



Georgia

UNITED NATIONS DEVELOPMENT PROGRAM

PROJECT DOCUMENT

Support to the Modernization of the Vocational Education and Training System – Phase 3

Sector: Economic Development

Duration: 24 months

Budget: 580,000USD

Funding: Swiss Development Agency (340,000USD), UNDP (240,000USD)

Brief Description

This Initiative builds on the achievements of the phase 1 and 2 of the UNDP/SDC Vocational Education Project in view of the new developments in the field of VET. The overall objective of the new phase 3 of the assistance is to contribute to improving the quality of vocational education and training, increasing incomes and employment opportunities among the rural poor.

This will be accomplished through focusing on three strategic directions:

(i) Improving the quality of the vocational education through increasing the availability of the advanced methodologies and teaching materials and retraining programmes for the teachers

(ii) Enhancing sustainability of the partner VET Centers through better positioning them not only as facilitators to employment and self employment, but also as partners to local businesses and hubs for supporting small-scale economic activities in the region.

(iii) Increasing accessibility of vocational education and retraining opportunities through expanding the intervention geographically and thematically.

These three directions were selected so that to ensure smooth exit from the VET Centers that have been supported during the Phase 2 of the project on the one hand, and to strengthen fundamentals of the vocational education at the national, sub-national and thematic levels on the other. This is believed to best respond to the dynamic environment of VET in Georgia these days and be in line with draft VET strategy which is being discussed and which calls for VET sector to become instrumental in facilitating self employment and entrepreneurship.

The project will be implemented in close cooperation with the Ministry of Education and Science (MoES), the partner VET Centers – Kachreti, Telavi, Ambrolauri, Akhaltsikhe and Kutaisi, Ministry of Economic Development (MoED) and business communities in the targeted regions. With expanding the agricultural extension component of the project, the project will have an increased liaison with the Ministry of Agriculture.



UN Development Programme

Georgia - Tbilisi

Award ID: 00048083
Award Title: VET-phase 2-3
Start Year: 2007
End Year: 2010
Implementing Partner
(Executing Agency): DIRECT EXECUTION

Budget (US\$) as of Last Revision on 04-February-2010		
Donor	Fund	Amount
UNDP	04000 TRAC (Lines 1.1.1 and 1.1.2)	240,000.00
SDC	30000 Programme Cost Sharing	340,000.00
EU	46810 EC GEO SUPPORT RECOVERY	400,320.58
Total Budget (201 and Beyond)		980,320.58
Total Expenditure (2009 and Prior		1,693,956.42
Award Total		2,719,660.22
Unprogrammed/Unfunded		45,383.23*

Responsible Party
(Implementing Agent): UNDP
 Gori University VET
 Ambrolauri Vocational Center
 Akhaltsikhe Vocational Centre
 Telavi Vocational teaching Center
 Kachreti Vocational Teaching Center
 Kutaisi Vocational teaching Center

Revision Type:

Brief Description:

This revision is made to reflect:

- Introducing output 00073115 for implementing Phase 3 of the project described in the attached project document and adding 580,000USD (o/w 240,000USD TRAC and 340,000USD SDC contribution).

- introducing 5 new implementing agencies under output 00073115:

Ambrolauri VET (004240), Akhaltsikhe VET (004241), Kachreti VET (004246), Telavi VET (004245), Kutaisi VET (004287).

Agreed by: Inita Paulovica, DRR

Agreed by:

[Handwritten Signature]
 IP/02/2010

* 45,383.23USD under Unprogrammed Funds is due to uncollected GMS for 4Q09, to be collected by the end of 1Q10

I. SITUATION ANALYSIS

Human resource development and strengthening the professional education sector has been identified as key elements in economic recovery and growth. Adoption of the Law on Professional Education in April 2007 is marked as launch of the implementation stage of the ambitious reform agenda in the vocational and educational training system to make it responsive to the labor market needs and demands. Compatibility with European VET standards, including the notion of lifelong learning, and a new relationship between the VET system, labour market and companies' skill needs, were central to the new approach to the vocational education in Georgia.

A revised strategy for VET is currently under formulation¹. It gives renewed emphasis to improved infrastructure and equipment for the VET schools noting that, despite significant budgetary-funded expenditure, most schools were deficient in these respects. It re-emphasises the need to link VET provision to labour market needs. The Ministry of Education and Science is responsible for implementation of the Law on Vocational Education as well as National 2009 – 2012 Midterm Strategy VET Strategy. Eleven VET Centers (out of existing 38) have been renovated and equipped using state budgetary funds by the end of 2007. The shift in Government priorities after the snap Presidential and Parliamentary elections in 2008 has slowed down the ambitious process of infrastructure rehabilitation in VET sector. Progress on the development of the soft component has been rather modest – which is partially due to limited capacity within the responsible agencies, and partially uncertainty with regards to Government strategies towards the key elements on the vocational education. This notwithstanding, the Joint Needs Assessment prepared shortly after the August 2008 conflict, stated capacity building as one of the highest priorities for ensuring improved livelihoods for the vulnerable groups throughout the country.

UNDP with assistance of SDC has supported the vocational education and training (VET) since 2006. The overall objective of this assistance was to develop a standards-based qualifications and training system that responds to labor market needs and provides a trained workforce to meet skill requirements in the economy. The initiative also envisaged piloting of provision of agriculture extension services through the VET Centers. The specific objectives were to enable delivery of VET in selected subjects and in defined VET centers such that participants' skills in these areas could be built so that they can get a job and/or make significant professional progress. This initiative targeted primarily four VET schools – Kachreti, Telavi, Ambrolauri and Akhaltsikhe. However, many of the initiatives had direct and indirect effects on the National policies in VET, as well as developed models and methodologies which were widely replicated by UNDP and other development partners in a number of VET schools.

At the end of Phase 2, UNDP and SDC have undertaken a joint evaluation of outcomes of this intervention – to take a stock of accomplished results, assess the achievements against the dynamic environment and advice on the next steps. The findings have clearly shown the beneficial employment [and thus income generation] results of the intervention - in the period that course participants' employment outcomes were tracked, the employment rate had roughly doubled and, conversely, the unemployment rate had nearly halved. This is because participants are now trained and have gained experience thus, in principle, making them more attractive to employers.

Many course graduates note the importance of having a recognised certificate on completion of training, even in areas where it is not formally required. They assert that this greatly improves their chances of gaining of employment and indeed it appears that many employers demand such a certificate for jobs in both regulated and unregulated professions. This in turn implies confidence in the testing processes leading to certification.

Interviews with stakeholders suggested that the assistance implemented by UNDP is seen as having been of good quality. The consultation processes established in the course of implementation, most notably that

¹ 'VET development strategy 2009-2012'.

with the Ministry of Education Science, have been particularly valued. In addition, the systematic approach to development of VET (through addressing standards, curricula, and teaching training) is regarded by stakeholders as beneficial, as has been the willingness to provide funds for buildings and equipment at the VET schools involved. This last area attracted repeated comment, reflecting the shortages of budgetary funding for these purposes. In the conditions of funding shortages, especially for VET infrastructure and teaching equipment, support provided by this project for refurbishing teaching space in the framework of practical trainings is especially appreciated. This is especially true for those schools which were not refurbished by the State Funds – Telavi, Ambrolauri (and Batumi, where UNDP provides assistance within the framework of Adjara Economic Development Process).

The assistance has benefited from policy stability, with no major changes in policy or the Government of Georgia's approach to VET since 2006. At first sight this may appear paradoxical in that there has been no ratified strategy for VET in this period. In practice, however, there has effectively been a strategy in place (i.e. that published in 2006) throughout this period which has provided continuity in thinking and approach. This has proved beneficial, even if budgetary constraints have limited progress in implementation of the strategy.

It is also significant that the VET Centres and participants report continuing links and contacts after completion of the training programmes. Thus participants often return to the VET Centres after graduation to ask for specific advice or guidance on matters concerning their profession. This in turn strengthens the VET Centres as hubs of support and advice for the surrounding areas.

Capacities that were built within the selected VET centres for the provision of short-term retraining courses are increasingly utilised by the Centers themselves for formal vocational education. It is becoming an established practice now that the VET Centers themselves adjust the programmes developed by the project to make them applicable to the requirements of formal education and get MoES's approval and consecutive funding for those.

