



## **Local Economic Development Plan**

**Tsageri Municipality  
Georgia**

Tsageri  
2020



## **1. Summary content**

The Economic Development Plan prepared by Tsageri Municipality is a jointly prepared document by the public and private sectors, which, together with a long-term vision and goals, defines the measures to be taken within 2 years.

The inability to import ecologically clean products into the regional and national markets, state programs supporting local businesses, the opportunity to increase the number of visitors, creates a precondition for Tsageri Municipality to become famous for its ecological agricultural products and tourism opportunities. In an environment conducive to business development, where families have the opportunity to earn an income. In order to make this vision a reality, the Local Economic Development Partnership has set the following goals: to support local production; Increase the tourism opportunities of the municipality; Develop local human resource skills. To achieve these goals, the plan envisages the following actions: organizing an annual Georgian wine festival; Supporting the marketing activities of local producers; Arranging a tourist exhibition space in the city; Production of an active tourist information-image campaign; Arrangement of infrastructure on tourist locations; Training of human resources employed in the field of tourism; Creating a dialogue platform between the municipality, the employer and the schools.

The total budget of the plan is 802 020 GEL (250 624 Euros), of which the share of the local budget is 133 324 GEL (41663 Euros) 17%, 377 538 GEL (117 980 Euros) 47% will be attracted from the high level budget; 36% of the 291,158 GEL (90,986 Euro) activities will be funded through donors.

An important place in the plan is occupied by the monitoring of the implementation, which will be carried out by the Civil Advisory Council established in the City Hall.

## **2. Table of Contents**

- Appeal of the Mayor
- 1. Summary content
- 2. Contents
- 3. Tables and abbreviations
- 4. Introduction to the plan
- 5. The process of developing a local economic development plan
- 6. Local economic analysis
  - 6.1 Analysis of local economic structure
  - 6.2 Local cooperation and network connections
  - 6.3 Business-friendly, transparent and anti-corruption administration
  - 6.4 Access to finance
  - 6.5 Land and Infrastructure
  - 6.6 Regulatory and Institutional Framework
  - 6.7 Skills and Human Capital, Inclusion
  - 6.8 External positioning and marketing
- 7. Analysis of strengths and weaknesses, opportunities and threats (SWOT)
- 8. Vision and Objectives
- 9. Action Plan
- 10. Funding scheme
- 11. Monitoring indicators and mechanisms

### Appendices

- Appendix 1. The process of developing a local economic development plan.
- Appendix 2. Minutes of the working group and meeting with various stakeholders in the LEDP preparation process.
- Appendix 3. Data and information about the municipality

## **3. Tables and Abbreviations**

### 3.1. Tables

- Table 1. Action Plan
- Table 2: Financing Scheme
- Table 3. Monitoring indicators and mechanisms

### 3.2. Abbreviations

- M4EG - Mayors for Economic Growth
- LED - local economic development
- LEDP - Local Economic Development Plan
- SWOT - strengths and weaknesses, opportunities, threats

#### **4. Introduction of the plan**

In May 2019, Tsageri Municipality signed the document on membership of the M4EG club under the EU Initiative “Mayors for Economic Growth”. Economic development plan is needed in order to develop the tourism sector, as well as to promote the local agricultural production and help increase the share of production and processing, which will have the positive impact on increasing the income of population and reducing migration. The M4EG initiative enables municipalities to develop a short-term economic development plan with the participation of qualified experts and to prepare, implement and monitor the implementation process.

The Mayor of Tsageri Municipality will continue to cooperate with the private sector and ensure their participation in the implementation and monitoring process. This plan is developed in full compliance with the M4EG standards, the main principle of which is the participation of the private sector in the planning-implementation-monitoring process.

The presented plan coincides with the Georgian Agricultural Development Strategy 2020-2021, the Georgian Tourism Development Strategy 2025 as well as the Tsageri Municipality Development Strategy 2014-2021 and Tourism Development Strategy. The prepared plan is an additional document of the planning system operating in the country. A local economic development plan is developed to address the specific economic challenges described in the plan. It is not a comprehensive plan and cannot replace or contradict other plans, the presented economic development plan focuses closely on private sector development to promote business growth, development and employment of the local people.

