

**PROJECT DOCUMENT**



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**Project Title:** Fostering Decentralization and Good Governance at the Local Level in Georgia

**Project Number:** 00109456 (Output 00108806)

**Implementing Partner:** Ministry of Regional Development and Infrastructure of Georgia

**Start Date:** 23 March 2018      **End Date:** 31 March 2023      **PAC Meeting date:** 27 December 2017

**Brief Description**

The overarching goal of the project is to advance decentralization and good governance at the local level through promoting nation-wide policy reform, enhancing the capacities of the duty bearers at national and local levels and empowering right holders to engage in political process, hold duty bearers accountable and claim their rights accordingly.

This will be achieved through the following four outputs: 1) Improved policy and institutional framework to foster decentralization and promote good governance principles at the local level; 2) Enhanced institutional and human capacities of national and local authorities; 3) Municipal service delivery improved; 4) Right holders empowered to engage in local policy making and claim their rights.

Advancement of decentralization and good governance at the local level will be approached as a means for safeguarding the basic rights of rights-holders (women, men, youth, ethnic minorities and other vulnerable groups) and enabling proper satisfaction of their fundamental rights, needs and interests. This will be achieved by strengthening the capacities of the right holders i.e. central and local government institutions to effectively fulfil their obligations and increase accountability as well as supporting rights holders to effectively claim their rights. In this way, the project will stimulate both top down and bottom up approaches driven by capable and responsive government institutions and active, responsible citizens, respectively.

The project will operate in three regions (Kvemo Kartli, Mtskheta-Mtianeti and Imereti)

The project contributes to:  
**UNPSD 2016-2020 Outcome 1/CPD 2016-2020 Outcome 1:**  
 By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels  
**CPD 2016-2020: Output 1.4.** By 2020, effective decentralization of government competencies and financial resources respond better to needs of local communities  
**UNDP Strategic Plan 2018-21: Outcome 1.** Advance poverty eradication in all its forms and dimensions/ Output 1.2.1 Capacities at national and sub-national levels strengthened to promote inclusive local economic development and deliver basic services including HIV and related services  
 Indicative Output(s) with gender marker: **GEN2** (Gender equality as a significant objective)

|                                   |                               |   |
|-----------------------------------|-------------------------------|---|
| <b>Total resources required:</b>  | <b>USD 4,075,519.45</b>       |   |
| <b>Total resources allocated:</b> | <b>Government of Denmark:</b> | <b>USD 3,953,220.23</b><br>(equivalent of DKK 24,000,000 per UNORE for Mar-2018 amounting to 6.071) |
|                                   | <b>Government of Georgia:</b> | <b>USD 122,299.23</b><br>(equivalent of GEL 300,000 per UNORE for Jul2018)                          |
|                                   | <b>In-Kind:</b>               |   |
| <b>Unfunded:</b>                  |                               |   |

Agreed by:

|   |  |
|---|--|
| <b>Ministry of Regional Development and Infrastructure of Georgia</b>                   | <b>United Nations Development Programme (UNDP)</b>         |
| <br>Maia Tekitishvili<br>Minister of Regional Development and Infrastructure of Georgia | <br>Niels Scott<br>Resident Representative<br>UNDP Georgia |
| Date:   | Date:  |



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## I. BACKGROUND

### 1.1/ Development Challenge

Georgia has made significant progress in terms of political, economic and social development over the last decade. Bold institutional reforms, robust GDP growth<sup>1</sup> and expansion of targeted social assistance (TSA) schemes resulted in significant reduction of poverty and especially extreme poverty of Georgia's population. The changes were reflected by rising human development index from 0.710 in 2005 to 0.769 in 2015.<sup>2</sup>

Moreover, peaceful transfer of power through parliamentary elections in 2012 signalled a new era of consolidated democracy and made Georgia a rare exception in the region. This was further reinforced by transparent and credible presidential, local self-governance and parliamentary elections in 2013-2017 along with improved scores in democracy, media and civil society development as demonstrated by various international indices.<sup>3</sup>

Georgia has taken steps to strengthen market access and establish closer ties with the European Union (EU). Signing of the EU-Georgia Association Agreement (AA) and the Deep and Comprehensive Free Trade Agreement (DCFTA) in 2014 represents an important opportunity for the country to strengthen its cooperation with Europe on political, economic, social and security issues, and to benefit from bilateral free trade. Under the agreement, the GoG is expected to implement core reforms in a number of key areas including the development of civil society, good governance, public administration and civil service reform.

Besides, the country has achieved significant progress in terms of enhancing legislative and institutional framework for local self-governance reform and decentralization. The key achievements in these areas include the adoption of the new code of Local Self-Governance, further amendments concerning citizen participation as well as the enhancement of decentralization demonstrated by the transfer of selected competences to municipalities and fiscal decentralization allowing municipalities to retain a portion of the local income tax in addition to property tax collected by municipalities.

However, despite impressive progress in specific sectors and areas, Georgia faces an unfinished development agenda common among the middle-income countries. Unemployment, poverty and inequality remain key policy challenges, reflecting an unfinished transition to sustainable and inclusive economic growth.

According to recent welfare monitoring survey, 18.4% of population and 21.4% of children still live in poverty (2014).<sup>4</sup> Growth has failed to translate into job creation and the unemployment rate declined only marginally from 12.4% in 2014 to 12% in 2015<sup>5</sup>. Young people appear to be the most disproportionately affected with unemployment rates of nearly 31% in 2014. Failure to make transition to the labour market and other social factors make youth particularly vulnerable to the prospect of sliding into poverty.<sup>6</sup>

**There are also significant gender differences in the labour market. Female labour force participation is 57%, compared to 75% for males, resulting in the annual loss of 11.3% of GDP as estimated by the World Bank.<sup>7</sup> Further,** the average monthly salary of women is 40% lower than that of men due to a concentration in lower-paid jobs (health care, education and subsistence agriculture). The country's

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<sup>1</sup> GDP per-capita increased from \$US 2,613 in 2010 to \$US 3,605 in 2013; 3.754 in 2015

<http://pubdocs.worldbank.org/en/517361475740368277/Georgia-Snapshot-Oct2016FINAL.pdf>

<sup>2</sup> 2016 Human Development Report, UNDP, available at: <http://hdr.undp.org/>

<sup>3</sup> Freedom House, Freedom House 2013 Report; National Democratic Institute (NDI), NDI Public Perceptions Surveys, 2013-2014; Worldwide Governance Indicators (WGI) project; The Worldwide Governance Indicators (WGI) project 1996-2013; IREX media sustainability index and IREX media sustainability index 2014; Civil Society Organizations (CSO) sustainability index Civil Society Organizations (CSO) Sustainability index by USAID, 2012-2013

<sup>4</sup> Welfare Monitoring Survey (2015) UNICEF

<sup>5</sup> <http://pubdocs.worldbank.org/en/517361475740368277/Georgia-Snapshot-Oct2016FINAL.pdf>

<sup>6</sup> Welfare Monitoring Survey (2015) UNICEF

<sup>7</sup> World Bank, Georgia Country Gender Assessment, 2016, p 24



Gender Wage Gap (GWG) was estimated at 34.8% with variations across regions and by education level.<sup>8</sup> In addition to gender wage gap and occupational segregation, gender inequality is also manifested by underrepresentation of women in decision-making positions and women's limited participation in political and economic life. Women are underrepresented in local self-government too with only 11.6% of elected women at the local level. Persistent gender inequality is considered as one of the major constraints to more sustainable and inclusive development.

The economic gains have not been evenly distributed across the country and there is a strong asymmetry between rural and urban areas as well as large disparities across the regions. Relatively more urbanized regions, and in particular the capital city Tbilisi, tend to have a higher per capita gross value added, a more diverse and sophisticated economic structure, and a better developed infrastructure. Furthermore, unemployment figures show clear regional disparities, with unemployment being highest in Tbilisi (22.0 %), and to a lesser extent, in Adjara (13.0 %), Samegrelo-Zemo Svaneti (10.0%) and Racha-Lechkhumi Kvemo Svaneti (10.8%), and the lowest in Guria (4.1 %) and Mtskheta-Mtianeti (4.1%).<sup>9</sup> Regional disparities in unemployment are mainly driven by the urban or rural character of regions, with relatively more urbanized regions tending to have higher unemployment rates because of the extremely scarce job opportunities.<sup>10</sup> At the same time, relatively low unemployment rates in more rural areas are reflecting a large share of workers being engaged in self-employment or subsistence farming.<sup>11</sup>

The rural areas are much less developed compared to urban areas and have higher poverty rates than urban areas. Despite the significant fall in general poverty rates in all areas, general poverty still affects over 19.2% of rural households, compared to 13.6% of households in urban areas. Child poverty rates are also about 50% higher in rural areas than they are in urban areas.<sup>12</sup>

There are also significant differences in the delivery of public services in rural and urban areas. While the results of the two consecutive surveys examining citizen satisfaction with service delivery demonstrate improvements in the provision of a large spectrum of services from 2013 to 2017, a number of issues still remain unaddressed.

