, preparedness and response capacity building of national authorities represented in target municipality (forest rangers of Adjara Forest Agency), the municipality and communities, including school children. This will be achieved through knowledge building (update of existing CC vulnerability and risk assessment study, creating disaster preparedness skills development, developing/expanding hydrometric, geological, and agro-meteorological monitoring network and supporting design and implementation of CCA/DRR measures, such as rehabilitation/construction of storm water drainage systems, river bank revetment structures, slope stabilization and erosion control measures, afforestation/reforestation
RELEVANCE	The intervention will address key CCA/DRR issues that are one of the key underlined and/or root causes for degradation of local environment, natural resources, and economic assets. CCA/DRR as part of the climate action is one of the key priorities of NEAP, rural and agricultural development strategies, national DRR strategy and action plan, regional development strategy, national forest concept, Adjara development strategy, Adjara rural development strategy, Keda local development strategy, Keda section forest management plan, draft Chorokhi-Adjaristskali river basin management plan. Moreover, CCA/DRR was identified as one of the top priorities by local stakeholders, including LAG members during ENPARD 2 and ENPARD 3 projects.
IMPLEMENTATION MODALITIES	National-wide environmental NGO in a partnership with local NGO(s) and close cooperation with Adjara government (Environmental division/directorate), MEPA/NEA, lthe municipality, community-based organizations/local NGOs and LAG. The project can be implemented in a close cooperation with UNDP/GCF MHEWS project.
FACILITATING ARRANGEMENTS	Joint efforts of National and local NGOs, Adjara government and the municipality, Keda LAG and private sector will create synergy to successfully implement the project.
SPECIFIC MEASURES FOR COVID-19	None identified
SPECIFIC MEASURES FOR TARGETING THE NEEDS FROM SPECIAL GROUPS	Along with the government and local communities special focus will be made on schoolchildren and women.
DESCRIPTION OF DIRECT AND INDIRECT BENEFICIARIES	Direct beneficiaries of the program are the municipality, local communities, including youth, farmers, MEPA, schoolchildren.

DESCRIPTION OF INPUTS AND OUTPUTS	Inputs: • Consultants to conduct CC vulnerability and disaster risk assessment study and develop policy recommendations • Consultants to support development of disaster preparedness and response plan and CCA/DRR plan • Meetings trainings, consultations with local stakeholders, including youth • Training, information and education materials • Hydro-meteorological, geo-hazard monitoring (inclinometers, Doppler/video surveillance equipment) and agro meteorological equipment • Consultants to design and monitor implementation of structural and non-structural CCA/DRR measures • Small grants for on-the-ground structural and non-structural CCA/DRR measures Outputs: 1.1 CC and vulnerability, hazard and risk mapping and assessment, including assessment for each community – 1 study 1.2 CCA/DRR policy/planning documents – 1 CCA/DRR/resilience plan and 1 disaster preparedness and response plan 1.3 Consultations with local stakeholders on CCA/DRR risks and priority interventions as well as on disaster preparedness and response – at least 4 consultations 1.4 Awareness raising seminars and trainings of local stakeholders – at least 31 trainings/seminars: ○ 15 seminars/trainings (including 13 administrative territorial-units, the municipality, staff of Keda section of Adjara Forest Agency) ○ 13 seminars/trainings in public schools/eco-clubs of each administrative territorial unit 1.5 Purchase and installation of hydro-meteorological, geological, and agro meteorological equipment – 2 hydro-meteorological stations (1 for the Adjaristskali river and 1 for Shkhalta river) and 2 hydro-meteorological posts (1 for the Adjaristskali River and 1 for Shkhalta river), 2 agro meteorological stations, inclinometers, dopplers (at least 20 units), fire-fighting equipment 1.6 At least 10 on-the-ground CCA/DRR initiatives

PROPOSED TIMELINE OF IMPLEMENTATION AND ESTIMATE OF COSTS.

n	2020	2021	2022	2023	2024	2025	Approx. Costs (GEL)	Responsible
1.1.							40,000	National-wide NGO in a partnership with local NGO and close cooperation with MEPA, lthe municipality, LAG and communities
1.2.							20,000	
1.3.							20,000	
1.4.							20,000	
1.5.							500,000	
1.6							500,000	
	Total						1,100,000	

P3 - (Environment) - Detailed Intervention Actions and Linkages with Relevant Strategies

This sub-chapter summarizes potential interventions in the areas of natural resources management to address key environmental issues and their causes, including CC-related causes, their linkages with relevant strategies and plans and LAG priorities.