The plan is developed in active cooperation with the private sector and civil society in accordance with initiative the "Mayors for Economic Growth" standards. Tsageri Municipality will continue to cooperate with the private sector and ensure their participation in the implementation and monitoring of the plan. The budget of the activities envisaged by the plan is 802 020 GEL (250 624 Euros), of which the share of local budget is 133324 GEL (41663 Euros) 17%, the share of the Central Budget is 377538 GEL (117980 Euros) 47%, and the donors - 291158 GEL (36986 Euros). 36%.

#### **5. The process of developing the local economic development plan**

A four-member working group, led by an LED officer, was set up to prepare the LEDP. Members were selected using the following criteria: planning experience; Qualification of information retrieval and analysis; Experience working with donor organizations; Representative of different sectors. The working group had a written action plan that was followed within the timeframe.

During the preparation of the plan, meetings were held with a group of local economic development partners. A total of seven meetings were held in the process of developing the plan, namely: two meetings were held with businessmen in the municipality who produce grapes and wine and work on development of tourism and family hotels. Two meetings with businessmen working in different fields in the municipality and one meeting with representatives of non-governmental organizations. The working group presented them with the prepared materials for discussion. The group of partners included representatives of about 15 local private and public organizations. Gender balance was maintained in the working group and partnership. The working group presented them with the prepared materials for discussion. Their partnership views and remarks were reflected in the Economic Development Plan, which added more legitimacy to the application. The selection of the partnership group was made taking into account the interest in local economic development and the possibility of influencing it. By observing their experience and gender principle; As well as the impact and interest they had on local economic development.

#### **6. Local economic analysis**

**6.1. Analysis of local economic structure:** The main directions of economic development of Tsageri Municipality are: agriculture, trade, services, manufacturing, construction, tourism.

Industry and processing are relatively poorly developed in the municipality, it is mainly limited to stone processing, inert materials, food industry (bread bakeries, lemonade workshops). Lajanuri hydroelectric

power plant is operating in the municipality - with a capacity of 105 MW, a small hydroelectric power plant of Jonouli with a capacity of 1.5 MW, is running on the river. Construction of 3 small hydroelectric power plants on Lajanuri with a total capacity of 18 MW.

The production of industrial products in 2019 amounted to 13 million GEL, and the average number of the employees in this field is 440 people. In 2019, the number of business entities has increased. There are 26 different cooperatives, 80 trade outlets, 10 processing plants, the law on mountainous regions and state-sponsored business programs have recently contributed to the growth of enterprises. One of the promising sectors of the municipality's economy is tourism, the geographical location of the municipality, numerous ancient historical and cultural sites, beautiful valleys and mountain resorts create favorable conditions for the development of almost all types of tourism. Today, there are 20 family hotels in the municipality, which can accommodate up to 125 tourists at a time. There is a balneological resort "Lashichala" in 250 places, the mineral waters of which are used for both drinking and bathing procedures. The healing water of the resort "Dzuguri" is unique, which has a special effect on the treatment of diabetics. These mineral waters and their healing properties are well known to the population.

Currently, a general plan for the development of the resort "Akhalchala" is being prepared, which will be presented for consideration and investments will be made.

In Tsageri municipality, it is noteworthy that the tomb of St. Maximus the Confessor, who lived in the 5th century, was discovered, which significantly increased the number of pilgrims to the grave. It is noteworthy that there is the Settlements of the ancient period called "Museum in the Open Air" in Dekhviri village. Recently, pedestrian paths have been improved at the Muri Fortress Complex, and a review of the Gvirishi Waterfall has been arranged, as well as a resting place on the Cold Stone. It is promising and of great interest to tourists is the Green Lake near the village of Kulbaki and the infrastructure developed on it. Further development of this direction additionally requires further development of tourism infrastructure and improvement of the population's interest and involvement in this field, and the print edition of the tourist guide, which will be available to all tourist operators. Promoting activities will be the primary task of the newly built Tourism Promotion Center, the modern type of the original building of which has been already put into operation.