Teaching materials and elements, curriculae and professional standards developed within this project could be and are being used by various VET schools as well as the Ministry of Education and Science. Many of these materials are already implemented by many VET centers throughout the country.

Due to the successful experience during the first two phases of the project, vocational education and training is increasingly mainstreamed in all UNDP activities aimed at development in the regions (e.g., Adjara, Shida Kartli, Guria and Samegrelo). The same trend is noticed in the activities.

Setting up of Agricultural Extension Centre (AEC) in Kachreti has been another dimension of this project. Despite the fact that agriculture is responsible for employment of more than a half of the labour force of the country, there is no structured provision of agricultural extension service in the country. The Government policy vis-a-vis state supported extension is still uncertain, and therefore, setting up of a model for an efficient and not resource-intensive extension provision that could be replicated throughout the country is important. The Kachreti VET Centre started its operations from June 1, 2008 by providing consulting services to the farmers in livestock breeding, field crop growing, vegetable growing, wine growing, mechanization, accounting, entrepreneurial/civil law, business plan development, etc. Demonstration plots were arranged and novelties were introduced in Kachreti Vocational Teaching Centre as well as in the farms of the farmers. Extension Centre consultants and extension agents were selected and provide now services to the Centre's clients.

Tracking the effects of extension on the agriculture sector's performance is difficult because of the number of exogenous factors affecting agriculture and the consequent difficulty of disaggregating the effects of extension. It is thus rarely attempted. In practice, however, the strong demand for extension services, and the reported extent of repeat customers, suggests that farmers in the target area for the Kachreti Agricultural Extension Centre find the services offered to be beneficial. This model is now being discussed

with the Ministry of Agriculture as a feasible arrangement for setting up network of extension services throughout the country.

The average cost per participant trained at the Kachreti, Telavi, Akhaltsikhe and Ambrolauri VET centres is, overall, currently equivalent to US\$ 205. Given that the marginal cost per participant is equivalent to US\$ 150, the average cost is therefore falling as more participants are trained.

These costs do not, however, take account of expenditure on renovating and equipping the VET centres, which was largely funded from domestic budgetary sources. Nor do they take account of the VET Centres' overheads. No charges have been levied on trainees or employers for the short retraining courses and there are currently no realistic prospects do so.

Supporting VET Centers in reaching financial sustainability has been one of the objectives of the UNDP/SDC support during 2007-2009. Development of business plans for two VET Centers has been seen as a means for reaching this goal. The business plans have been developed and various options reviewed with respective cost benefit analysis that in broad lines shows that the VET center cannot become fully financially sustainable without having a sound budgetary funding, as well as other sources of income. E.g., a small-scale business type activity (like that of so called Kachreti Cooperative Kitchen) is seen as having the biggest potential in the medium term. This is thought to serve double purposes – supporting the teaching process and revenue generation by the VET schools on the one hand, and fostering local economic development on the other. As well demonstrated by Kachreti VET Center, which united four interesting pieces of activities – formal vocational education (supported by the State), retraining courses (UNDP/SDC), agricultural extension services (UNDP/SDC) and Cooperative Kitchen (UNDP/Gov of Romania) – it has become a local hub of economic activities. Besides, the center is better positioned to start generating its own income and revenues to contribute to its financial sustainability.

Despite the significant progress made by the Project during its two phases, there is still a long way to go to ensure quality and accessibility of the labor market demanded skills and education. Though the VET Centers that have been supported throughout the project have improved their capacities for provision of standard based courses and have established themselves as credible partners for businesses and those looking for retraining opportunities, still need to work out and implement concrete steps for reaching certain level of financial sustainability. There is also a clear need for expansion of the coverage, as well as accessibility of the VET is still very high in the agenda. Support is needed at the national and policy levels, because as repeatedly mentioned above some investment have been made in infrastructure, while the programme and capacity components were left on the mercy of ad-hoc international assistance. The latter also emphasizes the importance of information exchange and coordination of external support, as there are number of players now on the ground, including EC, USAID and GTZ.

The USAID implements a Vocational Education Program in Georgia The program is focused on improving vocational education and training in construction and tourism. The program provides short-term, intensive apprenticeship/training to Georgian workers to fill job opportunities created by post-conflict reconstruction projects as well as secondary support industries through rapid courses that directly meet the needs of employers. Courses have been established in vocational training centers located in Tbilisi and Gori. The EC delegation in Georgia supports elaboration of the national level policy in vocational Education and plans to provide the Government with budget support aimed at developing the VET system. The German Technical Cooperation Agency (GTZ) has assisted vocational education and training development with a regional program (Kakheti and other) and a teacher training project, which focuses on the modernization of teaching methods using participative active methods.

It is also one of the measures of success of UNDP/SDC project, that the new players and extensively building up on the methodologies and materials which were prepared by the UNDP/SDC project.

II. STRATEGY

This project will contribute to achievement of the United Nations Development Assistance Framework (UNDAF) outcome related to reducing number of households living in poverty through the realization of the economic potential and provision of social welfare. This is translated into the UNDP Country Program Action Plan (CPAP) outcome “Equitable economic growth promoted through close cooperation with private sector entities within the overall framework of corporate social responsibility”. At an output level, this involves support towards improving quality and accessibility of skills training demanded by the labour market to enhance employment opportunities of those unemployed or looking for advancement in their careers.

The phase 3 builds on the achievements of the phase 1 and 2 of this project in view of the new developments in the field of VET. The overall objective of the phase 3 of the assistance is to contribute to improving the quality of vocational education and training, increasing incomes and employment opportunities among the rural poor.

This will be accomplished through focusing on three strategic directions:

- (i) Improving the quality of the vocational education through increasing the availability of the advanced methodologies and teaching materials and retraining programmes for the teachers
- (ii) Enhancing sustainability of the partner VET Centers through better positioning them not only as facilitators to employment and self employment, but also as partners to local businesses and hubs for supporting small-scale economic activities in the region
- (iii) Increasing accessibility of vocational education and retraining opportunities through expanding the intervention geographically and thematically.

These three directions were selected so that to ensure smooth exit from the VET Centers that have been supported during the Phase 2 of the project on the one hand, and to strengthen fundamentals of the vocational education at the national, sub-national and thematic levels on the other. This is believed to best respond to the dynamic environment of VET in Georgia these days and be in line with draft VET strategy which is being discussed and which calls for VET sector to become instrumental in facilitating self employment and entrepreneurship.

This initiative will be implemented in close cooperation with the Ministry of Education and Science (MoES), the partner VET Centers – Kachreti, Telavi, Ambrolauri, Akhaltsikhe and Kutaisi, Ministry of Economic Development (MoED) and business communities in the targeted regions. With expanding the agricultural extension component of the project, the project will have an increased liaison with the Ministry of Agriculture. As for MoED, it will have a special role in designing and structuring the Business Education Centre under the Kutaisi VET Centre so that it is able to better address the challenges of local economic development.

Phase 3 of the project will focus on the core areas addressed during phase 2 – construction, agriculture, processing and tourism. Most of the courses, to include full packages of professional standards, teaching elements, teachers’/instructors’ retraining programmes, etc., have been developed in the course of previous two phases of the projects and will easily be replicated. The project will continue supporting VET schools in surveying labour market to make sure that they remain responsive to the needs of the local economy. Should these surveys reveal the need for the professions which have not been addressed by the project, expertise will be mobilised for doing so.

As repeatedly mentioned throughout the Project Document, all documents developed in this respect – standards, teaching elements, programmes, teacher’s manuals, textbooks – are available to the MoES and other VET Centers, which will definitely have beneficial effects on the VET provision quality at the national level. Special attention will be given to developing teachers’ and instructors’ retraining programmes. It should be noted that the methodology and approach of professional standards elaboration are capable of replication and, given that professional standards and curricula have already been developed, the replication

cost is lowered because these ‘front end’ costs have already been met. These will definitely have positive effects at the national level.