GENERAL ENVIRONMENTAL SECTOR	ENVIRONMENTAL SUB-SECTOR	SUGGESTED INTERVENTIONS	ALIGNED WITH PRIORITY AREAS AND OBJECTIVES OF NATIONAL RDS AND ACTION PLAN (YES/NO)	ALIGNED WITH PRIORITY AREAS AND OBJECTIVES OF LDS OF KEDA MUNICIPALITY (YES/NO)	ALIGNED WITH OTHER STRATEGIES/PLANS (YES/NO)	INTERVENTION IS A LAG PRIORITY (YES/NO)
Integrated natural resources management	Water resources	• Rehabilitation of existing water supply systems/construction of new systems, including water intakes/headworks, storage/regulation reservoirs; • Implementation of water metering measures; • Protection of headworks and storage/regulation reservoirs through fencing and better coverage; • Setting efficient water use tariffs to allow for service cost recovery as well as promote water saving and conservation measures; • Calculation and implementation of proper water use allocations considering the environmental flow; • Implementation of riverbank and bed erosion control measures; • Implementation of floodplain zones' protection and restoration measures; • Implementation of forest regeneration and reforestation activities; • Construction/rehabilitation of fish migration routes; • Detailed inventory and clean-up of dumpsites • Expansion of MSW collection system and thus, service coverage; • Promotion of MSW prevention and recycling measures, including bio-waste composting and mulching • Rehabilitation/modification of Keda town WWTP in line with EU standards; • Introduction of on-site modular wastewater treatment facilities at rural community, hotels and municipal buildings level; • Prevention of grazing in floodplain areas and organizing alternate livestock sheltering and drinking water supply infrastructure; • Implementation of storm water rehabilitation/construction activities; • Improvement of water and waste management law enforcement; • Improvement of hydrometric and water quality monitoring systems; • Carrying out environmental information campaigns.	Yes	No	Yes - NEAP, National DRR Strategy and Action Plan; National Forestry Concept; Adjara RDS, Adjara Regional Development Strategy, draft Chorokhi-Adjaristskali River Basin Plan, Keda Municipal Waste Management Plan, Keda Forestry Section Forest Management Plan.	Yes – Results of stakeholder consultation under ENPARD 2 and ENPARD 3 (DRR infrastructure, erosion control and forest restoration measures, monitoring system, forestry and erosion control measures.
	SLM	• Carrying out inventory of eroded and degraded agriculture lands. • Carrying out pasture inventories and development of pasture management plan for the municipality; setting grazing norms for pastures and implementation of sustainable pasture management measures. • Study of soil quality and mapping; • Support to organic farming; promotion and revival of traditional farming and herding practices. • Strengthening law enforcement capacity and raising awareness and capacities of farmers. • Implementation of agriculture land reclamation/erosion control measures. • Development of agro meteorological and hydrometric monitoring network; hazard mapping; establishment of early warning system for climate-induced natural hazards (Doppler, inclinometers, video surveillance systems, etc.); establishment of community-based early warning systems.	Yes	Yes	Yes - NEAP, National Forestry Concept, National DRR Strategy and Action Plan; National Agriculture Development strategy; Adjara RDS, Adjara Regional Development Strategy, draft Chorokhi-	Yes – Results of stakeholder consultation under ENPARD 2 and ENPARD 3

		• development of climate advisories for farmers; awareness raising and capacity building of farmers on climate-smart agriculture; • Improvement of municipal, household hazardous and C&DW waste management including waste collection and disposal; introduction of source separation system, promotion of waste reuse and recycling including bio waste composting and mulching. • Implementation of floodplains and riverbank protection measures (gabions, bioengineering structures, etc.). • Implementation of slope stabilization measures (tree planting, slope terracing). • Development and implementation of landscape and mining waste management plans. • Introduction of monitoring and control mechanisms for open pit mining and strengthening capacities of relevant authorities for compliance assurance monitoring and control; building capacities of local communities for civil monitoring of mining operations; setting/strengthening grievance redress mechanisms.			Adjaristskali River Basin Plan, Keda Forestry Section Forest Management Plan.	
	Forest management	▪ Carrying out all types of cutting based on annual average wood stock increment; ▪ Leaving around 4-5 over-mature, old, and dried trees during all types of cutting, since dead trees and down wood play an important role in ecosystems by providing wildlife habitat, cycling nutrients, aiding plant regeneration, decreasing erosion, and influencing drainage and soil moisture and carbon storage, etc.; ▪ Identification and delineation of high ecological value sections for biodiversity conservation with red list, relict and endemic species and carrying out biodiversity monitoring, conservation, and protection measures; ▪ Improvement of forest monitoring system and conduct continuous observation over the state of the forests, implemented forestry measures, impacts of natural hazards, etc.; ▪ Implementation of erosion control measures; ▪ Construction/rehabilitation of forest access roads taking into account environmental safeguards; ▪ Setting livestock grazing norms and rules and improving law enforcement capacities; ▪ Provision of piped gas supply to local communities; ▪ Support to implementation of energy efficiency (high-efficiency wood stoves, etc.) and alternative energy source (biogas, solar water heaters, etc.) utilization initiatives at community and household levels; ▪ Calculation of exact demand for firewood and sustainable logging norms; ▪ Carrying out pest assessment, monitoring and control measures (e.g., installation of pheromone traps); ▪ Implementation of selective sanitary cutting in slightly degraded sections and clear-cutting in sections with over 30% of dried and dying trees; ▪ Implementation of reforestation/afforestation measures; ▪ Implementation natural regeneration support measures, including soil cultivation, seeding, fencing, etc. ▪ Awareness raising of local communities, shepherds and tourists on the value of forest resources and sustainable forestry; ▪ Improvement of municipal solid waste management and law enforcement; awareness raising of local population and other stakeholders on the negative impacts of littering in forest ecosystems; ▪ Promotion and revival of traditional herding practices; • Strengthening law enforcement and firefighting capacities as well as infrastructure of relevant authorities; awareness raising of key stakeholders on forest fires.	Yes	Yes	Yes - NEAP, National Forestry Concept; Adjara RDS, Adjara Regional Development Strategy, Keda Forest Management Plan; draft Chorokhi-Adjaristskali River Basin Plan.	Yes – Results of stakeholder consultation under ENPARD 2 and ENPARD 3