A series of public services are practically not available to villages and mountainous areas. E.g. centralized supply of drinking water is only available to 42% of rural population and 36% of residents of mountainous areas. Similarly, the sewage system is available to only 4% of rural areas and highland settlements. There is no cleaning service available to residents of highland settlements and only 9 % of them receive waste disposal service.<sup>13</sup> 6% of children in rural Georgia live in households where there is no improved source of drinking water and over 41% of rural children live in households with unimproved sanitation facilities (vs 7% of urban children)<sup>14</sup>. Given that women are responsible for most of the unpaid care and household work, the limited access to social infrastructure and basic services may particularly affect women and prevent them from getting a paid job and from further engagement in income-generating activities and local decision-making, as well as limit their mobility and leisure time.<sup>15</sup>

While electricity is available in most parts of urban, rural and mountainous areas (97-98%), central gas supply is available to 59% of rural and 44% of highland settlements vs 95% of urban areas, though majority of urban, rural and highland residents say it is affordable to them (91-95%).

Access to education and healthcare services also varies across the regions and mountainous/non-mountainous settlements. While kindergartens are available to 83% of population nationwide, in highland settlements, only 53% of citizens have access to them and in Kvemo Kartli region 67% of ethnic minorities report that kindergartens are not available within their settlement/district. Also, the level of availability of public schools in Racha-Lechkhumi/Kvemo Svaneti (82%) is lower than availability on the national level (96%). Vocational education institutions are only available to 40% of the Georgian population. 35% of

<sup>8</sup> Technical Assistance to GEOSTAT in Measuring the Gender Wage Gap in Georgia (2014) UN Women

<sup>9</sup> Geostat.ge. <http://geostat.ge/regions/>

<sup>10</sup> Georgia: Skills Mismatch and Unemployment Labor Market Challenges (2013), World Bank, p.7-17

<sup>11</sup> Report on Regional Disparities in Georgia, 2013, ISET

<sup>12</sup> Welfare Monitoring Survey (2015) UNICEF

<sup>13</sup> Citizen Satisfaction Survey with Public Services in Georgia, third round, 2017, UNDP

<sup>14</sup> Welfare Monitoring Survey (2015) UNICEF

<sup>15</sup> Gender Assessment of Agriculture and Local Development systems (2016), UN Women



highland settlements' population report that medical clinics are mostly 5 km (35%) or farther (49%) from their settlement/districts, and majority of respondents or their family members (90%) have not used this service over the past year.<sup>16</sup>

Limitations with availability and affordability of essential public services further constrain development prospects in Georgian regions and call for an integrated and holistic approach with engagement of central and local governments as well as civil society organizations, private sector and local communities. However, the capacities of both - duty bearers and rights holders - remain particularly low to face and address these challenges.

The level of decentralization of competencies and resources is still quite limited. At the same time, the capacities of the local authorities to design and deliver development oriented, evidence-based, inclusive, participatory and gender-sensitive services remain insufficient.

This is further compounded by the lack of participation culture and the limited capacities of CSOs and citizens to engage in policy making and drive up the change from below. Various studies demonstrate that citizens have very limited knowledge and understanding of LSG reform, participation tools and mechanisms and are not aware of their own rights. According to a recent survey on citizen's perception, 50.3% of the citizens have not heard about the ongoing LSG reform.<sup>17</sup> Moreover, the survey on citizen satisfaction reveals that only 22.6% of population has heard about at least one of the forms of citizen participation and only 6.5% has had an attempt to apply any of them (no significant difference between participation levels of men and women). Further, the civic activism level is even lower among Georgian youngsters. A study conducted by the Friedrich-Ebert-Stiftung reveals that youth engagement in various civic activities, such as public meetings, online forums, petition, demonstration etc. is very rare and varies from 1% to 4%. Even more, merely 20% of young people think that it is important to be politically engaged, which puts political engagement among the least important values for Georgian youth.<sup>18</sup>

Overall, the prevailing challenges at the local level, including poverty, unemployment, inequality, social exclusion call for integrated efforts by the duty bearers at one hand and the rights holders at the other hand. A decentralized, participatory and accountable governance system, coupled with competent local authorities, strong civil society and private sector, and motivated citizens create the environment that incentivizes inclusive development processes at the local level.

## **1.2/ Policy Context**

Georgia has taken steps to strengthen market access and establish closer economic ties with the European Union (EU). The country signed the EU-Georgia Association Agreement (AA) and the Deep and Comprehensive Free Trade Agreement (DCFTA) in 2014, which represent an important opportunity for Georgia to strengthen its cooperation with Europe on political, economic, social and security issues, and to benefit from bilateral free trade. Under the EU agreement, the GoG is expected to implement core reforms in a number of the key areas including the development of civil society, good governance, public administration and civil service reform.

Acknowledging the importance of the well-functioning state and strong public administration system, the GoG initiated an ambitious **Public Administration Reform (PAR)** and elaborated Public Administration Reform (PAR) Roadmap, an umbrella policy document that brings six different policy areas under one roof to ensure uniform and coordinated approach. The aim of the PAR is to improve policy development and coordination system, establish an effective and efficient civil service built upon a merit-based principle, enhance government accountability, improve service delivery, enhance public finance management system and carry out local self-government reform.

One of the six highlighted areas of the PAR Roadmap envisages further reform of the local self-governance to improve decentralization and achieve better governance at the local level. Based on these objectives, two priority areas have been defined: 1) elaboration of the new Strategy and Action Plan for the good

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<sup>16</sup> Citizen Satisfaction Survey with Public Services in Georgia, third round, 2017, UNDP

<sup>17</sup> Public perceptions and attitudes towards the LSG reform 2016. OSI/ISSA

<sup>18</sup> Generation in Transition: Youth Study 2016 – Georgia, 2017 Friedrich-Ebert-Stiftung



governance at the local level, and 2) strengthening the capacity of local administrative servants to ensure effective functioning of the self-governing bodies.

Currently, UNDP is supporting the MRDI in developing the **Decentralization Strategy** and action plan to be adopted at the end of 2018 with quite ambitious plans on fiscal and functional decentralization over the next 8 years. With support of RLD project, a working group consisting of the members of the MRDI, Parliament and NALAG was established to define the main directions of decentralization strategy and elaborate further actions. Additional transfer of competences, empowerment of municipalities and enhancement of citizen participation has been identified as the main priorities of the ongoing reform.

Further, the PAR reform envisages **Civil Service Reform** to build the system along the lines of the European principles of public administration. Hence, the GoG is in the process of building a career-based, professional civil service instead of the previously existing contract employment, further enhancing the merit system, creating better protection mechanisms for the civil servants against political influence and arbitrary decisions, developing unified approaches in terms of the staff recruitment, induction, trainings, and other key areas of civil service. Respective Law on Civil Service entered into force on July 1<sup>st</sup> of 2017. The law establishes same systems and standards for central and local civil servants.

**Enhancing accountability in the public sector** is another major policy area under the PAR roadmap. The aim of reform is to improve integrity and public trust, prevent corruption, increase transparency and openness, efficiency and effectiveness of Government, making it more accessible and accountable to citizens and empowering them through the use of advanced technologies, innovative and modern approaches to governance.

The major policy documents in this area are the **National Anti-Corruption Strategy and the Anti-Corruption Action Plan**, which focuses, among others, on the establishment of professional merit-based civil service, strengthening rules on ethics, conflict of interests and incompatibility, monitoring of asset declarations, upgrading of and training on the Code of Ethics, introducing a mechanism for disciplinary liability, promoting whistle-blower protection and strengthening the Civil Service Bureau (CSB). The project has provided support to CSB to revise and update the training manual on ethics as well as deliver training courses on ethics and whistleblowing protection system at the local level. The current National Anti-Corruption Action Plan of 2017-2018 envisages further trainings at the local level.