Priority is given to Tsageri municipality and agriculture plays an important role in the development of its economy, most of the local population is employed in this field and the main source of their income is the production and sale of agricultural products. Despite the active internal and external migration of the local population, agriculture remains the leading sector in the municipality, at this stage the state land registration project is successfully underway, which aims to increase access to land registration, land and private land use.

Viticulture in the municipality is traditionally the oldest field and it is more or less followed in most villages of the municipality. Today, the total area of viticulture is 590 hectares, of which Tsolikauri is 4.24 hectares, Ojaleshi is 83 hectares, Usakhelauri is 46 hectares, and the rest are other varieties (Alexandrouli, Mujuretuli, Izabela). In 2016-2019, more than 3 hectares of Tsolikauri vineyards were planted, up to 15 hectares of Usakhelouri vineyards, 2 vineyards were put into operation. The yield of Ojaleshi, 45 tons to 60 tons of Usakhelouri, 6 to 10 tons of Alexandroupoli grapes has increased. All of these varieties produce quality wines, which are widely known not only in Georgia, but also in international markets.

For the further development of this field, it is necessary to have a certificate of origin on such varieties as "Usakhelouri" and "Orbeluri Ojaleshi", to build several wine bottling plants and to provide the population with quality poisons, chemicals and agro-products.

Livestock has long been and still remains one of the main sources of income for the municipality's population. However, it should be noted that there is a trend of declining livestock trends. If at the end of the 80s of the last century the total number of cattle was 16 thousand, today it does not exceed 6 thousand, but the municipality's land resources (natural pastures, pastures) allow to increase this number of times. Recently, there has been a reversal in this area. Several cooperatives were put into operation, one of them - the cooperative "Chrela" - through the state program received the necessary agricultural machinery for this field, the inventory of the milk receiving point, more than 400 hectares of alpine pastures were leased. A goat breeding farm has been opened in Gveso village, where goat cheese is prepared in full compliance with the market, which is in serious demand in the market. A cattle breeding farm for 60 people has been built in Kulbaki village. For further development of the field, it is necessary

to breed cattle, introduce artificial insemination, open a dairy enterprise and provide the permanent veterinary services.

Beekeeping is one of the oldest and most profitable fields in the municipality. Interest in this field has increased, especially in the last decade. Today, the municipality has more than 4,000 bee colonies, and more than 150 amateur and professional beekeepers are engaged in this field. Every year 70-80 tons of high-quality ecologically pure honey is produced, 10 beekeeping cooperatives are registered in the municipality, which received 945 bee houses 5 units of honey grinding machine and 5 reservoirs for storing and transporting honey of different volumes last year. Further development of beekeeping requires further development of the cooperative network, introduction of various new products (bee milk, poison and the flower dust) prevention of diseases and introduction of effective drugs, as well as the arrangement of laboratories to determine the quality of honey.

Recently developed and has great prospects for the development of fisheries, for this stage more than 50 tons of trout are produced. There is a cooperative in this direction, fish production has the prospect of growth and for this it is necessary to introduce the modern technologies of fish production and arrangement of local food and farm production.

The natural soil and climatic conditions of the municipality are the best for the development of fruit growing. In the 80s 5-6 thousand tons of seed and turmeric fruits were processed in Lechkhumi. Local forests are rich in wild fruits (panta, majalo, blueberry, blackberry, askili, raspberry, etc.). Pomegranate, fig, kiwi and saplings are also found in the private households. Most of the fruits grown in Lechkhumi were sold in Tbilisi in 2018-2019 years. Nevertheless, the population is less interested in the further development of the sector, as it is not a key tool, there is no processing plant on the ground and sales prices are low. Therefore, the population uses it mainly for the personal consumption.