Selection of sectors is largely conditioned by the state of economy in the country and in the targeted regions. Though construction sector has suffered during the recent economic crisis, this sector still remains promising in terms of employment. Besides, due to associated high risks, the employers in this sector are more and more looking for skilful labour. The very fact that post-training employment rate among the course graduates reaches 70% talks about the high demand for retraining in this sector.

Agriculture is a sector which employs more than 50% of the labour force nation-wide. It remains the de facto social safety net for the rural poor, with low unemployment rates in rural areas suggesting that it has absorbed surplus labour. In the absence of agricultural extension services, majority of trainees in agricultural courses are the farmers themselves, using these opportunities to enhance and refresh their knowledge to improve farming practices.

Processing and tourism sectors have growing potential in rural Georgia and therefore are largely demanded by the potential employers and VET Centers.

Phase 3 of the Initiative will pay special attention to incorporating basics of business skills in all retraining courses. This, together with basics of IT, will become mandatory elements of all teaching programmes. But this project will go further and support setting up of a Business Education Centre within the Kutaisi VET Centre. This thinking is in line with the strategy to complement the VET Centers with supportive functions. Kutaisi is believed to have a potential for small business development, and the Business Education Centre (BEC) will best accommodate the needs for quality advice and support for starting up and expanding the small and medium businesses.

The BEC will aim to foster local economic development through enhancing skills of small entrepreneurs and those self-employed through providing them with the knowledge in basic business skills, accounting, business planning, etc. The BEC will also facilitate to strengthen partnership among the Kutaisi VET Center, local businesses and financial organizations. The BEC will have an ambition to support start up businesses, as well as expanding the new ones and will target three groups of potential beneficiaries: the students and graduates of the VET Center, representatives of SME sector and new entrepreneurs opting for starting new businesses. Through the diverse package of services the BEC will support starting new businesses, launching new projects within existing businesses and develop business skills among its clients and VET students thus meeting several targets: better employability of VET students, developing effective links between the VET and business, support to developing business projects thus facilitating to creation of a new synergy between the VET and business developing activities. In long-term the businesses affiliated with the BEC will be encouraged to increase their contribution to the BEC’s activities.

The project will continue supporting Agricultural Extension Centre within the Kachreti VET Centre. The main structure and infrastructure has been established within the phase 2 of the project. Next stage of assistance will be primarily focused on strengthening the “lead farmer” institute – i.e. the farmers who provide consultancy support to their peers and provision of small pieces of equipment which would also contribute to financial sustainability of the AEC. Besides, wine sector will be given special attention in the framework of extension services.

A further focus of the third phase of assistance will be to strengthen the capacity of the VET Centres to be able to respond to labour market demand and to help trainees in accessing labour markets after the courses. The linkage to labour market will also be cemented through better career planning. Each VET Centre has an officer responsible for career orientation and project activities will focus on strengthening this function. Further, in addition to labour market resurveys in Racha-Lechkhumi, Samtskhe-Javakheti, and Kakheti regions, and initial labour market survey in Kutaisi, actions will be taken to strengthen dialogue with the private sector in all five targets VET Centres and to ensure that training programmes remain consistent with

demand. Apart from local businesses, the VET Centers will strengthen linkages with development partners in the region that has potential for mutually beneficial synergies (e.g., SDC supported initiatives in the regions of Samtskhe-Javakheti and Racha-Lechkhumi, UNDP project in Kakheti, etc).

Phase 3 of the initiative will continue promoting VET Centers as regional hubs for local economic development. To make this support more instrumental, small investments will be made to establish small-scale production facilities to serve threefold purposes of supporting the teaching process, generating additional income and facilitating local business development. This is in full line with the approach the project has had for encouraging management pro-activity and medium-term financial sustainability and enabling VET Centers to co-finance retraining courses independently. At this stage the plans are being reviewed to set up facilities similar to Kakheti Cooperative Kitchen (which was established under UNDP Kakheti Regional Development Project) for e.g., honey collection and packaging, small scale laboratories, etc and reallocate the financial resources obtained through it into the management of the VET courses.

III. PROJECT OUTPUTS AND ACTIVITIES

The overall project objective is to contribute to improving the quality of vocational education and training, increasing incomes and employment opportunities among the rural poor.

Project is organized around following three directions:

Activity 1: Improving quality of the vocational education through increasing the availability of the advanced methodologies and teaching materials and retraining programmes for the teachers.

There is a lack of available textbooks for vocational education courses which significantly affects the quality of VET education in Georgia. Four textbooks will be elaborated in most demanded professions for which the teaching elements are already prepared under the UNDP support: in construction, agriculture and agriculture processing professions. Elaboration of the textbooks will be supportive to the whole national VET system.

Quality and credibility of teachers and instructors is yet another challenge faced by the VET system nationwide, which obviously affects the overall teaching quality. Most of the teachers do have a good academic background and experience. However, they are not familiar with the modern teaching methodologies. This is where the project support would come in through providing programmes for retraining teachers and instructors.

Sub-Activities comprise the following:

- 1.1. Development of textbooks in priority professions;
- 1.2. Elaboration of retraining programs for teachers and instructors and support in their application.

Activity 2: Enhancing sustainability of the partner VET Centers through better positioning them not only as facilitators to employment and self employment, but also as partners to local businesses and hubs for supporting small-scale economic activities in the region

A further focus of the third phase of assistance will be to strengthen the capacity of the VET Centres to be able to respond to labour market demand and to help trainees in accessing labour markets after the courses. The linkage to labour market will also be cemented through better career planning. Each VET Centre has an officer responsible for career orientation and project activities will focus on strengthening this function. Closer links will be established with the employment agencies and private sector - potential employers in the

local areas in order to facilitate employment of VET courses graduates. Further, in addition to labour market resurveys in Racha-Lechkhumi, Samtskhe-Javakheti, and Kakheti regions, and initial labour market survey in Kutaisi, actions will be taken to strengthen dialogue with the private sector in all five targets VET Centres and to ensure that training programmes remain consistent with demand. Apart from local businesses, the VET Centers will strengthen linkages with development partners in the region that has potential for mutually beneficial synergies (e.g., SDC supported initiatives in the regions of Samtskhe-Javakheti and Racha-Lechkhumi, UNDP project in Kakheti, etc). Special outreach campaign will be implemented to disseminate information, target the vulnerable groups and attract sufficient number of applicants to ensure competitive selection of the trainees. For this reason special announcements will be done through local TV and radio channels, as well special meetings with local communities and municipalities will be held.

Phase 3 of the initiative will continue promoting VET Centers as regional hubs for local economic development. To make this support at the third stage more instrumental, small investments will be made to establish small-scale production facilities to serve threefold purpose of supporting the teaching process, generating additional income and facilitating local business development. This is in full line with the approach the project has had for encouraging management pro-activity and medium-term financial sustainability and enabling VET Centers to co-finance retraining courses independently. At this stage the plans are been reviewed to set up facilities similar to Kachreti Cooperative Kitchen (which was established under UNDP Kakheti Regional Development Project) for e.g., honey collection and packaging, small scale laboratories, etc and reallocate the financial resources obtained through it into the management of the VET courses.

The project will continue supporting Agricultural Extension Centre within the Kachreti VET Centre. The main structure and infrastructure has been established within the phase 2 of the project. Next stage of assistance will be primarily focused on strengthening the “lead farmer” institute – i.e. the farmers who provide consultancy support to their peers and provision of small pieces of equipment which would also contribute to financial sustainability of the AEC. Besides, wine sector will be given special attention in the framework of extension services.

Sub-activities under this activity will comprise the following:

- 2.1 Identification of priority professions in selected regions.
- 2.2 Retraining of teachers and instructors according to the developed programs.
- 2.3 Setting up of a small scale production facilities in selected VET Centers according to the developed business plans.
- 2.4 Provision of retraining courses to the adults, o/w at least 60% are unemployed
- 2.5 Further enhancement of a material-technical base of the VET Centers to enable specific types of practical trainings
- 2.6 Further strengthening of career orientation units of the VET schools to ensure better tracking of the graduates, as well as create effective linkages with local business communities to foster employment
- 2.7 Further support to provision of agricultural extension services within the Kachreti VET Center to the farmers from the catchment area.
- 2.8 Support in setting up refrigerating capacities within the AEC.
- 2.9 Support to development of 25 demonstration farms.
- 2.10 Support to application of at least 4 innovations in client farms
- 2.11 Increase the pool of lead farmers to provide consultancy support to their peers
- 2.12 Financial sustainability plan developed for all partner VET Centers

Activity 3: Increasing accessibility of vocational education and retraining opportunities through expanding the intervention geographically and thematically.