In addition, Georgia was amongst the first countries to declare its intention to join **Open Government Partnership (OGP)** in 2011 and commit itself to make the government more open, accountable, and responsive to citizens. Later, in 2016, the OGP launched a new pilot program designed to involve subnational governments in the initiative and Tbilisi municipality was among the fifteen pioneers that were invited to engage in a pilot program. The project has been providing support to Tbilisi municipality in implementing the OGP action plan in 2017.

Overall, Georgian authorities at national and local levels are enthusiastic to advance development agenda, enhance decentralization and introduce effective local development tools. Thus, it is crucially important to extend support to strengthen its policy formulation, advocacy and implementation capacities to ensure proper achievement of the development goals and objectives.

### **1.3/ RLD Project Achievements**

In 2013, UNDP in partnership with the Austrian Development Cooperation and the Swiss Cooperation Office launched the project 'Fostering Regional and Local Development in Georgia' (RLD) to support regional development, decentralization and local self-government reform in Georgia.

The key achievements to date from the RLD project include:

- Promotion and contribution to decentralization reform reflected in significant improvement of the legal basis, as a precondition for local development. This includes:
- Essentially revised Code on Local self-governance (the LSG Code) adopted on 14 February 2014. Among other changes new code imposed direct elections of Mayors and Gamgebelies (chief executive of the municipality); transferred water and melioration management powers to



municipalities; mandated the LSGs to allocate at least 1 percent of their salary fund to training municipal staff using the CEGSTAR training system and created a pre conditions for greater fiscal decentralization, including transfer of the income tax to local ownership (since 2016). Further amendments to the code significantly enhanced the framework for public participation by establishing two new forms of citizen engagement: village assembly and civil council, both to be formed with balanced participation of men and women.

- A new Law on Development of Mountainous Areas which introduces special policies and support measures to promote development of the mountainous regions in Georgia. A national strategy and action plan to further systematize support under this law is in the making.
- Institutionalization of the systemic approach to regional and municipal development, through introduction of Regional and Municipal Strategic planning, as well as facilitation of establishment of the system of central funding allocation to the regional and municipal strategic priorities.
- 9 Regional Development Strategies and respective Action Plans approved by the Government of Georgia and around \$ 175 million channelled from the centrally managed Regional Development Fund for implementation of these Action Plans in 2015 alone. 600 regional projects across all of Georgia, benefitting over 1 million inhabitants are underway. Most notably, the Regional Development Planning has become an essential pre-requisite for the allocation of the Regional Development Fund resources across regional priorities.
- Development of National Training System (NTS) for local authorities. The NTS is an innovative mechanism, which ensures the provision of trainings adapted to the needs and priorities of the local civil servants. Along with the mandatory allocation of at least 1% of the municipal salary funds for the training purposes within the adopted LSG Code, the NTS provides a strong legal guarantee for the establishment of a sustainable training system as an essential pre-requisite for improved municipal services, infrastructure and development. While still not fully operational, the system is in line with the main directions of the ongoing civil service reform and the vision of the GoG about capacity development of civil servants. The full uptake still requires further support by international organizations to MRDI and the GoG.

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## II. STRATEGY

### *2.1/ Programmatic Response*

Eradicating poverty and inequality will not be possible without inclusive and sustainable growth, underpinned by responsive, accountable and transparent governance systems at all levels. Good governance, being a value on its own - in terms of transparency, accountability, rule of law, equality and inclusiveness, efficiency and effectiveness, is also instrumental for facilitating sustainable and inclusive growth through creating an enabling environment for wider and fair distribution of resources. In practice, the link between good governance and local economic development has been demonstrated by various researches over recent years.<sup>19 20</sup>

Consequently, UNDP's programmatic response is designed to address existing development challenges in a holistic way which aims at advancing both local good governance and local economic development to complement each other in the drive towards more sustainable and inclusive growth ultimately leading to greater democracy, reduction of inequalities and urban-rural disparities, and better quality of life of citizens.

Therefore, UNDP designed two programmatic tracks of interrelated initiatives. One track funded will aim at advancing decentralization and good governance at the local level through promoting nation-wide

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<sup>19</sup> Center for Public Scrutiny (2014). Growth through good governance: How accountability, transparency and robust scrutiny should lie

at the center of the drive towards local growth and prosperity

<sup>20</sup> OECD (2015) The Governance of Inclusive Growth



policy reform, strengthening institutional and human capacities of national and local authorities, improving local service delivery and empowering right holders including women, men, youth and ethnic minorities to make their voices heard, engage in political process, and hold duty bearers accountable. The other track (will be specifically directed at fostering Local Economic Development (LED) through offering business support services to local entrepreneurs, attracting potential investors and incentivizing and engaging private actors in local initiatives.

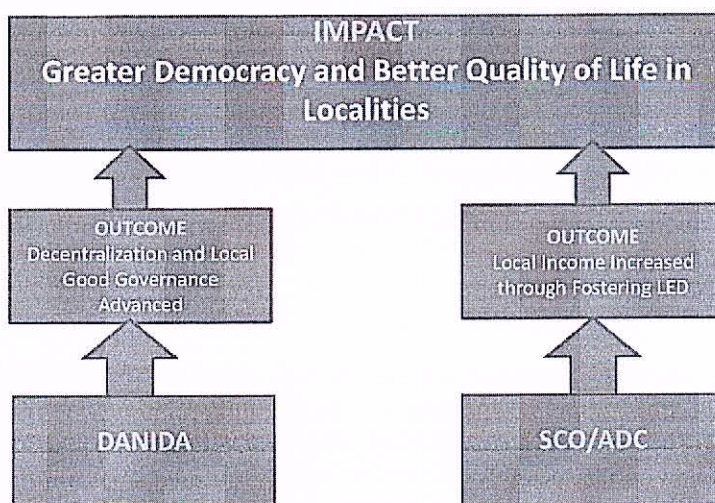
**The logic of the proposed interventions is based on the assumption that strong and effective governance institutions act as catalysts and steer the development processes as a whole, including, creating enabling environment and incentives for the private sector to become a true engine for growth.** Sustainable and inclusive growth can only be achieved through active participation of local communities including women, men, youth and ethnic minorities, since citizen participation serves as a bridge to make the government and society equal partners in designing the future of their own economic prosperity.

The two programmatic tracks will be implemented with support of different donors and therefore will have separate work plans and budgets, although the activities under each track will be heavily synchronized. Namely, Fostering Decentralization and Local Good Governance programmatic track will be funded through the Government of Denmark support, while the other track on Fostering LED will be financed through Swiss (SCO) and Austrian (ADC) funding.

The policy level interventions of the proposed project funded by the Government of Denmark will have a nationwide coverage. Other activities targeted at municipalities and local population will be operated in three regions of Georgia (Imereti, Mtskheta-Mtianeti and Kvemo Kartli). These three regions have been a part of the SCO/ADC support during 2013-2017. Consequently, the right pre-conditions for the activities planned within the following phase have already been established.

Another rationale for selecting the target regions is based on the analysis of the donor landscape in the country. During project implementation period, regional/local development efforts in four regions (Racha-Lechkhumi-Kvemo-Svaneti, Samegrelo-Zemo Svaneti, Guria and Kvemo Kartli), will be supported by SCO/ADC support and the remaining three (Shida Kartli, Samtskhe Javakheti and Kakheti) will be covered by GIZ. In that way, all 9 regions of Georgia will enjoy equal access to international support. At the same time, all activities of the project will be synchronized with other initiatives and possibilities for scale-up will be sought. This will lay down the foundation for a comprehensive approach to regional/local development nationwide and ensure that no region is left behind.

The chart demonstrates the relationship between two programmatic tracks and funding sources





Denmark will support the UNDP in implementing the programmatic track on advancing decentralization and good governance at the local level, as:

- Decentralization in Georgia provides one of the best opportunities to enhance the access of rights holders to local-level decision-making and services. In particular the support will enhance the role of women, youth and ethnic minorities in local decision-making
- Decentralization is one of the remaining reform areas, which remains underfunded in Georgia.
- The support addresses one of the key inequality areas in the country: the rural-urban divide, and thus fosters enhanced economic development in previously neglected regions.
- The support is provided in complementarity to and support of the SDC/ADA decentralization support, which specifically focuses on local economic development and thus providing opportunities for SME development complementing the other Danish efforts in Georgia.
- The support is aligned with Georgian priorities and implemented in full coordination with other donor initiatives in this area.