From annual crops grown in the municipality mainly corn, beans, vegetables, horticultural crops, mainly used for personal consumption, the population is focused on growing corn and beans. And the stored product (has an exchange purpose) is characterized by a stable selling price, but recently there is a tendency to decrease the sown areas, because the damage caused by harmful diseases is great, there is no seed rotation, seed poisoning, no other agro-technical measures. The level of mechanization is low and the population has to carry out a number of works by hand, which further hinders the further development of the field.

In the future, it is necessary to focus on the production of the new agricultural projects, to raise the issue of reclamation of agricultural land in the plains. One of the priorities for the municipality today should be to promote cooperation with cooperatives and micro companies in the near future. Promote the development of the processing industry by providing them with the necessary equipment and inventory.

**6.2. Local Cooperation and Network Relations:** Cooperation between business representatives in the municipality is still in the early stages of development. Major collaborative relationships are formed as a result of the existence of mutual needs. Among them we can single out several directions:

Several small honey-producing farms are planning to merge to create a joint production and occupy a place in the market for their own products.

It is important to establish network relations in the field of tourism. Since 2015, the tourism project "Wine Road" has been implemented in the municipality, where representatives of local hotel businesses, travel companies and family wineries are involved together with the government structures. The purpose of this union is to provide the relevant services to those interested in the sights of the municipality and then increase their number, which in itself will lead to employment of the local population and increase their income.

**6.3. Business-friendly, transparent and anti-corruption administration:** An electronic document management system operates in the City Hall. With its help, organizations have made communication with employees, citizens and other agencies much easier - paper documents have been completely replaced by electronic ones, reduced citizen service time, and the service delivery process has become more efficient and effective. An electronic archive of documents and mechanisms for the implementation and the control of citizens'. There is a website of the City Hall and an information service subordinated to the City Hall, which mainly covers the activities carried out with the involvement of the local government.

The Property Management Division, with its 7 employees, among other activities, has been implementing the electronic auction form since 2018, which facilitates the publicity of information and

transparency of activities. The issues of registration and registration of municipal property remain unresolved, so from 2020 it is planned to register and register municipal property for the next 3 years. Information about the tenders announced by the municipal administration is posted on the website of the State Procurement Agency and all interested persons can submit their own tender proposal. The activities of the tender commission are transparent and all decisions are uploaded on the agency's website. In order to increase public involvement and awareness, information is posted on the municipality's website.

The 2020 budget of Tsageri Municipality envisages measures to support economic development. Employees of the relevant departments were involved in the budget preparation process, the budget was discussed at the meetings of the relevant commissions and factions of the City Council.

**6.4. Access to Finance:** In order to improve the business environment in the municipality, the services of several financial institutions are used as a source for finding financial resources:

- The state implements projects (Rural and Agricultural Projects Management Development Agency, Agency "Produce in Georgia"), which finances production / service areas. According to the results of the competition, the number of approved business plans is low, the main reason being the low quality of the prepared business plans. It is necessary to train and consult interested entrepreneurs on business plan preparation issues. Information meetings are held with the beneficiaries by the relevant specialists of the City Hall, assistance is provided in the preparation of the electronic application. However, in some cases it is inconvenient for the population and it is necessary to train small business representatives in computer technology.

- Banks and microfinance organizations operating in the municipality, which provide loans to small business companies and agro-sectors. Several banks are involved in the state program "Preferential Agro Credit Program", which provides co-financing of 10% of the interest rate. The main impediment to business cooperation with credit organizations is: the requirement to provide high liquidity collateral; Loans are issued mainly for the purchase of fixed assets and for less working capital; Entrepreneurs, unable to participate in the state program, have a high interest rate; A novice entrepreneur cannot afford to take out a loan.