The Project will support developing of institutional capacities in the Kutaisi VET Centre which was not covered during the previous phases of the Project. The Project will support to creation of institutional capacities of the VET Centre in order to make it able to provide market oriented VET services in sustainable

and effective manner. The Business Education Centre (BEC) that will provide the VET students and other person with business education courses, consultations and business development services and support. The linkages serving for sharing experience between the partner VET center and new (Kutaisi VET Cneter) will be established at the VET center's management and trainers/instructors' levels in order to facilitate sharing of experience in planning and delivery of VET courses. Special outreach campaign will be implemented to disseminate information, target the vulnerable groups (especially IDPs) and attract sufficient number of applicants to ensure competitive selection of the trainees. For this reason special announcements will be done through local TV and radio channels, as well special meetings with local communities and municipalities will be held.

Sub-activities will comprise of:

- 3.1 Survey of the local labour market to identify priority professions (in the areas of construction, tourism and services) in the Imeteri region
- 3.2 Retraining of teachers and instructors according to the developed programs ;
- 3.3 Provision of short term retraining courses
- 3.4 Provision of specialized equipment and tools to enable specific types of training to be delivered within the core areas.
- 3.5 Development of a detailed concept for setting up of a BEC
- 3.6 Institutional set for the Business Education Centre (BEC) under the Kutaisi VET Center
- 3.7 Provision of business education courses to the targeted groups
- 3.8 Provision of business consultations to the targeted groups
- 3.9 Provision of business start up supports to new business units
- 3.10 Provision of business development services at least to 30 businesses to help them obtain bank loans.
- 3.11 Financial sustainability plan developed for Kutaisi VET Center

IV. PROJECT RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework: Equitable economic growth promoted through close cooperation with private sector entities within the overall framework of corporate social responsibility.				
Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets. Indicator: - Local urban and rural poverty reduction initiatives, - Level of regional disparities, - Unemployment rate, - Level of FDIs; - Increase in trade and transit flow Baseline: Growing socio-economic disparities and marginalization of regions. Unemployment 13.8; SME not absorbing the unemployed. Local economic development depends on budget transfers. Private sector not participating in solving socio-economic problems Target: Sustain economic growth, create jobs and improve investment climate, reduce the disparities among regions.				
Applicable MYFF Service Line: 1.5 Private-sector development				
Partnership Strategy: implemented in close collaboration with the Ministry of Education and Science and Regional authorities. Project will have also liaise with the Ministry of Agriculture, SDC, SIDA, and respective projects.				
Project title and ID (ATLAS Award ID): Support to the Modernization of the Vocational Education and Training System – Phase 3 (00048083/00073115)				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
See below	See below	See below	See below	

<p>Output: Improving the quality of the vocational education, enhancing sustainability of the partner VET Centers and increasing accessibility of vocational education and retraining opportunities in Imereti Region.</p> <p>Baseline/Indicator 1.1: 1.1/ Text books for 9 professions were developed during VET-phase out of 25 priority professions identified through labour market survey. 1.1/ # of text books developed in priority professions</p> <p>Baseline/Indicator 1.2: 1.2/ Nationally acknowledged professional standard and retraining programs for vocational education teachers and instructors non-existent. 1.2/ # of retraining programs developed for vocational education teachers and instructors</p> <p>Baseline/Indicator 2.1: 2.1/ Teachers and instructors for formal vocational education were never retrained according to nationally acknowledged retraining programs 2.1 # of teachers and instructors for formal vocational education retrained according to nationally acknowledged retraining programs</p> <p>Baseline/Indicator 2.2: 2.2/ Workforce not meeting current requirements of labour market 2.2/ # of people receive short term retraining in selected Vocational Teaching Centres, of which at least 60% unemployed (30% women) and employment rate of graduates</p> <p>Baseline/Indicator 2.3: 2.3/ No facility for preserving of large volume of fruit and vegetables through refrigerating existent in the municipalities adjacent to Kachreti AEC. 2.3: % of refrigerator storage area used in the months of maximal activity defined in the business plan</p> <p>Baseline/Indicator 2.4: 2.4/ Kachreti AEC has currently 6 lead farmers. 2.4/ # of additional lead farmers.</p> <p>Baseline/Indicator 2.5: 2.5 Kachreti AEC has provided around 2500 consultation to the farmers from the day of its establishment in Jun-2008. 2.5 # of consultations provided to the farmers from neighbouring districts</p> <p>Baseline/Indicator 2.6: 2.6/ VET Centers of Ambrolauri, Telavi and Akhaltsikhe have never been engaged in business activity to ensure financial sustainability of their centres. 2.6/ At least 10% net profit earned through implementation of business plans</p> <p>Baseline/Indicator 2.7: 2.7/ Sustainability plans were developed for Akhaltsikhe and Kachreti VET Centers only. 2.7/ Development of sustainability plans for Ambrolauri and Telavi VET Centers.</p>	<p>Targets for 2010: 1.1/ 4 text books for vocational education developed in priority professions 1.2/ 12 retraining programs developed for teachers and instructors</p> <p>2.1/ At least 12 teachers and instructors retrained according to the elaborated retraining programs</p> <p>2.2/ At least 96 people receive short term retraining in selected Vocational Teaching Centres, of which at least 60% unemployed and at least 60% of employment rate of graduates</p> <p>2.3/ Refrigerator is installed in Kachreti AEC and at least 80% of refrigerator's storage area is used in the months of maximal activity.</p> <p>2.4/ Kachreti AEC has 3 additional lead farmers.</p> <p>2.5/ Kachreti AEC provides around 500 consultations to farmers from neighbouring districts</p> <p>2.6/ Business plans developed and implemented in the VET Centers of Ambrolauri, Telavi and Akhaltsikhe</p>	<p>Activity 1: VET quality Improving quality of the vocational education through increasing the availability of the advanced methodologies and teaching materials and retraining programmes for the teachers 1.1: Development of textbooks in priority professions; 1.2: Elaboration of retraining programs for teachers and instructors and support in their application.</p> <p>Activity 2: VET Center sustainability Enhancing sustainability of the partner VET Centers through better positioning them not only as facilitators to employment and self employment, but also as partners to local businesses and hubs for supporting small-scale economic activities in the region 2.1: Identification of priority professions in selected regions. 2.2: Retraining of teachers and instructors according to the developed programs. 2.3: Setting up of a small scale production facilities in selected VET Centers according to the developed business plans. 2.4: Provision of retraining courses to the adults, o/w at least 60% are unemployed 2.5: Further enhancement of a material-technical base of the VET Centers to enable specific types of practical trainings 2.6: Further strengthening of career orientation units of the VET schools to ensure better tracking of the graduates, as well as create effective linkages with local business communities to foster employment 2.7: Further support to provision of agricultural extension services within the Kachreti VET Center to the farmers from the catchment area. 2.8: Support in setting up refrigerating capacities within the AEC. 2.9: Support to development of 25 demonstration farms. 2.10: Support to application of at least 4 innovations in client farms 2.11: Increase the pool of lead farmers to provide consultancy support to their peers 2.12: Financial sustainability plan developed for all partner VET Centers</p>	<p>UNDP project team</p> <p>MOES</p> <p>MoAgriculture</p> <p>Regional authorities of Kacheti, SJ, Racha-Lechkhumi</p> <p>Kachreti, Telavi, Ambrolauri and Akhaltsikhe VET Centers</p>	<p>12</p>
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<p>Baseline/Indicator 3.1: 3.1/ Workforce not meeting current requirements of labour market 3.1/ # of people receive short term retraining in selected Vocational Teaching Centres, of which at least 60% unemployed</p> <p>Baseline/Indicator 3.2: 3.2/ No Business Education Centre operational in the existing VET centers 3.2/ Business Education Centre established and operational</p> <p>Baseline/Indicator 3.3: 3.3/ Business courses were not delivered during vocational retraining courses. 3.3/ # of adults attending business education courses in Kutaisi BEC</p> <p>Baseline/Indicator 3.4: 3.4/ Kutaisi VET did not have capacity for providing business consultations 3.4/ # of business consultations provided by Kutaisi VET</p> <p>Baseline/Indicator 3.5: 3.5/ Teachers and instructors for formal vocational education were never retrained according to nationally acknowledged retraining programs 3.5/ # of teachers and instructors for formal vocational education retrained according to nationally acknowledged retraining programs in Kutaisi VET</p>	<p>3.1/ 84 people receive short term retraining in Kutaisi VET, of which at least 60% unemployed</p> <p>3.2/ Business Education Centre (BEC) is established within the Kutaisi VET Center</p> <p>3.3/ 150 adults attend business education courses in Kutaisi BEC</p> <p>3.4/ 120 people receive business consultations in Kutaisi BEC</p> <p>3.5/ 5 teachers and instructors retrained according to the elaborated retraining programs for Kutaisi VET</p> <p>Target indicators for 2011: 2.2/ At least 145 people receive short term retraining in selected Vocational Teaching Centres, of which at least 60% unemployed and at least 60% of employment rate of graduates 2.5/ Kachreti AEC provides around 400 consultations to farmers from neighbouring districts 2.7/ Sustainability plan developed for all partner VET Centers 3.1/ 75 people receive short term retraining in Kutaisi VET, of which at least 60% unemployed 3.3/ 100 adults attend business education courses in Kutaisi BEC 3.4/ 80 people receive business consultations in Kutaisi BEC</p>	<p>Activity 3: Kutaisi VET Increasing accessibility of vocational education and retraining opportunities through expanding the intervention geographically and thematically.</p> <p>3.1: Survey of the local labour market to identify priority professions (in the areas of construction, tourism and services) in the Imeteri region</p> <p>3.2: Retraining of teachers and instructors according to the developed programs ;</p> <p>3.3: Provision of short term retraining courses</p> <p>3.4: Provision of specialized equipment and tools to enable specific types of training to be delivered within the core areas.</p> <p>3.5: Development of a detailed concept for setting up of a BEC</p> <p>3.6: Institutional set for the Business Education Centre (BEC) under the Kutaisi VET Center</p> <p>3.7: Provision of business education courses to the targeted groups</p> <p>3.8: Provision of business consultations to the targeted groups</p> <p>3.9: Provision of business start up supports to new business units</p> <p>3.10: Provision of business development services at least to 30 businesses to help them obtain bank loans.</p> <p>3.11: Financial sustainability plan developed for Kutaisi VET Center</p>	<p>UNDP Project Team</p> <p>MoES,</p> <p>MoEc. Development</p> <p>Regional authorities of Imereti</p> <p>Kutaisi VET Center</p> <p>Partners:</p> <p>Business associations, and MFI institutions</p>	
		<p>Activity 4: Project Management & M&E</p> <p>4.1: Recruit project staff</p> <p>4.2: Mobilize the office</p> <p>4.3: Implement project activities</p> <p>4.4: Mobilise external expertise as required</p>	<p>UNDP Project Team</p>	