The proposed initiative is built on the experience and lessons learned from the RLD project implemented during 2012-2017 with support of SCO/ADC as well as the knowledge and experience of partner agencies and other projects. The lessons learned will be addressed systematically during the implementation of both programmatic tracks:

- The rapid and continuing evolution of policy on local self-governance and decentralization presents a challenge for project work allocation and financing; the project will act flexibly, responsively and in a timely fashion to reschedule and/or reallocate resources between different areas of project activity.
- The project will strike a balance between encouraging beneficiaries to take ownership of key project outputs and deliverables and ensuring adequate quality and acceptability for the outputs. It is particularly important to encourage national ownership in the early stages of the project to avoid fostering beneficiaries' excessive reliance on project experts to do all the work and thinking.
- The project will support national stakeholders to act proactively and take a lead in coordination and facilitation of donor support in the area of regional and local development.
- Project will cooperate closely with the GIZ local governance project and with USAID Good Governance Initiative (GGI) project to coordinate and synchronize activities to deliver demanding results and outputs. Opportunities to engage in other partnership will be looked for and taken as proactively as possible.

Finally, the project will seek a close synergy with other DANEP supported projects in Georgia, especially those related to human rights and civil society. In addition to promoting the universal values of human rights, as well as strengthening civil society overall, the project will establish a work-level cooperation with PDO and other implementing partners of these initiatives to ensure cross-fertilization between various DANEP projects.

## **2.2/ Theory of Change**

In a democratic society local self-government is one of the major institutions used to practice good governance and the right of citizens to participate in decision-making and conduct public affairs within their communities. Because it is close to people territorially and is formed by the people who know the needs of local communities, local self-government is better positioned to voice the needs of local populations and provide an effective solution. Therefore, transfer of power from the centre to the local level and empowering LSGs is of crucial importance in building a democratic society and fostering economic growth. At the same time, there is a growing need for citizens to be engaged not only through elected representatives, but also in between elections and directly. Increased public participation and direct involvement in local decision making can give citizens a sense of empowerment and more confidence in the democratic process. It also strengthens the legitimacy of local democratic institutions and the effectiveness of their action.



Consequently, the overarching goal of the proposed project as part of the broader program is to advance decentralization and good governance at the local level through promoting nation-wide policy reform, enhancing the capacities of the duty bearers at national and local levels and empowering right holders to engage in political process, hold duty bearers accountable and claim their rights accordingly.

A human rights-based approach will be at the heart of the project. All programme activities will be based and will apply universal human rights principles such as: equality and non-discrimination, participation and inclusion, accountability and rule of law.

Advancement of decentralization and good governance at the local level will be approached as a means for safeguarding the basic rights of rights-holders (women, men, youth, ethnic minorities and other vulnerable groups) and enabling proper satisfaction of their fundamental rights, needs and interests. This will be achieved by strengthening the capacities of the right holders i.e. central and local government institutions to effectively fulfil their obligations and increase accountability as well as supporting rights holders to effectively claim their rights. In this way, the project will stimulate both top down and bottom up approaches driven by capable and responsive government institutions and active, responsible citizens, respectively.

The project will pay special attention to ensure that the needs and priorities of women, youth and ethnic minorities are mainstreamed into the national and local policy making and service delivery. The project will also facilitate incorporation of gender/youth elements into strategic documents and performance management systems, and establishment of gender budgeting at the local level. Besides, the project will empower local women leadership and women civil servants by establishing Gender Equality Councils at the local level and providing specially designed trainings schemes for women civil servants at the local level.

In addition, the project will provide targeted support to right holders to equip them with relevant knowledge, skills and resources to be able to engage in political process and claim their rights. For this reason, the project will conduct a comprehensive communication campaign to raise the knowledge of local population and particularly vulnerable groups (women, youth, and ethnic minorities) about the ongoing LSG reform and participation tools.

Strategy for communication campaign will be developed in close cooperation with national and local stakeholders.

A special small grants scheme will also be designed to enable Civil Society Organization carry out participatory initiatives. Special focus will be made to empower the CSOs led by women, youth and ethnic minorities or targeting women, youth and ethnic minorities.

Based on this argumentation, the *theory of change* of proposed project is:

| Level         | Fostering Decentralization and Good Governance at the Local Level   |
|---------------|---|
| <b>Input</b>  | <i>If</i> targeted support is provided to: 1) national institutions to implement decentralization strategy and action plan, fulfil international obligations in the area of regional development and local self-governance, fine tune the National Training System (NTS), enhance human resource management framework at the local level; 2) municipalities to establish effective human resource management systems, provide continuous education to local civil servants, join Open Government Partnership Initiative, establish Gender Institutional Mechanisms and incorporate gender considerations into local programming, establish performance management systems for selected services and share the best practices with their peers; 3) Civil Society Organizations and citizens, including women, youth, ethnic minorities and other vulnerable groups, to equip them with knowledge, skills and resources to engage in local decision making and claim their rights |
| <b>Output</b> | <i>Then</i> policy and institutional framework for decentralization and good governance will be enhanced, capacities of both, duty bearers and right holders will be strengthened at national and local level, municipal service provision will be improved and the right   |



|                |   |
|----------------|---|
| <b>Level</b>   | <b>Fostering Decentralization and Good Governance at the Local Level</b>  |
|                | holders will be empowered to engage in local policy making and claim their rights   |
| <b>Outcome</b> | <i>Leading to</i> advanced decentralization level and good local self-governance featuring greater competences of municipalities, responsive, transparent, and accountable governance and participatory decision making reflecting the views of women, men, youth and ethnic minorities |
| <b>Impact</b>  | <i>Eventually contributing to</i> greater democracy and better quality of life of localities as well as reduction of inequalities and urban-rural disparities, and more inclusive and sustainable economic development  |

### III. RESULTS AND PARTNERSHIPS

#### 3.1/ Expected Results

**Outcome:** Decentralization and good governance at the local level advanced, through promoting nationwide policy reform, strengthening institutional and human capacities of national and local authorities, improving local service delivery and enhancing citizen participation in local policy making

*Output 1: Improved policy and institutional framework to foster decentralization and promote good governance principles at the local level*

The proposed project will take the stock of the achievements of the Swiss and Austrian funded RLD project's first phase implemented during 2012-2017, and will provide further support to enhance policy and legislative framework to foster decentralization and establish good governance principles at the local level. The project will support the Parliament of Georgia, the MRDI and other line ministries/agencies and municipalities to finalize, adopt and implement the Decentralization Strategy and Action Plan, the vision of which was presented by the Prime Minister and the Chair of the Parliament in March 2018. The project will provide technical support and facilitate the policy dialogue among different governmental and non-governmental stakeholders to ensure participatory policy making is in place. Engagement of local CSOs will be ensured through arranging public hearings and discussions during the strategy development.

The project will also render targeted assistance to effective implementation of the Law on Development of the Mountainous Areas as well as support the GoG to fulfil its international obligations in the area of regional development and local self-governance.

Also, the project will support municipalities to engage in the Open Government Partnership (OGP) initiative and promote transparency, empower citizens, fight corruption and harness new technologies to strengthen good governance at the local level. Further, the project will support establishment of the Gender Institutional Mechanisms at municipal level to act as a catalyst for advancement of women's rights and gender equality at the local level in Georgia.

1. National policy and legal framework to foster decentralization enhanced. The project will provide support to the MRDI, Parliament of Georgia and the GoG to develop, adopt and implement the strategy/action plan on Decentralization in Georgia. This will include, among others, fine-tuning of the policy and legislative framework, revision of the local self-governance code and in particular the provisions related to citizen participation to enhance engagement of women, youth, and ethnic minority groups in local policy making; amendments to sectoral legislation to ensure the transfer of competences to LSGs such as management of land, forest and water resources etc. The project will also advocate for further fiscal decentralization including diversification of local taxes revenues in the hands of the local self-governments. Special attention will be paid to establishing results-based and gender budgeting at the local level as well as implementing specific initiatives aimed at empowering youth, women, ethnic minorities and other vulnerable population groups. The project will also provide support to the GoG in fulfilling its international obligations in the area of regional development and local self-governance as well as in implementing the newly



adopted Law on Mountainous Regions and the consecutive strategy/action plan expected to be adopted in 2018.