More communication is needed between the financial sector and business representatives, the provision of information about banking products, the initiator of these processes should be the municipality. It is important for the municipality to have programs to support traditional and innovative business ideas. Support for local small and medium-sized businesses should be provided with the help of programs from state and donor organizations in the following areas: Promoting local fruit processing, etc. Dry fruit production, environmental business projects, etc. Production of disposable bio-materials; Production of innovative products for the production and processing of grapes and fruits; Honey branding and production promotion; Production of gift and handmade souvenirs.

**6.5. Land and infrastructure:** Tsageri municipality is relatively small, in 2019 the total area of agricultural lands in the municipality is 13283 ha, of which 2341 ha are arable land, 996 ha are perennial plants, 1435.4 ha are pastures and 8511 ha are pastures.

In 2018, 23 facilities were leased. The number of interested people in the municipality who want to buy or rent municipal or state-owned property has increased. There is currently no single information center where interested parties will be able to select the property they need and accept. The property of the municipality is not fully described and registered, the City Hall plans to have a complete description of the municipal property by the end of 2021, to evaluate and register and inventory it.

Agricultural land is a major need to increase the income of rural residents through various public and private investments. During this period, it is necessary to complete and simplify the registration of private plots by the population, to conduct land inventory, to determine land balance and in the region. Conducting agrochemical analysis of the limb.

In the municipality, as well as in the region, there is no business infrastructure. One of the priorities for the municipality today should be to promote cooperation with cooperatives and micro companies in the near future. Promoting them with the necessary equipment and inventory, developing the processing industry.

**6.6. Regulatory and Institutional Framework:** Through the center, a tourism development program is being developed, as well as several agricultural development programs are being prepared, and a municipal development strategy has been adopted. At the same time, it is necessary to give these

documents the face and status of a legislative normative act in the near future, which will simplify the business orientation.

The rules for issuing licenses for the extraction of minerals (inert material, stone, gravel) are regulated and simplified, as in many cases the issuance of a license is delayed, there are cases when the volume of minerals issued under the license is less. The amount that the license holder has at this time violates the law and there are facts of fining the licensee.

**6.7. Skills and Human Capital, Inclusiveness:** When conducting research on local business needs, it was found that most businessmen recruit employees from a circle of friends and relatives, believe only in the general education of employees, paying less attention to their qualifications, no staff training or retraining. A liberalized system that ultimately leads to the need for qualified personnel in most enterprises.

Due to the growing migration situation in the municipality, the following professions are in demand in the near future: doctor, veterinarian, agronomist, food industry technologist, qualified grower, foreign language guide, hotel manager, construction engineer and electricians. After graduating from high school, young professionals return to work in the municipality and start working in big cities or even abroad. To remedy this situation, it is necessary to register the students of technical and humanitarian higher education institutions who have left the municipality, to arrange meetings between them and the employers.

**6.8. External positioning and marketing:** Tsageri Municipality, due to its geographical location, can be said to be in a favorable position for the development of industrial tourism business. There are a variety of environments where there are many ancient period historical church monasteries and castle towers, natural monuments in the municipality causing a serious increase in tourist flow.

Tsageri municipality has long been known for its diverse and unique vine varieties, out of 500 varieties described in Georgia, 60 varieties are represented in Lechkhumi. However, today there are mainly 3 varieties on the ground. There are several wineries in the municipality, famous wines are bottled, local entrepreneurs and winemakers regularly participate in wine festivals and exhibitions in different regions of the country, have received prizes and awards.

The municipality is rich in various natural minerals, one of the most important being the Gabro-Diabase deposit in the village of Doghurashi, which is used to decorate buildings, both exterior and interior, licenses have been issued, its operation is planned.

There are many other resources on the territory of the municipality, which can be used to implement important investment projects: resort "Akhalchala", 3 balneological resorts, places for mountain and hunting tourism, environmental climate to grow blueberries and other technical crops, rich water resources for fishing development. The municipality is preparing investment projects in this direction. It is advisable to organize an investment forum for potential investors. The municipality has connections with Georgian Jews moving from the village of Lailashi to Israel, who have a serious economic and social situation there, and plans are being made to deepen economic relations with them and establish new relations.