	Biodiversity protection	• Improvement of forest and biodiversity monitoring system, including establishment of electronic databases; • Development and implementation of programs for monitoring and controlling invasive species; • Leaving around 4-5 over-mature, old and dried trees during all types of cutting; • Identification and delineation of high ecological value sections for biodiversity conservation with red list, relict and endemic species and carrying out biodiversity monitoring, conservation and protection measures; Development and implementation of programs for monitoring and controlling invasive species; • Development and implementation of bio monitoring programs for the following rivers: Adjaristskali, Dologani and Akavreta; • Calculation of environmental flow of the Adjaristskali River, water demand by various sectors, water balance and implementation of proper water allocation; • Improvement of law enforcement mechanisms and enhancing capacities of law enforcement agencies to protect biodiversity against poachers and illegal forest loggers; • Improvement of law enforcement mechanisms against illegal waste dumping and littering; • Establishment of sustainable rules to control hunting and fishing; • Proper pasture regulation and pasture rehabilitation; • Implementation of slope stabilization and erosion control measures in mountain and sub-alpine forests, sub-alpine and alpine meadows; • Rehabilitation of floodplain zones and organization of alternative livestock sheltering and drinking water supply systems; • Raising public awareness on the importance of local biodiversity and sustainable management practices; • Promotion of extra-curricular environmental educational activities and introduce biodiversity conservation in the school curricula; • Implementation of non-structural and structural measures to reduce/avoid forest and land degradation; • Promotion of nature based sustainable tourism; • Application of alternative energy sources and energy efficient technologies.	Yes	Yes (only in forestry part)	Yes - NEAP, Adjara RDS, Adjara Regional Development Strategy, Biodiversity Keda Forest Management Plan; Keda Municipal Waste Management Plan for 2018-2022	Yes – Results of stakeholder consultation under ENPARD 2 and ENPARD 3

P3 - (Environment) - Results Framework

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

SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Program Goal: Enhanced environmental quality and natural resource base of Keda municipality	Measure of Goal Achievement: • State of the environment of Keda municipality • Water-born diseases	• State of the environment assessment of the municipality • Geostat • NEA/MEPA • NCDC • The municipality	• Environmental sustainability stays one of the major strategic directions for national RDS and well as for LDS
Project Purpose: Knowledge and capacity building and demonstration of sustainable natural resource management and CCA/DRR practices and technologies	• Increased access to safe drinking water, % coverage rate • Connection rate to sewerage systems, % • Losses in water supply systems, % • Losses in sewerage systems, % • Surface Water and soil quality of the municipality meeting national and EU standards • Drinking water quality in urban and rural areas meeting • Total area of degraded lands, ha • Total area of reclaimed land, including lands under irrigation, ha • Total are with reforestation measures, ha • Total area of forest plantations, ha • Total area of agro forests, ha	• Project assessments and progress reports • Project evaluation • Geostat • NEA/MEPA • NCDC • The municipality • SWMCG	• MEPA, the municipality and LAG support the program • Financial resources, including matching funds are mobilized for the program implementation
Outputs: • Enhanced knowledge, capacities and application of sustainable environmental and natural resource management policies, practices and technologies • Enhanced knowledge, capacities and application of CCA/DRR policies/practices	• # of studies conducted in the areas of environment and natural resources management CCA/DRR and RE&EE • # of community-level sustainable environment and integrated natural resource management and CCA/DRR practices and/or technologies demonstrated • # of small-scale environmental infrastructure improved • # of awareness seminars and/or trainings for authorities and local communities on integrated natural resources management, MSW management, CCA/DRR and RE&EE conducted • # youth initiatives supported • # of outreach and environmental advocacy campaigns conducted • # of policy/strategy documents developed • # and type of equipment purchased for relevant authorities	• Project assessments and progress reports • Project evaluation • Stakeholder feedback	• The municipality and LAG actively participate in the program • Local communities and interested and have capacities to participate in the program • The municipality and communities commit to sustain project results beyond the project
Inputs: Activities envisioned by the proposed interventions: • Policy/planning framework • Studies/research • Demonstration projects in the areas of sustainable natural resources management, CCA/DRR and RE&EE practices • Communities, farmers and school children environmental education and awareness raising activities • Promotion and advocacy activities	• To be developed	• To be developed	• To be developed