2. Municipalities join Open Government Partnership (OGP) initiative. The project will support selected municipalities to join the OGP initiative to enhance transparency, accountability and participatory decision making at the local level as well as improve service delivery for citizens and businesses. Namely, the project will provide capacity development support to the mayors and municipal staff to engage in developing and implementing OGP commitments in partnership with civil society. The project will ensure that CSOs working on ethnic minority issues will be engaged in civil society forum of the sub-national OGP initiative. For a pilot initiative, municipalities populated by ethnic minorities can be selected and supported. Continuous support will be provided to Tbilisi municipality in updating and implementing its OGP action plan.
3. Gender institutional mechanisms established at the local level. The amendments to the Gender Equality Law, made in April 2016, introduced new obligations for local self-governments to institutionalize gender equality mechanisms at the local level. In 2016-2017, UNDP, through the United Nations Joint Program for Gender Equality, has provided targeted support to selected municipalities to establish Gender Equality Councils and develop Gender Equality Strategy and action plans at the local level. The proposed project will scale out this initiative to cover all municipalities nationwide. The project will also provide support to strengthen the capacities of the councils to implement strategies/action plans. Having gender institutional mechanisms at the local level will serve as a pre-requisite to advance gender mainstreaming into the local programming and ensure that gender equality and women's empowerment principles are incorporated across all local initiatives.

#### *Output 2: Enhanced institutional and human capacities of national and local authorities*

In light of ongoing LSG reform and further decentralization measures, the project will support municipalities to strengthen their institutional and human capacities to be able to manage competences and resources transferred from the centre. Moreover, in line with the Civil Service Reform, the project will provide coordinated support to MRDI, CSB and other state agencies to ensure effective implementation of the new Law on the Civil Service in Georgia and specifically the aspects related to the civil servants at the local level.

The project will provide support to systems and institutions promoting competent and capable civil servants at national and local levels. Namely, the support will be provided to Civil Service Bureau (CSB) and other state institutions to implement the ordinance of the GoG about the professional development of civil servants adopted on June 22 2018. The ordinance defines the rules and procedures for conducting professional development needs assessment and producing professional developments standards for civil servants at central and local levels. The document is an outgrowth of the previous ordinance of the GoG (adopted on 07.07.2015) about the continuous education system for local civil servants designed and adopted with support of UNDP. Support will also be provided to CSB and municipalities to establish effective human resource management systems in line with the newly adopted law.

Further, the project will upscale its support in establishing professional, merit-based civil service, which is free of corruption and mismanagement. Namely, the project will provide support in implementing the national anti-corruption strategy and action plan, i.e. those actions that are related to prevention corruption and strengthening the integrity systems at the local level.

The project will pay particular attention to strengthening the capacities and positioning of the women councillors and managers at the local level. This will be done through supporting the Women Councillors Forum established in 2013 with UNDP's support. The council unites all elected women at the local level countrywide and has been proved to be an effective platform for knowledge sharing and advocacy measures. The project will support newly elected members to engage them in forum and facilitate the forum's activities. Further support will be provided to women managers through the Leadership Program as well as municipal staff on gender budgeting.

In addition, building on the achievements of UNDP's RLD project, which produced the guidelines for municipal priority documents as well as assisted 42 municipalities to produce the Municipal Development



Documents, the project will upgrade the methodology to incorporate strategic planning elements, and support municipalities to engage in strategic municipal planning for effective local development.

1. National Training System for local civil servants enhanced and fully operational. The project will provide support Civil Service Bureau (CSB) and other state institutions to establish and operationalize capacity development system for local civil servants. This will include support to define professional development standards, design needs assessment system, design the guidelines and curricula as well as establish quality assurance system for professional development programs. Targeted support will be provided to selected municipalities to address the problems and challenges identified during the first years of the training system operation. Needs-based support will also be provided to the national and local institutions in the form of trainings and workshops to fill in the gaps during the first years of system operation. This might include capacity development assistance as well as legal, administrative and logistical support.
2. Capacities of women councillors and local women managers strengthened. The project will provide support to newly elected women councillors and mayors to strengthen their capacity and facilitate their engagement in the Women Councillors forum established in 2013 with UNDP's support. Activities of forum such as networking meetings and advocacy campaigns will also be facilitated. Also, taking the stock of its capacity development support provided to local women managers through the Leadership Program, designed and delivered during the first phase, the project will upscale its interventions to form the network of women managers at the local level. The network will act as an effective implementing partner of Gender Equality Council in the executive branch of local self-government and facilitate gender mainstreaming into local programs and initiatives.
3. Municipal Human Resource Management systems in place and operational. The project will provide assistance to CSB and municipalities to strengthen Human Resource Management Systems at the local level in line with the new Law on Civil Service expected to be adopted in 2017. This will include, among others, establishment of performance appraisal systems, personal development, promotion, merit award and payment plans for staff etc. Special attention will be paid to insure gender neutrality and avoid any gender bias in performance appraisal systems and policies.  
Trainings for local civil servants on the new law of civil service
4. Integrity strengthening systems established at the municipal level. The project will provide support to the National Anti-Corruption Council and its secretariat established at the Ministry of Justice of Georgia as well as Civil Service Bureau in implementing the LSG related aspects of the National Anti-Corruption Strategy and action plan. Namely, the project will assist in developing corruption risk assessment methodology and support municipalities to apply the methodology and establish integrity strengthening systems. In addition, the project will continue assisting Civil Service Bureau in conducting the trainings for municipal civil servants on the issues of ethics and whistleblowing mechanisms in the public sector, which is a constituent part of the 2017-2018 National Anti-Corruption action plan.
5. Municipalities apply strategic planning and gender budgeting in local programming. The project will provide support to update the Municipal Development Document's (MDD) preparation methodology to integrate strategic planning elements as well as assist municipalities in developing MDD action plans. The guidelines will also include the tools for integrating Sustainable Development Goals within municipal planning. This will serve as a prerequisite for further localizing SDGs and bringing the knowledge and actions related to 2030 Agenda to the local level. In addition, the project will support municipalities to apply gender budgeting principles and make the services gender responsive. For this reason, gender budgeting training courses with the module of program budgeting will be delivered for the municipal staff.

### *Output 3: Municipal service delivery improved*

As the recent Citizens' Satisfaction survey (UNDP RLD, 2015) revealed, municipal service provision remains one of the major fields to be focused on. Therefore, the project will provide support to raise the standards



of municipal service delivery, promote innovation and knowledge sharing among municipalities as well as build the trust and accountability with local community through introducing performance management systems complemented with the Best Practice Programme.

In order for municipalities to ensure the successful delivery of the aims and objectives of the Municipal Development Documents, it is vital to manage performance and identify appropriate financial and human resources. Moreover, performance information will provide municipalities with the basis for comparing their own performance in specific services both with best practice and with performance of other municipalities. Consequently, performance management system will be complemented with the best practice program to identify and recognize the innovative and excellent practices. This will enable municipalities to act as centres of excellence to share their knowledge, promote innovation countrywide and stimulate other municipalities to introduce new initiatives and drive up standards even further. The project will also support municipalities in establishing e-governance systems at the local level.

The project will pay particular attention to ensure gender responsive service delivery is in place through supporting municipalities incorporating gender considerations into performance management systems.