## 7. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"><li>- Favorable natural-climatic conditions for the production of ecologically clean agricultural products</li><li>- Variety of ecologically clean agricultural products produced in the municipality: fruits, vegetables</li><li>- Cheap labor</li><li>- Large resource of pastures and cheapness of land resources</li><li>- Mineral and drinking water resources</li><li>- International recognition of unique endemic vine varieties and wines - "Usakhelauri", "Tvishi", Orbeluri "Ojaleshi"</li><li>- Large resource for trout production</li><li>- The potential for the development of various types of tourism, famous tourist and leisure places in the country</li><li>- Existence of network relations in the field of tourism</li></ul>	<ul style="list-style-type: none"><li>-Lower awareness of the investment potential of the municipality Lack of investment and lack of experience working with investors</li><li>- Low level of business experience</li><li>- Low level of tourist service</li><li>- Lack of strategy for development of tourism potential of the municipality</li><li>- Low crop yields and low productivity of commodities</li><li>- Poor chemicals and no additional protection. Outdated agricultural techniques and lack of small mechanization-. - Lack of realization market</li><li>- Scarce and outdated varieties and technologies</li><li>- Production of local products Disorganization of processing and sale</li></ul>

<ul style="list-style-type: none"> <li>- Existence of electronic auctions and procurement, electronic document circulation systems in the municipality</li> </ul>	<ul style="list-style-type: none"> <li>- High level of unemployment</li> <li>- Absence of warehousing capacity of agricultural products.</li> </ul>
<b>Opportunity</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>- Implementation of projects by the state in the regions</li> <li>- Increasing demand for environmentally friendly products in regional and local markets</li> <li>- Increase in the number of tourists in the country</li> <li>- Increase the interest of private investors</li> <li>- Increasing the volume of assistance from international donor organizations</li> <li>- Special state programs to stimulate small business and agribusiness-oriented, processing enterprises and farmers' co-operation processes</li> <li>- State programs for the development and implementation of an effective mechanism for land fertility management, landslide and erosion prevention mechanism</li> </ul>	<ul style="list-style-type: none"> <li>- Pandemics</li> <li>- Lack of sales market at the regional level</li> <li>- Production of non-processing of key processing and key</li> <li>- High unemployment in the region and population outflow from the region</li> <li>- Lack of agricultural production warehousing in the region.</li> <li>- Reduction of the number of tourists in Georgia due to the Corona virus epidemic</li> </ul>

To increase the ecologically clean products produced in the territory of the municipality in the local and republican markets, to increase the flow of tourist flows, to increase the interest of private investors in the municipality in various fields. Develop and implement projects in agriculture, tourism, processing industry, create warehousing and refrigeration plants, take care of the introduction of new equipment, development of innovative industries.

The inability to import environmentally friendly products from regional and national markets, state programs to support local businesses, and the opportunity to increase the number of visitors create preconditions for the development of Tsageri Municipality.

## **8. Vision and Objectives**

**Strategic vision:**

Tsageri Municipality is known for its ecological agricultural products and tourism opportunities, business environment where families have the opportunity to earn an income.

**Key Objectives:**

- 1) Supporting local production;
- 2) Increasing tourism opportunities of the municipality;
- 3) Development of local human resources skills;

## 10. Action Plan

The LEDP Action Plan has been prepared with the active participation of partners and stakeholders. The action plan includes measures to develop the skills of the local population supporting agriculture, tourism and small and medium-sized businesses, the implementation of which will help achieve the municipality's planned goal. Most of the activities will be implemented by the municipality. State institutions, the private sector and development partners will be involved in some of the activities.