POTENTIAL SKILLS DEMAND-SUPPLY BALANCE

Problems and Challenges

NECESSARY SKILLS	CURRENT SITUATION
TOURISM • MANAGING OF TOURISTIC ZONES • MANAGEMENT SKILLS FOR FAMILY HOTELS • SKILLS FOR HOTEL SERVICES • COOKING SKILLS • HIKING GUIDE SKILLS • CULTURAL HERITAGE GUIDE SKILLS	KEDA ADULT EDUCATION CENTER AND KEDA PUBLIC SCHOOL, ALSO THE BRANCH COLLEGE BLACK SEA IN SHUAKHEVI DO NOT HAVE FORMAL LEARNING AND VOCATIONAL TRAINING/RETRAINING COURSES IN THE FOLLOWING VOCATIONS: • MANAGEMENT OF TOURISTIC ZONES • CULTURAL HERITAGE GUIDE • HIKING GUIDE • HOTELS SERVICE • COOKING
BUSINESS • ENTREPRENEURIAL SKILLS AND KNOWLEDGE • AGRO BUSINESS MANAGEMENT SKILLS • BUSINESS CONSULTING SERVICES SKILLS	KEDA ADULT EDUCATION CENTER HAS SHORT-TERM COURSES. THE EMPLOYMENT AGENCY HAS SIMILAR COMMON REGIONAL PROGRAMS
AGRICULTURE • BEEKEEPING SKILLS • FISHING SKILLS • VITICULTURE AND WINEMAKING SKILLS	NONE OF THE COLLEGES HAVE SIMILAR PROGRAMS
INFRASTRUCTURE • WATER SUPPLY AND SEWAGE SYSTEMS JOBS IMPLEMENTATION SKILLS • PIPE WELDING SKILLS • ELECTRICIAN SKILLS • REINFORCED CONCRETE WORKER SKILLS	KEDA ADULT EDUCATION CENTER DOES NOT HAVE ANY OF THE PROGRAMS BATUMI BLACK SEA COLLEGE HAS ALL PROGRAMS IN BATUMI. SHUAKHEVI BRANCH HAS BELOW LISTED PROGRAMS: • WATER SUPPLY AND SEWAGE SYSTEM • WELDER • ELECTRICIAN
ENVIRONMENTAL PROTECTION • SUSTAINABLE FOREST RESOURCE MANAGEMENT SKILLS • WASTE MANAGEMENT SKILLS	NONE OF THE COLLEGES PROVIDE VOCATIONAL EDUCATION OR VOCATIONAL TRAINING/RETRAINING ON THE FOLLOWING VOCATIONS: • FORESTRY • WASTE MANAGEMENT

Required Vocations and Readiness of the Vocational Education System

REQUIRED VOCATIONS	RELEVANT PROGRAMS	LEARNING ENVIRONMENT	HR	FORM OF VOCATIONAL TRAINING OR RETRAINING
TOURISM	1	2	3	4
MANAGING OF TOURISTIC ZONES	Not available at any of the colleges	Available	Not available	Teaching - modular
HOTELS SERVICE	Available at "Black sea" college but not available at the Shuakhevi Branch	Available	Available	Teaching - dual
FAMILY HOTELS MANAGEMENT	Available at "Black sea" college and at Shuakhevi Branch	Available	Available	Vocational retraining
COOKER	Available "Black sea" college but not available atits Shuakhevi Branch	Available	Available at "Black sea"	Teaching - dual
HIKING GUIDE	Available at Adventure Tourism School	Not available	Not available	Teaching / Certificate Programs
CULTURAL HERITAGE GUIDE	Available at both college branches	Not available	Not available	Vocational Training
BUSINESS	1	2	3	4
ENTREPRENEURSHIP	Partially available at the Shuakhevi branch of "Black Sea" college	Available	Not available in Keda	Vocational retraining
AGRIBUSINESS MANAGEMENT	Partially available at the Shuakhevi branch of "Black Sea" college	Available	Not available in Keda	Vocational training
AGRICULTURE	1	2	3	4
BEEKEEPING	Not available	Not available	Not available	Teaching - dual
FISHERY	Not available	Not available	Not available	Teaching - dual
VITICULTURE AND WINEMAKING	Not available	Not available	Not available	Teaching - dual
CONSTRUCTION	1	2	3	4
WATER SUPPLY AND SEWAGE	Available at the Black Sea college	Not available	Available at Black Sea Shuakhevi Branch	Vocational retraining - dual
WELDING	Available at the Black Sea college	Not available	Available at Black Sea Shuakhevi Branch	Teaching - modular
ELECTRICITY	Available at the Black Sea college	Available	Available	Teaching - modular
REINFORCED CONCRETE WORKER	Available at the Black Sea college	Not available	Available at Black Sea Shuakhevi Branch	Teaching - dual
ENVIRONMENTAL PROTECTION	1	2	3	4
WASTE MANAGEMENT	Available at the Black Sea college	Not available	Not available	Vocational retraining - dual
FORESTRY	Not available	Not available	Not available	Teaching - modular