1. Performance management systems in place for selected services. The project will provide support to municipalities to establish performance management systems for selected municipal services. This will be done through establishing a systematic approach towards identifying, collecting and using performance information to monitor the achievement of targets and milestones defined by the strategic municipal plans. This will enable municipalities to measure their progress towards the achievement of the vision and objectives, identify problems at an early stage and take corrective action, judge how realistic programmes and projects are in practice and provide relevant adjustment of the strategic municipal plans from time to time. Special assistance will be provided to formulate gender sensitive indicators.
2. Municipalities share the knowledge to foster better service delivery and enhance good governance at the local level. The project will support National Association of Local Self Governments in Georgia (NALAG) to establish the Best Practices program to identify municipalities that demonstrate best practices in key areas of their responsibilities. Consequently, the Best Practice status will be awarded to individual LSGs for a period of one year and the winner will be supported to share its good practice with the wider local government community. This will be achieved through a set of activities including a national event at which the winning LSG will present their best practice to interested municipalities, followed by individual dissemination tools such as open days, study visits, publicity materials and publications on web sites etc. By acknowledging and rewarding best performing LSGs and supporting them to act as centers of excellence from which other municipalities can learn, the project will facilitate knowledge sharing and inter-municipal cooperation that will ultimate lead to better services.
3. E-Governance system in place at the local level. With the aim to improve service delivery at the local level, the project will facilitate the establishment of e-governance systems at the municipal level. For this reason, the needs-based support will be provided to selected municipalities to strengthen their capacity to adopt the Electronic Municipal Service Management System and facilitate the process of e-governance application. This will facilitate business registration processes and enhance business friendly environment in general.

#### *Output 4: Right holders empowered to engage in local policy making and claim their rights*

It is widely recognized that good governance and local economic development calls for enhanced participation and engagement of citizens in decision making processes. Citizens want to voice their needs and interests not only during the elections and through their representatives, but also in between elections and directly. Participatory decision-making and effective partnerships between the authorities and local stakeholders (NGOs, private sector, communities) are a pre-requisite for inclusive and sustainable economic growth.

Consequently, the project will facilitate citizen participation by raising awareness of LSG reform, good governance principles, participation tools and mechanism to equip the right holders with relevant knowledge and skills to engage them in local policy making and claim their rights accordingly. Besides, the



project will design special initiatives for CSOs to develop innovative ways for citizen participation in local policy making. Particular focus will be made on engaging women, youth and ethnic minorities to hear their voices and mainstream their needs and priorities into local decision making.

1. Citizens have better understanding of their rights. To raise public awareness and equip citizens with proper knowledge and understanding of their own rights, the project will conduct a public awareness campaign about the local self-governance reform, decentralization, the roles and responsibilities of municipalities and citizen participation tools and mechanisms. The campaign will use various channels of communication including traditional and social media, regional TV programs and dissemination of information through different channels. The campaign will showcase successful examples of citizen participation implemented during the project first phase through the small grants scheme. Support will also be provided to enhance the capacity of the village representatives to disseminate information on public participation tools and procedures among village population and facilitate cooperation between community leaders and local self-government bodies. The campaign materials will be developed in Georgina and minority languages to ensure that it reaches all minority groups.
2. Civil society organizations (CSOs) design and lead participatory initiatives. The project will support CSOs through the financial grants schemes and capacity development assistance to equip them with skills and resources to come up with innovative ways of citizen participation. The project will provide special attention to initiatives targeted at engaging women, youth and ethnic minorities in decision making.
3. Local youth groups act as agents of change to foster decentralization and Good Governance at the local level. The project will design special interventions to mobilize and empower youth to engage in local policy making and integrate their needs and priorities in LED related projects and initiatives. The youth-led civil society and volunteer organizations will be supported to design and launch innovative schemes to enhance their participation and act as change agents to design bottom up approaches. Innovative ways such as interactive mobile applications will also be designed by youth led initiatives.
4. Local community empowered to foster decentralization from below. The project will develop community mobilization strategies in selected municipalities and support local communities in advocacy measures to foster decentralization. In addition, micro and small grants schemes can be launched to support community organizations to design and implement innovative projects on citizen engagement and encourage volunteer activities among the local communities. Particular attention will be paid to projects encouraging participation of women, youth, ethnic minorities and other disadvantaged groups. For this reason, special sessions will be organized in the areas populated by ethnic minorities to ensure their engagement. The successful cases of community mobilization will be replicated to other communities through various communication channels and outreach activities including experience sharing meetings, study tours to other regions, peer to peer education sessions, feature stories produced by local media etc.

### **3.2/ Partnerships**

The project will maintain close partnership with key National, Regional and Local stakeholders:

**Ministry of Regional Development and Infrastructure** will serve as an implementing partner of the project and the key driver when it comes to development and adoption of the Decentralization Strategy and Action plan as well as strengthening national and institutional framework for decentralization and local development.

**Parliament of Georgia** will serve as a partner of the project and the key driver when it comes to development and adoption of the Decentralization Strategy and Action plan. The **Regional Policy and Self-Government committee** will be engaged actively by the project with regards to improving strategic and legislative frameworks for the reform, as well as in strengthening their oversight capacity to keep the executive better accountable for implementation of the agreed reform priorities. The project will coordinate all its gender related activities with the **Gender Equality Council** of the Parliament of Georgia.



**Sub-National Authorities** in target regions and municipalities will serve as prime partners on the ground, in designing, implementing and monitoring the support actions.

**Local CSOs** will also play an active role with an aim to facilitate introduction of the sustained partnership model across all local stakeholders that will continue throughout the implementation and beyond the project completion.

**National Association of Local Authorities (NALAG)** will be one of the main partners of the project and will be engaged throughout project implementation. It is anticipated, that engagement with NALAG will strengthen it as an institution, as well as provide a stronger forum for voices coming from the field.

Other state agencies, such as **CEGSTAR and Civil Service Bureau** will be engaged in implementing specific activities of the project, such as provision of capacity development support to municipal leadership and local civil servants. The project will also cooperate with other state agencies engaged in the implementation of the Good Governance Strategy/Action plan at the local level and the Mountainous Development Strategy/Action Plan.

**Inter-agency Commission on Gender Equality, Violence against Women and Domestic Violence** is currently working on the National Action Plan on Gender Equality and women’s empowerment. The project, together with the UN Joint Programme on Gender Equality, will cooperate with the commission to make sure that project activities are in line national gender equality policies.

Besides, the project will continue close cooperation with the **donor community** to ensure that the project activities are synchronized with other ongoing initiatives in the area of regional development and local self-governance as described in the table 2 below. The project will continue leading the **Strategic Partnership on Regional Development and Decentralization**, the effective donor self-coordination forum, gathering all important international partners, including EU, USAID, SDC, ADA, CoE, GIZ, WB and others. Opportunities to engage in other partnership will be looked for and taken as proactively as possible.

The project will seek a close synergy with other DANEP supported projects in Georgia, especially those related to human rights and civil society. In addition to promoting the universal values of human rights, as well as strengthening civil society overall, the project will establish a work-level cooperation with PDO and other implementing partners of these initiatives to ensure cross-fertilization between various DANEP projects.

**Table 2: Respective Donor Funded Programmes**

| UNDP projects   | Complementarity with Decentralization Project  |
|---|--|
| SCO/ADC – Fostering Regional and Local Development in Georgia Phase 2 | <p>The overarching goal of the project is to build strong LSG institutions with greater competences and capacities to act as catalysts for stimulating regional/local economies, engage citizens into local policy making and design and implement people-centred initiatives. To achieve this goal, the project proposes the Local Economic Development (LED) approach to be applied as a central instrument throughout the project implementation cycle, since LED is a participatory, bottom-up approach, which emphasises the catalyst role of the public sector and ultimately aims to create sustainable economic development.</p> <p>In that way the RLD Phase 2 project will complement the proposed project in pursuing advancement of decentralization and local good governance, which will pave the way for sustainable/inclusive growth and reduced poverty/inequality.</p> |
| DFID - Public Administration  | Support to Civil Service Reform at national and local levels. The  |