Table 1. Action Plan

Building blocks	Key Objectives	Actions / Projects ideas	Duration (start/finish)	Partners involved	Estimated costs (national currency & EUR equivalent)	Output (Product) indicators and targets	Outcome (Result) Indicators and targets
External positioning and marketing:	Support of local production	1.1. Organizing the annual Georgian wine festival	02.2020-08.2022	Tsageri Municipality;	12000 GEL (3750 Euro)	<b>Output:</b> 1) 2 festivals were held; 2) About 30 winemakers and producers of related products participated in the festival;  <b>Monitoring Indicator:</b> 1) 15 participating businesses; 2) 350 visitors;;	<b>Output:</b> 1) income of local producers has increased; 2) popularization of local production has increased;  <b>Indicators:</b> 1) increase in producers' revenues;
		1.2. Marketing support and stimulation of local manufacturers' activities	02.2020-10.2021	Tsageri Municipality;	12000 GEL (3750 Euro)	<b>Output:</b> 1) The best 2 farmers and 3 entrepreneurs of the year have been identified; 2) Information about the best farmer / entrepreneur of the year is spread in 5 different media outlets. <b>Monitoring Indicator:</b> 1) Number and list of information disseminated in various media outlets;	<b>Outcome:</b> 1) increased sales of producers' products; 2) increased awareness of local products on the market;  <b>Outcome Indicators:</b> 1) Sales of products;
Land and infrastructure; External Positioning Marketing	2. Increasing the tourism potential of the municipality	2.1. Arrangement of tourist exhibition space in the city	10.2020 - 11.2021	Tsageri Municipality;	42000 GEL (13125 euros)	<b>Output:</b> 1) An exhibition-trade space is arranged on 1000 sq.m; 2) Measures are being taken in the building with an area of 200 sq.m. 3) There are 1 daily tourist information center	<b>Outcome:</b> 1) the number of satisfied visitors has increased;  <b>Indicators:</b> The number of satisfied visitors

		2.2. Implement an active tourism information-image campaign	09.2020 - 12.2021	Tsageri Municipality; National Tourism Administration;	14000 GEL (4375 euros)	<b>Output:</b> 1) 3 information tours have been conducted;  <b>Indicators:</b> 1. Number and list of information tours and participants;;	<b>Outcome:</b> 1) Increased number of visitors in Tsageri;  <b>Indicators:</b> 1) Number of visitors;
		2.3. To arrange infrastructure at tourist locations	01.2020 - 08.2021	Tsageri Municipality; Regional Development Fund.  GRETA-(Hub);	700020 GEL (218756 euros)	<b>Output:</b> 1) The access road to tourist facilities is well-equipped;  2) 9 paths to the natural columnar monuments of the village of Sairme are arranged  <b>Monitoring Indicators:</b> 1) the number of rehabilitated infrastructure;	<b>Outcome:</b> 1) access to tourist facilities has increased;  <b>Indicators:</b> 1) the number of visitors to the facilities
Skills and human capability;	3. Develop local HR skills;	3.1. Training of human resources employed in tourism	01.2020-10.2020	Tsageri Municipality;	10000 GEL (3125 Euro)	<b>Output:</b> 1) 2 training programs were conducted; 2) 20 trained participants;  <b>Indicators:</b> 1) Number and list of training participants	<b>Outcome:</b> 1) the quality of service of the participants of the training program;  <b>Indicators:</b> 1) service level assessment;
		3.2. Creating a dialogue platform between the municipality, the employer and the schools	07.2020 - 12.2022	Tsageri Municipality;	GEL 12000 (3750 Euro)	<b>Output:</b> 1) 2 meetings of the platform members were held;  <b>Indicators:</b> 1) Number and list of meeting participants;	<b>Outcome:</b> 1) Improving knowledge about job and employee qualification;  <b>Indicators:</b> 1) service level assessment;

## 10. Funding scheme

The value of each activity was determined in GEL and EUR. It is envisaged that the funding provided by the local central budget will be co-financed by the local budget in all planned activities, which will be included in the budget expenditures of the respective year.