Detailed Program of Proposed Trainings

POLICY INSTRUMENT	RELEVANCE TO THE MUNICIPALITY NEEDS	DETAILED COMMENT	PROPOSED INTERVENTIONS
Preparing a workforce for the tourism sector			1. Preparing a workforce for the tourism sector
TOURISTIC ZONE MANAGEMENT FAMILY HOTEL MANAGEMENT		Keda municipality with its proximity to Batumi, river sport facilities, restaurants, waterfalls, ancient bridges, location between two National Parks, mineral waters and mountain villages, with cultural, ethnic and historical heritage and hospitality has a power to further develop: • Ethno-cultural tourism based on authenticity of Adjara villages; • River sports and riverside diversified dining areas; • Summer mountain and adventure tourism, based on nature assets, landscape diversity and opportunities to experience various outdoor activities such as: mount-biking, hiking.	1.1.1. Train the teachers for Keda VET Center 1.1.2. Develop a vocational training program 1.1.3. Conduct the training courses
HOTEL SERVICE COOK		In the municipality, there is an increased demand on personnel with professional skills, services from hosting providers (Hotels, Café-Bars and Restaurants), However, most adults either do not have access to education outside the municipality, or do not consider vocational education and employment in this sector as suitable for their activities which, on the one hand, creates a shortage of labor in the local labor market and increases the number of unemployed.	1.2.1. Creating a learning environment 1.2.2. Train the teachers 1.2.3. Conduct the vocational training courses 1.2.4. Carrying out dual training with state funding
HIKING GUIDE;		Availability of certified trainees in these vocations is very important for the development of winter and summer mountain tourism in Keda. These vocations have a fairly high potential for employment. There is only one vocational center in Georgia - "Gudauri Adventure Tourism School", which prepares personnel in this vocation.	1.3.1. Conducting training courses on the basis of the Keda VET center, by the trainer and instructors invited by the "Adventure Tourism School" - the practical part in the Keda Mountains
CULTURAL HERITAGE GUIDE		Cultural heritage tourism that is based on Adjarian people's lifestyle authenticity that is well preserved in mountainous villages, historical religious heritage and with traditional wooden architecture of the villages.	1.4.1. Train the teachersfor Keda VET Center 1.4.2. Developing Vocational retraining programs 1.4.3. Conduct the training courses

Preparing a workforce for the Business sector			2. Workforce growth program in Business sector
ENTREPRENEURSHIP (BUSINESS PLANNING, MANAGEMENT, MARKETING)		It is advisable to introduce the entrepreneurship training for young people, where hundreds of young people from Keda will take courses. It is necessary to develop a pilot module tailored to the informal teaching of one hundred adults and a methodological guide for teachers. The module will be based on innovative and modern approaches to entrepreneurship teaching - Business Model canvas, design thinking, which is considered to be the best way to teach young people.	2.1.1. Develop a learning module 2.1.2. Develop a methodological guide for trainers 2.1.3. Conducting training courses by the invited trainer for young people on the basis of Keda VET center
Preparing a workforce for the Construction sector			3. Workforce growth program in Construction sector
WATER SUPPLY AND SEWERAGE		Government of Adjara with support of KfW started implementation of water and sanitation rehabilitation project (€40 million in financial resources and a €3 million grant), which would bring significant water system improvement in Keda	3.1.1. Train the teachers 3.1.2. Conduct the vocational training courses
WELDING			
ELECTRICITY			
REINFORCED CONCRETE WORKER			
Preparing a workforce for the Environmental Protection sector			4. Workforce growth program in Environmental Protection sector
FORESTRY			4.1. Train the teachers 4.2. Conduct the training courses
WASTE MANAGEMENT			

Social Programs

Programs Financed/Planed From the Municipality Budget In 2019/2020

ACTIVITY	DESCRIPTION	2019 BUDGET (GEL)	2019 BENEFICIARIES	2020 BUDGET	2020 BENEFICIARIES-PLANNED
ONE TIME CASH BENEFIT FOR WAR VETERANS	Cash benefit and presents to war veterans and members of their families	30 720		30 040	
ONE TIME CASH BENEFIT FOR FAMILIES WITH CHILDREN	1000 GEL per year for families with 4 and more children	50 000	50	60 000	60
Free cafeteria	Persons who received TSA (up to 100 000 score) hot meals once in day	25 200	23	25 200	23
ONE TIME CASH BENEFIT FOR FUNERAL SUPPORT	A Household which registered in TSA (up to 100 000 Score) can receive 400 GEL for funeral support cost	24 000	60	30 000	75
Financial support of the children	Children who are involved in rehabilitation programs and lived in rural regions received cash benefit for transportation costs	12 500		15 000	
HOUSING	Financial support to households with urgent housing need	75 000	3	92 000	5
HOUSING	Renovation of roofs	30 000		30 000	
CASH BENEFIT TO PERSONS WHO INVOLVED IN DIALYSIS PROGRAMS	Cash benefit for transportation or accommodation of persons involved in dialysis program	13 800	8	13 800	8
SUPPORT OF ELDERLIES IN RURAL WITH LIMITED MOBILITY	Financial and technical support to elderlies living alone in rural	12 660	15	12 660	15
FINANCIAL SUPPORT OF FAMILIES WITH CHILDREN WITH DISABILITIES	Monthly financial support to families with children with disabilities (0-18 age)	-	-	36 000	

Source: Authorities in the Municipality.