V. WORK PLAN

YEAR 2010

#	Activity/Sub activity	YEAR 2010											
		Month 1	2	3	4	5	6	7	8	9	10	11	12
1	Improvement of quality of Vocational Education												
1.1	Tender for selection of Contractor for elaborating of textbooks												
1.2	Foreign literature identified and translated												
1.3	Developing and publication of textbooks												
1.4	Elaboration of retraining programs												
1.5	Teachers/instructors retraining programs elaboration (5 centers)												
2	Enhancing sustainability of the partner VET Centers												
2.1	Identifying demand for professions in selected regions (Kakheti, Samtskhe Javakheti, Racha Lechkhumi, Imereti)												
2.2	Provision of VET retraining courses Adults (Ambrolauri VET Centre)												
2.3	Provision of VET retraining courses Adults (Akhaltzikhe Vet Centre)												
2.4	Provision of VET retraining courses Adults (Kachreti VET Centre)												
2.5	Provision of VET retraining courses Adults (Telavi VET Centre)												
2.6	Implementation of Business Plans												
2.7	Individual consultations of research centers (extensions services)												
2.8	Information-Consulting Service of farmers												
2.9	Development of demonstration spots												
3	Increasing accessibility of vocational education and retraining opportunities												
3.1	Provision of VET retraining courses Adults												
3.2	Establishing of Business Education Center												
3.3	Delivery of Business Education												
3.4	Business consultations												
3.5	Equipment for Business Education Center												

YEAR 2011

#	Activity/Sub activity	Month											
		1	2	3	4	5	6	7	8	9	10	11	12
2	Enhancing sustainability of the partner VET Centers												
2.1	Provision of VET retraining courses Adults (Ambrolauri VET Centre)												
2.2	Provision of VET retraining courses Adults (Akhalsikhe Vet Centre)												
2.3	Provision of VET retraining courses Adults (Kachreti VET Centre)												
2.4	Provision of VET retraining courses Adults (Telavi VET Centre)												
2.5	Implementation of Business Plans												
2.6	Individual consultations of research centers (extensions services)												
2.7	Information-Consulting Service of farmers												
2.8	Development of demonstration spots												
3	Increasing accessibility of vocational education and retraining opportunities												
3.1	Provision of VET retraining courses Adults												
3.2	Delivery of Business Education												
3.3.	Business consultations												

VI. IMPLEMENTATION ARRANGEMENTS

This initiative builds on existing structure of the SDC/UNDP Vocational Education Project. As in phase 2, the project will be implemented under Direct Execution modality (DEX) by the UNDP Country Office in Tbilisi. This involves UNDP taking full responsibility for the administration of the financial and human resources. The management of project funds will be carried out according to UNDP financial regulations.

As per new UNDP internal procedures and requirements, project activities will be steered by the Project Board. The Project Board will assume the roles of executive, senior supplier and senior user.

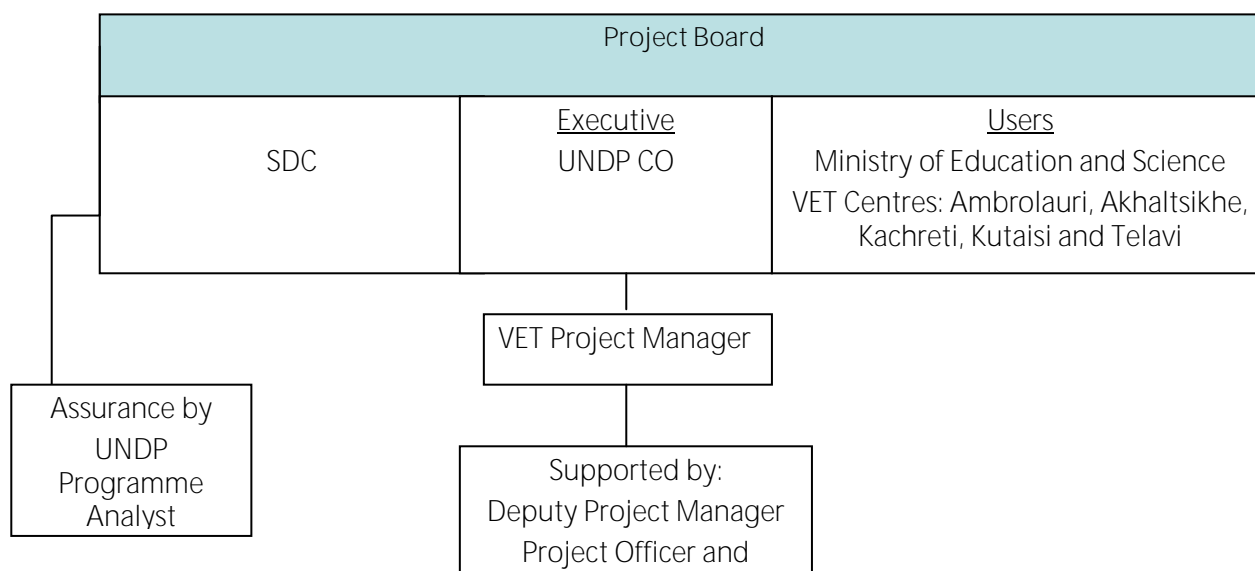
- UNDP will represent the Project Executive for this project, and will ensure effective and efficient use of available funds;
- Ministry of Education and Science together with UNDP will assume the role of the Senior Supplier and provide resources, skills and guidance to produce the project output. SDC is also considered to share the role of Senior Supplier with the MoES and UNDP subject to financial support they provide to the project.
- Ministry of Education and Science and selected VET Centers will be the Senior Beneficiaries of the project. The project would also benefit Regional Governments, the Ministry of Agriculture (agriculture education and extension components) and the Ministry of Economic Development (Business Education Centre component).