| <b>UNDP projects</b>  | <b>Complementarity with Decentralization Project</b>   |
|---|--|
| Reform  | project assists development of a professional civil service recruited and trained to unified standards. Through introducing sound mechanisms, the civil service will be able to protect itself against malpractice and arbitrary decisions; civil servants will be afforded with uniform training and skills they need to do their job and opportunities to grow professionally.   |
| EU ENPARD2 - supporting LAGs as part of the EU approach to rural development  | Supporting rural development policy process in general, and specific actions in 8 pilot municipalities of Georgia (including Tetrtskaro in RLD2's target region of Kvemo Kartli)   |
| UN Joint programme for Gender Equality funded by SIDA   | Supporting local councillors and municipal staff in Samegrelo and Kakheti regions to introduce gender-sensitive decision-making, including strengthening local Gender Equality councils and designated focal points; gender budgeting; etc. Supporting local women's economic empowerment initiatives (incl. in Samegrelo region, that is also covered by RLD2's)  |
| GCF-SDC-GoG-UNDP project on 'Scaling up multi-hazard early warning system and the use of climate information in Georgia'. | Supporting introduction of a nation-wide early warning system against climate-induced hazards through developing comprehensive hazard/risk mapping and forecasting capacities, public awareness, capacity development and community engagement at the local/municipal levels across entire Georgia. The intervention has a strong local capacity development element, as it will assist regional and municipal authorities to reduce climatic risks, develop and implement adaptation measures and increase resilience of its population and infrastructure. |
| <b>Other Donors and Partners</b>  | <b>Complementarity with Decentralization Project</b>   |
| SDC-ADA-UN Women – Women's economic empowerment in the south Caucasus   | This upcoming project aims at supporting women's economic empowerment in Georgia and across the South Caucasus. Clear complementarity with this project is obvious and RLD2 will seek a very close cooperation. UNDP and UN Women will be able to jointly propose exact scope of cooperation and coordination mechanisms as soon as this project is launched.  |
| SDC- World Bank Regional and Municipal Infrastructure Development   | Strengthening human and institutional capacities of municipalities across Georgia to improve decentralized delivery of basic infrastructure services.  |
| GIZ - Programme for Good Local Governance in South Caucasus   | Strengthening municipalities in the South Caucasus to fulfil their tasks in line with the principles of good local governance; modernizing their administration; improving linkages between municipal and regional development, financing and accountability and establishing joint learning on good local governance across borders. The project works in 3 non-RLD regions and have enjoyed extensive synergies, cooperation and coordination with RLD (to be continued throughout RLD2)   |
| USAID - Good Governance Initiative  | Improving Administrative and Financial Management of Public Institutions at All Levels; increasing civic engagement; strengthening policy development and law-making processes and institutional oversight of GoG.   |
| Council of Europe - Strengthening Institutional   | Support to the on-going process of reform of local government in Eastern Partnership countries; promotion of ethical behaviour by  |



| UNDP projects   | Complementarity with Decentralization Project  |
|---|--|
| Frameworks for Local Governance Programme, within the CoE/UE Programmatic Cooperation Framework | locally elected representatives in the region; and support to the improvement of financial and human resources management of local administrations based on European standards and benchmarking tools  |
| EU ENPARD2 and ENPARD3 projects   | These projects have multiple implementing partners, including UNDP, FAO, and 5 NGOs. The programme works at national policy level, as well as in 8 pilot municipalities to foster rural development initiatives. Besides the interlinkages between the rural development and local good governance at the policy level, Tetrtskaro municipality in Kvemo Kartli region is the only common municipality for ENPARD and RLD2.  |
| EU Initiative for Eastern Partnership countries/ Mayors for Economic Growth                     | Project will support the local authorities (LAs) in the EaP countries to become active facilitators for economic growth and job creation in the region. The project will encourage and support LAs in EaP countries to design and implement Local Economic Development Plans (LEDPs) and strengthen the technical skills and capacities of LAs to implement local economic strategies in line with the principles of good governance and sound financial management. The project has nationwide coverage.          |
| Council of Europe   | Strengthening Institutional Frameworks for Local Governance Programme, within the CoE/UE Programmatic Cooperation Framework (2015-2017). The programme objectives include: support to the on-going process of reform of local government in Eastern Partnership countries; promotion of ethical behaviour by locally elected representatives in the region; and support to the improvement of financial and human resources management of local administrations based on European standards and benchmarking tools |

### **3.3/ Risks and Assumptions**

See attached risk log under Annex 1.

### **3.4/ Stakeholder Engagement**

Project target groups/intended beneficiaries include state and local government institutions, CSOs, businesses, community groups and general population with a special focus on Women, Youth, Minorities and other vulnerable groups in project target regions:

- MRDI – the main body responsible for project implementation under the National Implementation Modality (see below the chapter on management arrangements); It is anticipated, that at least 25 individuals will benefit directly from project interventions.
- Parliament of Georgia - one of the main partners of the project; It is anticipated, that at least 25 individuals will benefit directly from project interventions.
- Ministry of Justice – the analytical department of the Ministry is in charge of coordinating National OGP strategy and action plan; It is anticipated, that at least 10 individuals will benefit directly from project interventions.
- CEGSTAR – the LEPL under the MRDI, the key body responsible for the implementation of the National Training System for local civil servants; It is anticipated, that at least 10 individuals will benefit directly from project interventions.
- CSB – the LEPL and the main body responsible for the implementation of the civil service reform; It is anticipated, that at least 10 individuals will benefit directly from project interventions.



- Municipalities – all municipalities countrywide will benefit from project interventions,
- NALAG - the key partner in policy advocacy and lobbying initiatives; It is anticipated, that at least 10 individuals will benefit directly from project interventions.
- CSOs working in project target regions; number of individuals benefiting directly from project interventions will be defined at a later stage.
- Local population in project target regions - citizens in project target regions will be direct beneficiaries as they will benefit from stronger LSGs, improved service delivery and enhanced participation at the local level.
- Women, youth, ethnic minorities and vulnerable population groups – a number of project activities directly targets the most vulnerable and excluded populations. Besides, special considerations are incorporated in all project activities to ensure that these population groups are reached out. Such considerations include special small grant schemes for empowering women/youth/ethnic minorities, knowledge products and publicity materials produced in minority languages etc.
- Other potentially affected groups include general population of the country who will benefit indirectly from the policy changes and scale out schemes.

### ***3.5/ South-South and Triangular Cooperation (SSC/TrC)***

The subjects of this project -Decentralization and good governance at the local level - is of very high interest in South Caucasus and Eastern Europe. The countries of these regions and particularly Ukraine, which is also DANEP partner country and beneficiary, put these topics very high in development agenda. Thus, the project will generate a very specific and useful experience, knowledge and expertise that can be useful for policy makers, donors, national experts and non-government actors. The project will further extend relations with the Ukraine to share the generated experience and support them in better planning and implementation of their reforms. Joint meetings with Georgian and Ukrainian Parliament members will be arranged to share the knowledge and experience generated through the project. For this reason, The project team will cooperate with UNDP office in Ukraine.

### ***3.6/ Knowledge Products***

A number of knowledge products will be produced by the project. The project will ensure that all materials are developed in a gender sensitive way. The data presented in the publications will be disaggregated by sex, age, ethnic origin, IDP status etc. Special attention will be paid to make sure that gender-neutral language is applied to avoid bias toward a particular sex or social gender.

- Methodologies and guidelines to conduct the corruption risk assessment, develop integrity plans and establish integrity management systems
- Guidelines for municipal capacity development
- Guidelines for updating Municipal Development Documents (MDDs). During first phase, the project has developed methodology as well as supported 43 municipalities to develop MDDs Methodologies. The project will update the existing methodology to incorporate sustainable local economic development aspects into municipal planning
- Methodologies and guidelines for establishing performance management systems at the local level.
- Publications, video/print materials, educational leaflets and brochures. Within the public awareness campaign, the project will develop various materials with the purpose to raise public awareness of LSG reform, decentralization, municipal competences and citizen participation initiatives.

### ***3.7/ Sustainability and Scaling Up***

UNDP interventions have always been continuously supporting national and local government institutions in strengthening their policy-making and administration capacities. Each initiative has been implemented in a way that aims to maximize the sustainability of results.



Ensuring sustainability of the achieved results will remain at the heart of the new project and will be strongly emphasized over its entire duration. The project sustainability strategy will be based on the experience and lessons learned from the previous interventions as well as the best practices from UNDP's work in general.

The sustainability will be endured through a set of measures:

- **National ownership over project achievements:** It has been proved that ownership among stakeholders is vital for an initiative's sustainability. UNDP's key strategy has always been ensuring that the national and local counterparts are the genuine owners and drivers of different initiatives. Consequently, the project will actively engage partner and beneficiary organizations in planning and implementing all project activities to enhance the national and local authorities' (duty-bearers') ownership over the project interventions and thus pave the way for smooth transfer/up-scale of relevant project activities in the future.
- **Strengthened capacities of project stakeholders** is another measure to ensure project sustainability. With improved human and systemic changes adopted to strengthen institutional capacities, the project stakeholders are in a position to embrace the change and carry on activities independently once the project is finalized. Therefore, capacity development support represents a core component of project interventions and targets all project stakeholders including national and local government institutions, CSOs and community members.
- **Institutionalization of changes.** The project will seek institutionalization of a number of changes to ensure sustainability of results. The project will provide intensive support to the MRDI and the Parliament of Georgia to develop and adopt the Decentralization strategy, which will establish a sound policy framework and pave the way for lasting results. In addition, the project will provide technical and administrative support to the MRDI/CSB/Municipalities to create capacity development systems for municipalities. This might include formal guidelines designed and adopted for municipal staff development. Also, technical assistance will be provided to municipalities to establish performance management systems for certain services. Adoption of policy initiatives and establishment of performance management and capacity development systems will serve as a sustainability mechanism for the project results. The systems designed and adopted during project implementation will stay in place beyond the project life cycle.