The total budget is 802 020 GEL (250 624 Euros), of which the local budget co-payment is 133 324 GEL (41663 Euro 17%), the central budget co-payment is 377 538 GEL (117 980 Euro) 47%. Donor organizations - 36% 291158 GEL (90 986 Euros). 94% of the plan budget is spent on actions to achieve the se

Table 2: Financing Scheme:

Actions	Approximate value	Source of funding				Loss in funding	Notes
		Local budget	High level budget	Business	Donors		
1.1. Organizing the annual Georgian wine festival	12000 Gel (3750 euro)	12000 Gel (3750 euro)					
1.2. Support and stimulate the marketing activities of local producers	12000 Gel (3750 euro)	12000 Gel (3750 euro)					
2.1. Arranging a tourist exhibition space in the city	42 000 Gel (13125 euro)	42000 Gel (13125 euro)					
2.2 Production of an active tourist information-image campaign	14000 Gel (4 375 euro)	14000 Gel (4375 euro)					
2.3 Arrangement of infrastructure on tourist locations	700 020 Gel (218 756- euro)	31 324 Gel (9 788 - euro)	377 538 Gel (117 980 euro)		291 158 Gel (90 986 euro)		
3.1 Training of human resources employed in the field of tourism	10 000 Gel (3 125 euro)	10 000 Gel ( 3 125 euro)					
3.2. Creating a dialogue platform between the municipality, the employer and the schools	12 000 Gel ( 3 750 euro)	12 000 Gel (3 750 euro)					
<b>Total:</b>	<b>802 020 Gel (250 625 euro)</b>	<b>802 020 Gel (250 625 euro)</b>	<b>377 538 Gel (117 980 euro)</b>				

## 11. Monitoring indicators and mechanisms

Monitoring of the implementation of the Local Economic Development Plan will be carried out by the Civil Advisory Board set up in the Tsageri Municipality, which is comprised of representatives of local CSOs, SMEs and the general public, including 11 persons. 6 women. Information about planned and implemented projects will be provided by the LED Officer. The Board meets once every 3 months to discuss the implementation and progress of the plan.

Table 3: Activities and Monitoring Plan:

Activities	Duration	Expected Outcome 1-6 months	Expected Outcome 6-12 months	Expected Outcome 12-18 months	Expected Outcome 18-24 months
1.1. Organizing the annual Georgian wine festival	02.2020 - 08.2022	Created by the organizing group of the festival and selected by the participants;	A wine festival has been held	Created by the organizing group of the festival and selected by the participants;	A wine festival has been held

		Festival materials are prepared		Festival materials are made;	
1.2. Stimulating the marketing activities of local producers	02.2020 - 10.2021	The conditions of the competition "Successful Farmer / Entrepreneur" are prepared;  A commission has been set up to select successful farmers / entrepreneurs;	The successful farmer / entrepreneur of the year is identified;  An image video has been prepared;	The winning entrepreneur participates in the exhibition across the country	A successful farmer / entrepreneur of the year has been identified;
2.1. Arranging a tourist exhibition space in the city	10.2020 - 11.2021		The location is selected;  A grant application has been prepared for donor organizations and an appeal to government agencies	A decision has been made on co-financing;  The arrangement of the tourist exhibition space has started	Arrangements are being made in the space,
2.2. Production of an active tourist information-image campaign	09.2020 - 12.2021		The concept and materials of the information tours are prepared	The concept of an information tour is familiar to interested organizations; The list of participants has been established.	An information tour has been conducted
2.3. Arrangement of infrastructure on tourist locations	01.2020 - 08.2021	Tourist locations are selected; A draft proposal has been prepared; A tender has been announced for the purchase of services;	Routes to access the natural columns of the village of Sairme Arranged and planned project is implemented,	picnic places have been arranged	Infrastructure is arranged at tourist locations
3.1. Training of employed human resources	01.2020-10.2020	Training participants are selected	The needs of the participants are defined;  Training materials are prepared	1 training was conducted	The 2nd training was held
3.2. Creating a dialogue platform between the municipality, the employer and the schools	07.2020-12.2022		The concept of the platform has been prepared	The first meeting of the platform was held	The second meeting of the platform was held