The Board meetings will take place on a quarterly basis during the project implementation period. In addition, the Programme Manager will report regularly on an informal basis to the MoES to ensure that there is full transparency and effective liaison between the project and the Ministry.

UNDP will ensure the project assurance at the mid-management level together with relevant programme support staff.

Staffing. The project staff will remain the same as during the phase 2 and comprise a Project Manager, Deputy Project Manager, Administrative Assistant, driver, and cleaner. Consultants in the labour market needs' forecasting, VET programme development and provision of agricultural extension through the VET Centres will be recruited as required.

Project activities will be managed as close to the local level as practicable, in close cooperation with the regional/local administration and the selected VET Centres.



VII. MONITORING AND EVALUATION

Monitoring, evaluation and review represent an ongoing effort in order to answer the questions: “How are we doing?” and “What can we do better?” Monitoring will be carried out on a regular basis by the UNDP Programme Team.

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

Quarterly Progress Reports will be produced by the Project Manager for presentation to the UNDP Country Office and the Project Steering Group. The Progress Reports will be drafted reflecting progress towards results, factors contributing to or impeding achievement of results and lessons learnt.

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

Preparation of the monitoring, evaluation and review is the responsibility of the UNDP Programme Team. The Programme Team will devise the system for project monitoring, review and evaluation. The Programme Team will allocate sufficient resources to this task and will invite an outside party to conduct the mid-term review and final evaluation.

VIII. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) and all CPAP provisions apply to this document.

Annexes:

Annex 1 – Detailed Budget

Annex 2 – Risk Log

Annex 1. Budget

	Output/Activity Budget Item Description	2010			2011			Total		
		UNDP	SDC	Total 2010	UNDP	SDC	Total 2011	UNDP	SDC	Total
Activity 1. Improved Quality of the Vocational Education										
1.1	Developing and publication of textbooks	0.00	42,500.00	42,500.00	0.00	0.00	0.00	0.00	42,500.00	42,500.00
1.2	Teachers/instructors retraining programs elaboration	0.00	11,400.00	11,400.00	0.00	0.00	0.00	0.00	11,400.00	11,400.00
	NET activity 1	0.00	53,900.00	53,900.00	0.00	0.00	0.00	0.00	53,900.00	53,900.00
Activity 2: : Enhancing sustainability of the partner VET Centers (Ambrolauri, Akhaltsikhe, Kachreti, Telavi)										
2.1	Identifying demand for professions in selected regions	0.00	2,000.00	2,000.00	0.00	0.00	0.00	0.00	2,000.00	2,000.00
2.2	Teachers/instructors retraining	0.00	8,500.00	8,500.00	0.00	0.00	0.00	0.00	8,500.00	8,500.00
2.3	Provision of VET retraining courses Adults (Ambrolauri VET Centre)	0.00	7,000.00	7,000.00	0.00	7,000.00	7,000.00	0.00	14,000.00	14,000.00
2.4	Provision of VET retraining courses Adults (Akhaltsikhe Vet Centre)	0.00	8,500.00	8,500.00	0.00	8,000.00	8,000.00	0.00	16,500.00	16,500.00
2.5	Consultants of research centers (extensions services)	12,000.00	10,000.00	22,000.00	6,300.00	12,700.00	19,000.00	18,300.00	22,700.00	41,000.00
2.6	Information-Consulting Service of farmers	14,000.00	27,200.00	41,200.00	14,000.00	24,000.00	38,000.00	28,000.00	51,200.00	79,200.00
2.7	Special equipment for extension centre	2,000.00	3,000.00	5,000.00	2,000.00	3,000.00	5,000.00	4,000.00	6,000.00	10,000.00
2.8	Demonstration units	5,000.00	6,000.00	11,000.00	10,200.00	800.00	11,000.00	15,200.00	6,800.00	22,000.00
2.9	Provision of VET retraining courses Adults (Kachreti VET Centre)	6,500.00	0.00	6,500.00	6500	0.00	6,500.00	13,000.00	0.00	13,000.00
2.10	Provision of VET retraining courses Adults (Telavi VET Centre)	9,000.00	0.00	9,000.00	8,000.00	0.00	8,000.00	17,000.00	0.00	17,000.00
2.11	Implementation of Business Plans	0.00	31,181.00	31,181.00	0.00	0.00	0.00	0.00	31,181.00	31,181.00
	NET activity 2	48,500.00	103,381.00	151,881.00	47,000.00	55,500.00	102,500.00	95,500.00	158,881.00	254,381.00
Activity 3: Increasing accessibility of vocational education and retraining opportunities										

3.1	Identifying demand for professions in selected regions	0.00	1,000.00	1,000.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00
3.2	Teachers/instructors retraining	0.00	5,000.00	5,000.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
3.3	Provision of VET retraining courses Adults	0.00	20,000.00	20,000.00	0.00	25,000.00	25,000.00	0.00	45,000.00	45,000.00
3.4	Support to business education and entrepreneurship	14,000.00	20,000.00	34,000.00	6,000.00	8,000.00	14,000.00	20,000.00	28,000.00	48,000.00
3.5	Equipment for Business Education Center	4,000.00	0.00	4,000.00	0.00	0.00	0.00	4,000.00	0.00	4,000.00
	NET activity 3	18,000.00	46,000.00	64,000.00	6,000.00	33,000.00	39,000.00	24,000.00	79,000.00	103,000.00
Activity 4: Project Monitoring and Management										
4.1	Contractual services (Individual)	13,000.00	16,200.00	29,200.00	87,600.00	0.00	87,600.00	100,600.00	16,200.00	116,800.00
4.2	Office rent	2,000.00	0.00	2,000.00	6,757.00	0.00	6,757.00	8,757.00	0.00	8,757.00
4.3	Communications (internet, telephone, etc)	300.00	0.00	300.00	500.00	0.00	500.00	800.00	0.00	800.00
4.4	Utilities	400.00	0.00	400.00	400.00	0.00	400.00	800.00	0.00	800.00
4.5	Office operations (stationery, etc)	300.00	0.00	300.00	400.00	0.00	400.00	700.00	0.00	700.00
4.6	Travel (field trips)	0.00	5,100.00	5,100.00	2,000.00	0.00	2,000.00	2,000.00	5,100.00	7,100.00
4.7	Car Maintenance	700.00	0.00	700.00	400.00	0.00	400.00	1,100.00	0.00	1,100.00
4.8	Fuel	0.00	1,000.00	1,000.00	2,300.00	0.00	2,300.00	2,300.00	1,000.00	3,300.00
4.9	Communication budget	1,000.00	2,119.00	3,119.00	2,443.00	0.00	2,443.00	3,443.00	2,119.00	5,562.00
4.10	GMS (total net activities)	0.00	17,138.71	17,138.71	0.00	6,661.29	6,661.29	0.00	23,800.00	23,800.00
	NET activity 4	17,700.00	24,419.00	42,119.00	102,800.00	0.00	102,800.00	120,500.00	24,419.00	144,919.00
	Total Gross Activity 4	17,700.00	41,557.71	59,257.71	102,800.00	6,661.29	111,904.29	120,500.00	48,219.00	168,719.00
	TOTAL Activities Net	84,200.00	227,700.00	311,900.00	155,800.00	88,500.00	244,300.00	240,000.00	316,200.00	556,200.00
	General Administration Fee - 7%	0.00	17,138.71	17,138.71	0.00	6,661.29	6,661.29	0.00	23,800.00	23,800.00
	Grand Total	84,200.00	244,838.71	329,038.71	155,800.00	95,161.29	250,961.29	240,000.00	340,000.00	580,000.00