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LIST OF CONSULTED KEY STAKEHOLDERS

NAME	ORGANIZATION	POSITION
Levan Gorgiladze	Local Authorities	Mayor
Roland Beridze	Local Authorities	Deputy Mayor
Raul Tsintsadze	Keda Tourism Development Center LLC	Director
Jaba Lortkipanidze	Keda LAG	Member
Giorgi Abuladze	Keda LAG	Chairperson
Nino Gaprindashvili	Keda LAG	Project manager (CENN)
Jano Tebidze	Keda LAG	Member
Aleksandre Lortkipanidze	Keda LAG	Chairperson Institute of Democracy
Tinatin Zoidze	Department of Tourism and resorts of Adjara A/R	Chairperson
Aslan Shakaradze	KTW - Agro - Keda LLC	Company Representative
Aslan Lortkipanidze	Association of Georgian SMEs	Chairperson

TEAM OF EXPERTS

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

METHODOLOGY OF SSA/LOCATION QUOTIENT

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

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

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

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

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

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

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

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

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

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

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

Where,

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

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

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

g_{ij} - is a national growth component;

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

c_{ij} - is a competitive effect component;

r_B - is the overall growth rate of the country;

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

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

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

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

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

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

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

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

where E'_{ij0} is homothetic employment:

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

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

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

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

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

ALLOCATION EFFECT AND POLICY INTERVENTIONS

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

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

Detailed Description of Flora and Fauna in the Municipality

From deciduous broadleaf wood species oak, chestnut, hornbeam, alder, beech groves are found with lianas (Hedera colchica, Hedera helix, Smilax exelsa, Clematis vitalba, Humulus lupulus) and evergreen bushes (Rhododendron ponticum, Laurocerasus officinalis, Ilex colchica, Buxus colchica, Phyllirea medwedewii and Rhododendron luteum, etc.) creating underwoods. From smaller size trees Corylus avellana, Frangula alnus, Viburnum opulus, Sambucus nigra, Diospyros lotus, Ficus carica, Cerasus avium, Morus alba), Malus orientalis, etc. are met. Scotch Elm (Ulmus glabra), English Yew (Taxus baccata) are found occasionallt. In mixed forests, following grasses are met: dryopteris borreri, Polystichum aculeatum, P.woronowii, Festuca montana, Polygonatum multiflorum, Paris incompleta, Aristolochia pontica, Ranunculus ampelophyllus, Dentaria quinquifolia, Pachyphragma macrophylla, Sanicula europaea, Primula sibtorpii, Omphalodes cappadocica, Symphytum ibericum, Trachystemon orientale, Petasites albus, Cicerbita pontica, etc. are met. In dry and well-lightened areas Iris lasica, Helleborus caucasica, Pteridium tauricum are met. On trees, several species of epiphyte ferns are grown. From coniferous wood species, fir (Abies nordmanniana) and spruce (Picea orientalis) are met. In subalpine forest zone, crooked light woods, with dominant species of oriental beech and birch (Betula litwinowii and Betula medwedewii) are found. In addition, here such Colchic and Adjara endemic and relict species are met as Quercus pontica, Rhamnus imeretina, Viburnum orientale, Rhododendron ponticum, Ilex colchica, Laurocerasus officinalis, Ribes biebersteinii. From place to place, maple and common aspen are found. Sub-apline shrubs are represented by Rhododendron caucasicum, Rh. ponticum, Rh. smirnowii, Daphne alboviana, Laurocerasus officinalis, Ilex colchoca, Vaccinium arctostaphylos, Ruscus colchicus, Rhododendron luteum, Rosa boissieri, Salix caucasica, Rubus caucasicus, R. saxatilis, R. hirtus, etc. Some endemic plant species groves are designated as natural monuments. These are: Rhododendron smirnowii, Osmanthus decorus and pontic oak (Quercus pontica).[152]

Concerning fauna, 25 mammals and 93 birds are found in Keda municipality, of which 7 are Georgian red list species. From fish, 16 species are found in Adjaristskali and Akavreta rivers, including: Colchic Minow, Anatolian Khramulya, Colchic Barbel, Colchic Khramulya, Caucasian Goby, Colchic Nase, Chub, Angora Loach, Trout and so forth. Rare Black Sea Salmon and the European Eel are also found in the municipality.[153] Out of total fish species, 2 are Black Sea endemic species, 6 – Colchic endemic species, 2 – Colchic-Anatolyan endemic species and 2 – Caucasus endemic species. Three species are included in the national red list book and 6 species in IUCN red list. From amphibians, total of 12 species are found, including ensiella caucasica, Bufo verrucosissimus, Rana ridibunda Pallas, Anguis colchica, Pseudopus apodus, Lacerta media, Pseudopus apodus, Lacerta media, Lacerta strigata, Natrix, etc.[154]

152 *Source: Kedy Municipality Spatial Plan, Ministry of Finance and Economy of Adjara A/R*

153 *Source: The Chorokhi-Ajaristskali River Basin Management Plan (draft), 2016. EU funded project "Environmental Protection of International River Basins" (Service Contract Nr. ENPI/2011/279-666, EuropeAid/131360/C/SER/Multi) implemented by Hulla & Co. Human Dynamics KG in consortium with the Regional Environmental Center for Central and Eastern Europe (REC), CES Consulting Engineers Salzgitter GmbH, H.P. Gauff Ingenieure GmbH & Co. KG – JBG, Crimean Republic Association "Ekologiya I Mir" (CRAEM) and Ukrainian National Environmental NGO "Mama-86*

154 *Source: Kedy Municipality Spatial Plan, Ministry of Finance and Economy of Adjara A/R*