Comments to the Main Budget Items

USD

Activity 1: Improvement of the Quality of the Vocational Education

1.1. Development and Publication of Textbooks

Description	Units	Unit cost	No of Units	Total Cost	%
Translation of available materials	textbook	1700	4	6,800	16.0
Editing	textbook	675	4	2,700	6.4
Publication costs	textbook	1200	4	4,800	11.3
Honorarium for authors	textbook	7050	4	28,200	65.4
TOTAL				42,500	100.0

Note:

170 pages would be translated in textbook at the cost 10\$ per page

Activity 1: Improvement of the Quality of Vocational Education

1.2. Development of the Training Programes for the Teachers/Instructors

Description	Units	Unit cost	No of Units	Total Cost	%
Translation of available materials	program	75	12	900	7.9
Printing	program	75	12	900	7.9
Honorarium for authors	program	800	12	9,600	84.2
TOTAL				11,400	100.0

Notes:

12 programs for retraining of teachers will be developed with the duration of 1,5 months

Activity 2: Enhancing sustainability of the partner VET Centers

2.1. identifying demand for professions in selected regions (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Qualitative research - desk study, focus groups study	Expert	50	4	200	10.0
Forming of the Information database	Expert	50	4	200	10.0
Development of the questionnaire for employers	Expert	25	4	100	5.0
Cost of interviewers	Interviewer	60	20	1,200	60.0
Data analysis and processing	Expert	300	1	300	15.0
TOTAL				2,000	100.0

Note:

Professions demanded by the local economies will be identified in 3 regions (2 experts will work in Kakheti Region)

Activity 2: Enhancing sustainability of the partner VET Centers

2.2: Teachers/instructors training (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Remuneration for invited teachers	trainer	900	8	7,200	84.7
Travel costs for teachers/instructors	teachers/instr	120	8	960	11.3
Printing expenses	program	20	17	340	4.0
TOTAL				8,500	

Notes:

8 trainers will be contracted to retrain teachers in 8 professions

One course lasts 12 days, trainer cost per training day is 75.00 USD. Thus, the total cost of trainers per course is USD 900

Travel cost for teachers: USD 10 per day. Thus total travel cost per course is USD 120

Activity 2: Enhancing sustainability of the partner VET Centers

2.3. Provision of the short term VET retraining courses for the adults (Ambrolauri VET Centre) (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Trainers/Instructors remuneration	course	1090	5	5,450	38.9
Tools, teaching materials and demonstration means	course	518	5	2,590	18.5
Transportation and travel costs	course	100	5	500	3.6
Advertisement and announcements	course	50	5	250	1.8
Management costs (I year)	months	624	5	3,120	22.3
Management costs (II year)	months	188	5	940	6.7
Teaching materials (modules) copying expenses	course	230	5	1,150	8.2
TOTAL				14,000	100.0

Notes

5 courses in 5 professions. Each course will be delivered two or three times.

On average the course consists of 300 academic hours (200 - Professional Retraining, 60 - computer course, 40 - Business Skills Development) , cost - 3.636 USD/hour

Tools, teaching materials and demonstration means are used for the practical and on-job trainings

Transportation costs for those travelling from outside Ambrolauri district, travel costs for the participants to travel to the practical training

Announcement of courses in the newspapers

Text of the teaching modules to be distributed among the participants

Management costs include remuneration of: Program Manager for retraining courses, Testing and Quality Insurance Manager, Finance and Procurement Manager.

In 2011 year 30% of management expenses would be financed, 70%-would be financed by the Vocational Education Center.

Activity 2: Enhancing sustainability of the partner VET Centers

2.4. Provision of VET retraining courses for adults (Akhaltzikhe VET Centre) (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Trainers/Instructors remuneration	course	1090	5	5,450	33.0
Tools, teaching materials and demonstration means	course	730	5	3,650	22.1
Transportation and travel costs	course	105	5	525	3.2
Advertisement and announcements	course	100	5	500	3.0
Management costs (I weli)	months	625	6	3,750	22.7
Management costs (II weli)	months	187.5	6	1,125	6.8
Teaching materials (modules) copying expenses	course	300	5	1,500	9.1
TOTAL				16,500	100.0

Notes

5 courses in 5 professions, each course will be delivered two or three times

In 2011 year 30% of management expenses would be financed, 70%-would be financed by the Vocational Education Center

2.5. Information-Consulting Service of farmers (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Extension Center's Consultants (in 6 consulting areas)	month and consultants	450 (6 consultants \$75 per months	23	10,350	22%
Consultants in Vine growing and Winemaking	months and consultants	800 (2 consultants \$400 per month	20	16000	34%
Consultants (methodologies and innovations application)	month and consultants	1,200 (4 consultants for \$300 per month	3	3,600	8%
Implementation of innovations	-	-	-	17,050	36%
TOTAL				47,000	100%

Notes:

Extension Center's consultants in 6 areas will be hired for 23 months with \$75 per month
 2 consultants in vine growing and winery will be hired for during 20 months period for USD 400 per month
 4 consultants per USD 300 per month will be hired for provision of consultations in vine growing and winery
 Implementation of innovations comprises of the costs mostly related to seeds and equipment

Activity 2: Enhancing sustainability of the partner VET Centers

2.6. Information-Consulting Service of farmers (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Management	month	800	23	18,400	24.2
Extension Agent (Local farmer)	month	600	23	13800	18.2
Extension Worker (Local consultant)	month	1,000	23	23,000	30.3
Database Operator	month	300	23	6,900	9.1
OPERATIONAL COSTS (communication fee, advertisement, travel, fuel, transportation of trainees)	month	579.15	24	13,900	18.3
TOTAL				76,000	100.0

Notes:

10 Extension Agents (Local farmer)
 5 Extension Workers (Local consultant)

Activity 2: Enhancing sustainability of the partner VET Centers

2.7. Special equipment for extension center

Description	Units	Unit cost	No of Units	Total Cost	%
Mechanization equipment	-	3,500	-	3,500	35
Special (additional) equipment for refrigerator	-	6,500	-	6,500	65
TOTAL				10,000	100%

Notes

Modern mechanization equipment will be delivered to extension client farmers for their application
 Additional equipment for refrigerator (which will be already arranged by means of the VET 2 phase project) will be purchased to increase capacities and storage facilities of the refrigerator

2.8. Demonstration units					
Description	Units	Unit cost	No of Units	Total Cost	%
Feedstuff growing	Spots	600	5	3,000	14%
Animal husbandry	Farms	2500	2	5,000	23%
Vegetable growing	Spots	700	5	3,500	16%
Field-crop cultivation	Spots	800	5	4,000	18%
Horticulture	Garden	400	6	2,400	11%
Mechanization	Units	2050	2	4,100	19%
TOTAL			25	22,000	100%

Activity 2: Enhancing sustainability of the partner VET Centers

2.9. Provision of VET retraining courses for Adults (Kachreti VET Centre) (USD)					
Description	Units	Unit cost	No of Units	Total Cost	%
Trainers/Instructors remuneration	course	1090	5	5,450	41.9
Tools, teaching materials and demonstration means	course	335	5	1,675	12.9
Transportation and travel costs	course	50	5	250	1.9
Advertisement and announcements	course	50	5	250	1.9
Management costs(I year)	months	660	5	3,300	25.4
Management costs(II year)	months	200	4	800	6.2
Teaching materials (modules) copying expenses	course	255	5	1,275	9.8
TOTAL				13,000	100.0

Notes

5 courses in 5 professions, each course will be delivered two or three times

on average the course consists of 300 academic hours (200 - Professional Retraining, 60 - computer course, 40 - Business Skills Development) cost -3.636 USD/hour.

In 2011 year 30% of management expenses would be financed, 70%-would be financed by the Vocational Education Center

Activity 2: Enhancing sustainability of the partner VET Centers

2.10. Provision of VET retraining courses for adults (Telavi VET Centre) (USD)					
Description	Units	Unit cost	No of Units	Total Cost	%
Trainers/Instructors remuneration	course	1090	6	6,540	38.5
Tools, teaching materials and demonstration means	course	585	6	3,510	20.6
Transportation and travel costs	course	85	6	510	3.0
Advertisement and announcements	course	73	5	365	2.1
Management costs (I year)	months	625	6	3,750	22.1
Management costs (II year)	months	187.5	6	1,125	6.6
Teaching materials (modules) copying expenses	course	200	6	1,200	7.1
TOTAL				17,000	100.0

Notes

6 courses in 6 professions, each course will be delivered two or three times

On average the course consists of 300 academic hours (200 - Professional Retraining, 60 - computer course, 40 - Business Skills Development) cost - 3.636 USD/hour.

In 2011 year 30% of management expenses would be financed, 70%-would be financed by the Vocational Education Center

Activity 2: Enhancing sustainability of the partner VET Centers

2.11. Implementation of business plans (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Business plans	-	-	-	31,181	100.0
TOTAL				31,181	100.0

Notes

During the Phase 2 of the Project business plans (i.e. financial sustainability plans) were developed for two VET Centers – Kachreti and Akhaltsikhe. Those business plans clearly demonstrate that the financial sustainability could be contributed by setting up some income-generating schemes within the VET Centers serving teaching and local economic development perspectives. Some of such ideas were already identified and included in these business plans (i.e. drying facility for fruits or vegetables, honey processing, laboratory, etc). This phase of the project plans to review the proposed ideas and provide two or three such facilities to the partner VET Centers. The details will be elaborated in the course of the project

Activity 3: Increasing accessibility of vocational education and retraining opportunities

3.1. Identifying demand for professions in selected regions (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Qualitative research - cabinet study, focus groups study	Expert	50	2	100	10.0
Forming of the Information database	Expert	50	2	100	10.0
Development the employer's questionnaire	Expert	20	2	40	4.0
Travel costs for interviewers	Interviewer	60	9	540	54.0
Data analysis and processing of the statistical data	Expert	220	1	220	22.0
TOTAL				1,000	100.0

Note:

Professions demanded by the local economy will be identified in 4 regions.
(2 experts will work in Kakheti Region)

Activity 3: Increasing accessibility of vocational education and retraining opportunities

3.2: Teachers/instructors retraining (USD)

Description	Units	Unit cost	No of Units	Total Cost	%
Remuneration for invited teachers	trainer	900	5	4,500	90.0
Travel costs for teachers/instructors	teachers/instructors	80	5	400	8.0
Printing	program	20	5	100	2.0
TOTAL				5,000	100.0

Notes:

Teachers retraining in 5 professions

Each course consists of 12 training days, cost per trainer per day 75.00 USD

Travel cost for teachers: \$ 8 per diem

Activity 3: Increasing accessibility of vocational education and retraining opportunities

3.3. Provision of VET retraining courses for adults (Kutaisi VET Centre) (USD)					
Description	Units	Unit cost	No of Units	Total Cost	%
Trainers/Instructors remuneration	course	1090	12	13,080	29.1
Tools, teaching materials and demonstration means	course	1,000	12	12,000	26.7
Transportation and travel costs	course	250	12	3,000	6.7
Advertisement and announcements	course	255	12	3,060	6.8
Management costs	months	750	12	9,000	20.0
Teaching materials (modules) copying expenses	course	405	12	4,860	10.8
TOTAL				45,000	100.0

Notes

12 courses in 6 professions, each course will be delivered two or three times

On average the course consists of 300 academic hours (200 - Professional Retraining, 60 - computer course, 40 - Business Skills Development) cost - 3.636 USD/hour

Activity 3: Increasing accessibility of vocational education and retraining opportunities

3.4. Support to business education and entrepreneurship (USD)					
Description	Units	Unit cost	No of Units	Total Cost	%
Trainers/Instructors remuneration (training)	hours	5	900*	4,500	9.4
Professional diagnostics, testing	month	800	3	2400	5.0
Expertise of business ideas	month	1,000	3	3,000	6.3
Individual business consultations	month	1,100	12	13,200	27.5
Subsidizing the business projects				24,900	51.9
TOTAL				48,000	100.0

Notes

100hrs*9mnths

Activity 3: Increasing accessibility of vocational education and retraining opportunities

3.5. Equipment for Businecc Education Center					
Description	Units	Unit cost	No of Units	Total Cost	%
Equipment	-	-	-	4,000	100.0
TOTAL				4,000	100.0

Notes

Equipment will consist of furniture, the list of which will be elaborated during the implementation of the project

Activity 4: Project Monitoring and Management

4.1. Contractual services (Individual)

Description	Units	Unit cost	No of Units	Total Cost	%
Project Manager	month	3300	16	52,800	45.2
Deputy Project Manager	month	1900	16	30400	26.0
Admin/financial assistant	month	1100	16	17,600	15.1
Driver	month	620	16	9,920	8.5
Cleaner	month	380	16	6,080	5.2
TOTAL				116,800	100.0

Notes:

Remuneration of the Management staff is calculated for 16 months, as the project staff salaries are covered from the ongoing operations under EU funded project till September 2010.

4.2. Office rent

Description	Units	Unit cost	No of Units	Total Cost	%
Office rent	Months	547	16	8,757	100
TOTAL				8,757	100.0

The office rent will be paid for 16 months from the project as, as the they are covered from the ongoing operations under EU funded project till September 2010.

4.3. Communication

Description	Units	Unit cost	No of Units	Total Cost	%
Communication costs	Month	40	20	800	100
TOTAL				800	100.0

4.4. Utilities

Description	Units	Unit cost	No of Units	Total Cost	%
Utilities	Month	40	20	800	100
TOTAL				800	100.0

4.5. Office operations

Description	Units	Unit cost	No of Units	Total Cost	%
Office operational costs	Month	29.16	24	700	100
TOTAL				700	100.0

4.6. Travel

Description	Units	Unit cost	No of Units	Total Cost	%
Travel costs (field visits)	Month	307	23	7100	100
TOTAL				7,100	100.0

4.7. Car maintenance

Description	Units	Unit cost	No of Units	Total Cost	%
Car maintenance costs	Month	50	22	1,100	100
TOTAL				1,100	100.0

4.7. Fuel

Description	Units	Unit cost	No of Units	Total Cost	%
Fuel costs	Month	137,5	24	3,300	100
TOTAL				3,300	100.0

TOTAL NET BUDGET (without GMS for SDC Funds)				556,200	
GMS				23,800	
Grand Total				580,000	

Annex 2: RISK LOG



Project Title: VET-Phase 3	Award ID: 00048083	Date: 7-Dec-09
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner
1	Qualified trainers not found in Imereti region to lead the training processes	07-Dec-09	ENVIRONMENTAL	Impact: low quality of the teaching process	Mitigation measures: wide advertisement of the openings in the VET Center; support of national partners and counterparts; heavy coaching and training programmes for trainers; engagement of the trainers/instructors from other regions of Georgia.	Project Manager
2	Limited jobs and employment opportunities due to the contraction of the economy, discouraging enrolment into the training programs	07Dec-09	ENVIRONMENTAL	Impact: no absorption capacity of the local labour market -discouragement for those who want to enroll.	Mitigation measures: cooperation with the private sector players at the regional and national levels.	Project Manager
3	Partner VET centers are not able to achieve financial sustainability targets	07 Dec 09	ENVIRONMENTAL	Impact: the VET Centres are not able to ensure continuity in delivering of adequately high quality VET courses	Mitigation measures: ensuring high quality of business plans and close monitoring of their implementation. Ensuring adequate financial management of the resources obtained by means of VET income generation activities	Project Manager
4	Uncertainty of national priorities and implementing VET development strategy	7-Dec-09	POLITICAL	Impact: Change of the national authorities attitude toward the VET as the main national priority may result in slow down of the National VET system reform and development (both: infrastructural and institutional) adversely affecting the demand for the project related outputs and creating unfavorable environment for the project implementation	Mitigation measures: Close liaison with the Ministry of Education and Science and securing their support in all activities envisaged by the project and ensuring the adequacy of the project activities with the VET system requirements. EC budget support, which is a conditional assistance for the GoG for implementing VET development strategy is a leverage and stimulus for the national official bodies in implementing the VET development strategy.	Project Manager