N	LOCATION	TYPE	WATER SOURCE	LOCATION OF HEADWORKS	# OF HEADWORK	LOCATION OF IRRIGATED LANDS	LOSSES IN THE NETWORK, %	CONDITION OF THE CANAL- GOOD, NEEDS REHABILITATION, UNDER REHABILITATION	% OF THE SYSTEM, REQUIRING REHABILITATION	REHABILITATION PERIOD
1	Kvashta	Gravitational	-	Adjacent to V. Kvhishti	1	Zvare	32	Good	30.000	
2	Tibeti	Gravitational	Tsoniarisi	Adjacent to V. Abukheti	1	Tsoniarisi	30	Good	30.000	2019
3	Tsoniarisi	Gravitational	-	Basiladzeebis Ubani	1	Tsoniarisi	32	Good	20.000	2019
4	Kharauli	Gravitational	Daphenili Tskali	adjacent to Kharauli	1	Dandalo	35.000	Needs rehabilitation	60	
5	Tsanauri	Gravitational	Akhos Tskali	Adjacent to Akho	1	Tskmorisi	28.000	Good	10.000	
6	Pirveli Misi (Sagoreti)	Gravitational	-	Adjacent to V. Sagoreti	1	Pirveli Misi	32.000	Needs rehabilitation	60.000	
7	Mosiashvilebi (Modulebi)	Gravitational	Modulis Tskali	Adjacent to V. Mosiashvilebi	1	Dandalo	32.000	Needs rehabilitation	40.000	
8	Mosiashvilebi (Takidzeebi)	Gravitational	Takidzeebis Tskali	Adjacent to V. Taidzeebi	1	Dandalo	30.000	Needs rehabilitation	60.000	
9	Baladzeebi (Natchvari)	Gravitational	R. Nachvari	Adjacent to V. Baladzeebi	1	Dandalo	25.000	Good	10.000	
10	Gogiasvilebi (Phosotona)	Gravitational	R. Phosotona	Adjacent to V. Gogiashvilebi	1	Dandalo	25.000	Good		2019
11	Tskhmorisi (Surnali)	Gravitational	Surnalis Tskali	Adhacent to V. Tskmorisi	1	Tskmorisi	32.000	Needs rehabilitation	60.000	2020 (planned)
12	Tskhmorisi (Baramuli)	Gravitational	-	Adhacent to V. Tskmorisi	1	Tskmorisi	30.000	Needs rehabilitation	10.000	
13	Baladzzebi	Gravitational	R. Nachvari	Adjacent to V. Baladzeebi	1	Dandalo	25.000	Good	10.000	
14	Akho (Nakanafevi)	Gravitational	Phoraulis Tskali	Adjacent to Akho	1	Tskmorisi	30.000	Needs rehabilitation	50.000	
15	Tskhmorisi (Zeda Nakaphi)	Gravitational	Surnalis Tskali	Adhacent to V. Tskmorisi	1	Tskmorisi	30.000	Needs rehabilitation	40.000	
16	Kokotauri	Gravitational	Surnalis Tskali	Adhacent to V. Tskmorisi	1	Tskmorisi	30.000	Needs rehabilitation	60.000	
17	Jalabashvilebi	Gravitational	Daphenili Tskali	Adjacent to V. Kharauli	1	Dandalo	0.000	Out of order/not operational	100.000	
18	Kokotauri (Baris Ubani)	Gravitational	Abanostskali - Nakaphi	Adjacent to v. Kokotauri	1	Tskmorisi	25.000	Needs rehabilitation	30.000	
19	Kokotauri (ShuaUbani)	Gravitational	Abanostskali - Nakaphi	Adjacent to v. Kokotauri	1	Tskmorisi	0.000	Out of order/not operational	100.000	
20	Gobroneti (Phorauli)	Gravitational	Phoraulis Tskali	Adjacent to Akho	1	Tskmorisi	30.000	Good	10.000	
21	Akho (Samunasvilebi)	Gravitational	Samunashvilebis Tskali	Adjacent to Akho	1	Tskmorisi	25.000	Good	10.000	2020

22	Akho (Natchvari, Chrdilagele)	Gravitational	R. Chrdilagele	Adjacent to Akho	1	Tskmorisi	25.000	Needs rehabilitation	50.000	2021 (planned)
23	Tskhmorisi (Pherdis rue)	Gravitational	Surnalis Tskali	Adjacent to V. Tskmorisi	1	Tskmorisi	25.000	Needs rehabilitation	50.000	2022 (planned)
24	Tskhmorisi (Surnali)	Gravitational	Surnalis Tskali	Adjacent to V. Tskmorisi	1	Tskmorisi	30.000	Needs rehabilitation	50.000	
25	Arsenauli	Gravitational	-	-	1	Keda town	25.000	Good	10.000	
26	Dandalo (Djanivri)	Gravitational	Daphenili Tskali	Adjacent to V. Kharauli	1	Dandalo	30.000	Needs rehabilitation	50.000	
27	Dandalo (Takidzeebi)	Gravitational	Daphenili Tskali	Adjacent to V. Kharauli	1	Dandalo	30.000	Needs rehabilitation	50.000	
28	Dandalo (Ardzenadzeebi)	Gravitational	Daphenili Tskali	Adjacent to V. Kharauli	1	Dandalo	30.000	Needs rehabilitation	40.000	
29	Mosiashvilebi (Batokana)	Gravitational	Gvantsas Tskali	Adjacent to V. Mosiashvilebi	1	Dandalo	30.000	Good		
30	Pirveli Misi	Gravitational	-	Adjacent to V. Sagoreti	1	Pirveli Misi	30.000	Not operational/needs rehabilitation	100.000	
31	Oktomberi	Gravitational	-	Asambadzeebis Ubani	1	Oktomberi	25.000	Good	10.000	
32	Merisi (Rustavis Ubani)	Gravitational	-	Adjacent to V. Garetke	1	Merisi	25.000	Good	10.000	
33	Merisi (Meriakhevi)	Gravitational	Meriakhevis Tskali	Adjacent to V. Merisi	1	Merisi	25.000	Not operational/needs rehabilitation	30.000	
34	Merisi (Dvalidzeebis Ubani)	Gravitational	Gundauri Tskali	Adjacent to V. Gundauri	1	Merisi	25.000	Not operational/needs rehabilitation	50.000	
35	Merisi	Gravitational	Gundauri Tskali	Adjacent to V. Gundauri	1	Merisi	25.000	Not operational/needs rehabilitation	60.000	
36	Merisi (Ortamela(	Gravitational	Gundauri Tskali	Adjacent to V. Gundauri	1	Merisi	25.000	Good	20.000	
37	Inasharidzeebi - Tchaligele	Gravitational	Tchaligeli Tskali	Adjacent to V. Merisi	1	Merisi	0.000	Not operational/needs rehabilitation	100.000	
38	Abuketa	Gravitational	-	Adjacent to V. Abukheti	1	Tsoniarisi	25.000	Good	30.000	
39	Gobroneti	Gravitational	-	Adjacent to V. Tsoniarisi	1	Tskmorisi	32.000	Needs rehabilitation	50.000	
40	Keda, Pirveli Misi (Sagoretis Ubani)	Gravitational	-	Adjacent to V. Sagoreti	1	Pirveli Misi	0.000	Not operational/needs rehabilitation	100.000	
41	Arsenauli	Gravitational	-	Adjacent to V. Arsenauli	1	Keda town	25.000	Good	30.000	
42	Ortsvi (Shua Ubani)	Gravitational	Ortsvis Tskali	Adjacent to V. Ortvi	1	Keda town	25.000	Good	30.000	
43	Keda, Merisi (Ortamelas Ubani)	Gravitational	Sakavriis Tskali	Adjacent to V. Merisi	1	Merisi	25.000	Good	30.000	

44	Keda, Merisi (Kapartkes Ubani)	Gravitational	Satevziis Tskali	Adjacent to V. Merisi	1	Merisi	0.000	Not operational/needs rehabilitation	100.000	
45	Keda, Merisi (Khavartsilas Ubani)	Gravitational	-	-	1	Merisi	0.000	Not operational/needs rehabilitation	100.000	
46	Keda, Merisi (Sakhavria)	Gravitational	-	Adjacent to Merisi-Gundauri	1	Merisi	25.000	Good	30.000	
47	Keda, Merisi	Gravitational	-	Adjacent to V. Merisi	1	Merisi	25.000	Good	20.000	
48	Keda, Merisi	Gravitational	-	Adjacent to V. Merisi	1	Merisi	0.000	Not operational/needs rehabilitation	100.000	
49	Keda, Zvare (Sasrolias Ubani)	Gravitational	Zvares Tskali	Adjacent to V. Zvare	1	Zvare	32.000	Needs rehabilitation	50.000	2021 (planned)
50	Katauni	Gravitational	-	Adjacent to V. Abukheti	1	Tsoniarisi	0.000	Not operational/needs rehabilitation	100.000	2021 (planned)
51	Tsoniarisi (Basilauri)	Gravitational	-	Adjacent to V. Basilauri	1	Tsoniarisi	32.000	Needs rehabilitation	50.000	2020
52	Akho	Gravitational	Tchibilas Tskali	Adjacent to Akho	1	Tsoniarisi	25.000	Needs rehabilitation	30.000	
53	Gvelidzeebi (Kveda Gvelidzeebis Ubani)	Gravitational	-	Adjacent to V. Gegelidzeebi	1	Tskmorisi	25.000	Needs rehabilitation	30.000	2020
54	Gegelidzeebi	Gravitational	-	Adjacent to V. Gegelidzeebi	1	Tskmorisi	25.000	Needs rehabilitation	20.000	
55	Kvashta	Gravitational	-	Adjacent to V. Kvashta	1	Zvare	32.000	Needs rehabilitation	50.000	Lack of source water
56	Keda, Merisi (Garetke)	Gravitational	-	Adjacent to V. Garetke	1	Merisi	25.000	Good	10.000	
57	Merisi (Sakhavria)	Gravitational	Sakhavrias Tskali	Adjacent to V. Merisi	1	Merisi	30.000	Good	30.000	
58	Sikhalidzeebi (Diasamidzeebis Ubani)	Gravitational	-	Adjacent to V. Merisi	1	Merisi	25.000	Good	10.000	
59	Gogiashvilebi(Phosotona)	Gravitational	Phosotonas Tskali	Adjacent to V. Gogiashvilebi	1	Dandalo	25.000	Good	10.000	
		Gravitational			1					
		Gravitational			1					
60	Merisi (Garetke)	Gravitational	Satsumpias Tskali	Adjacent to V. Garetke	1	Merisi	25.000	Good	10.000	
		Gravitational			1					