While the project will operate in three target regions, it will also replicate successful practices nationwide through the following mechanism:

- Knowledge sharing platform will be established within the best practices program that will serve as a tool for information dissemination and inter-municipal cooperation. Through the platform, the project will support best performing LSGs to act as centres of excellence from which other municipalities can learn. Various knowledge sharing activities, such as national event, open days, study visits will be arranged within the platform.
- Knowledge products developed by the project will be systematized and uploaded on the webpages of UNDP, MRDI, Parliament of Georgia, CEGSTAR, CSB and NALAG for the nationwide access.
- Advocacy with the national authorities to institutionalize the best practices and promote their introduction nation-wide.



#### IV. RESULTS FRAMEWORK

Intended Outcome as stated in the UN Partnership Strategic Document (UNPSD) 2016-2020/Georgia Country Programme Document (CPD) 2016-2020: Outcome 1. By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels

**Outcome indicators as stated in the CPD 2016-2020: Results and Resources Framework, including baseline and targets:**

1. Worldwide Governance Indicators. *Baseline (2013): Voice and Accountability<sup>21</sup> index 53.6%; Government Effectiveness Index 69.4%; Targets (2020): Voice and Accountability index >60%; Rule of law index >58%; Government Effectiveness Index >72%;* 2. Level of public confidence and satisfaction with legislature, judiciary, democratic system and public service delivery. *Baseline: to be established (2015); Target: to be set based on 2015 baseline; 3. Seats held by women in parliament and local councils. Baseline: Parliament 11% (2012); Local councils 11.8% (2014); Target: Parliament 15% (2016) 20% (2020); Local Councils 15% (2017)*

**Applicable Output(s) from the UNDP Strategic Plan 2018-2021: Output 1.2.1 Capacities at national and sub-national levels strengthened to promote inclusive local economic development and deliver basic services including HIV and related services**

**Project Outcome:** Decentralization and good governance at the local level advanced, through promoting nation-wide policy reform, strengthening institutional and human capacities of national and local authorities, improving local service delivery and enhancing citizen participation in local policy making

**Project Outcome Indicators:**

1. Number of subnational governments/administrations with transparent, accountable and effective planning, budgeting and monitoring systems. *Baseline (2018): 0; Target (2023): 20*
2. Local budgets within the consolidated budget (%). *Baseline (2018): 17.6%; Target (2023): 20%*
3. Level of public satisfaction with local governments. Sub-targets for women, youth and ethnic minorities. *Baseline (2018): 68.5% (general); 66.5% (women); 64.8% (youth 18-29); 70.3% (ethnic minorities)<sup>22</sup>; Target (2023): 85% (general); 86% (women); 84% (youth 18-29); 85% (ethnic minorities)*
4. Level of citizen engagement in local decision making. Sub-targets for women, youth and ethnic minorities. *Baseline (2018): 6.5% (general); 5.1% (women); 4.9% (youth 18-29); 6.9% (ethnic minorities); Target (2023): 15% (general); 14% (women); 14% (youth 18-29); 15% (ethnic minorities)<sup>23</sup>*

**Project title and Atlas Project Number: Fostering Decentralization and Good Governance at the Local Level in Georgia/00109456; output 00108806**

| EXPECTED OUTPUTS | OUTPUT INDICATORS | DATA SOURCE | BASELINE |      | TARGETS* (by frequency of data collection) |      | DATA COLLECTION METHODS & RISKS |
|------------------|-------------------|-------------|----------|------|--|------|---------------------------------|
|                  |                   |             | Value    | Year | 2020                                       | 2023 |                                 |
|                  |                   |             |          |      |  |      |                                 |

<sup>21</sup> Also refers to measurement progress in outcome 2. By 2020 all living in Georgia - including minorities, people with disabilities, vulnerable women, migrants, internally displaced persons and persons in need of international protection – have trust in and improved access to the justice system, which is child-friendly, enforces national strategies and operates in accordance with United Nations human rights standards.

<sup>22</sup> The baseline indicators are taken from the citizen satisfaction survey with public services in Georgia 2017



| EXPECTED OUTPUTS  | OUTPUT INDICATORS   | DATA SOURCE  | BASELINE |      | TARGETS* (by frequency of data collection) |      | DATA COLLECTION METHODS & RISKS   |
|---|---|--|----------|------|--|------|---|
|   |   |  | Value    | Year | 2020                                       | 2023 |   |
| Output 1<br>Improved policy and institutional framework to foster decentralization and promote accountable, transparent and participatory local self-government practices | 1.1 % of initiatives implemented from the Good Governance Strategy and action plan  | Project Reports; Data from the GoG and MRDI          | 0        | 2018 | 30   | 60   | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
|   | 1.2 Number of laws and policies adopted or initiated to fulfil GoG's commitment with regard to decentralization           | Project Reports; Data from the Parliament of Georgia | 0        | 2018 | 50   | 100  | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
|   | 1.3 Number of municipalities with Gender Equality Councils and Gender Equality strategy/action plan in place              | Project Reports; ongoing monitoring data             | 24       | 2018 | 40   | 50   | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
|   | 1.4 Number of municipalities engaged in Open Government Partnership initiative  | Project Reports; ongoing monitoring data             | 1        | 2018 | 3  | 5    | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
| Output 2<br>Enhanced institutional and human capacities of national and local authorities   | 2.1 National training system operational  | Project Reports; Data from the MRDI and CSB          | No       | 2018 | Yes  | Yes  | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
|   | 2.2 Number of municipalities with effective human resources management systems  | Project Reports; Data from the MRDI and CSB          | 0        | 2018 | 10   | 15   | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
|   | 2.3 Number of municipalities with integrity strengthening systems established   | Project Reports; ongoing monitoring data             | 0        | 2018 | 10   | 15   | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
|   | 2.4 Number of municipalities which apply and gender budgeting and strategic planning guidelines including localizing SDGs | Project Reports; ongoing monitoring data             | 0        | 2018 | 10   | 15   | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |



| EXPECTED OUTPUTS  | OUTPUT INDICATORS   | DATA SOURCE  | BASELINE   |      | TARGETS* (by frequency of data collection)                                |   | DATA COLLECTION METHODS & RISKS  |
|---|---|--|--|------|---|---|--|
|   |   |  | Value  | Year | 2020  | 2023  |  |
|   | 2.5 Number of public officials qualified, including central and local government officials and municipal leadership desegregated by sex   | Project Reports; ongoing monitoring data from the MRDI and CSB | 0  | 2018 | 200 (at least 30 % female)  | 300 (at least 30 % female)  | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified  |
| Output 3<br>Municipal service delivery improved   | 3.1 Number of municipalities with performance management systems for selected services established through project support  | Project Reports; ongoing monitoring data                       | 0  | 2018 | 4   | 6   | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified  |
|   | 3.2 Number of municipalities replicating performance management systems through the knowledge sharing platform  | Project Reports; ongoing monitoring data                       | 0  | 2018 | 5   | 10  | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified  |
|   | 3.3 Number of municipalities with effective E-governance systems  | Project Reports; ongoing monitoring data                       | 47   | 2018 | 64  | 64  | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified  |
| Output 4<br>Right holders empowered to engage in local policy making and claim their rights | 4.1 The level of public awareness about the LSG reform, participation tools and mechanisms (%). Sub-targets for women, youth and ethnic minorities  | Surveys and public opinion polls                               | 22.6% (general); 19.8% (women); 22.9% (youth 18-29); 17.2% (ethnic minorities) | 2018 | 30 % (general); 28% (women); 30 % (youth 18-29); 25 % (ethnic minorities) | 40 % (general); 39% (women); 40 % (youth 18-29); 36 % (ethnic minorities) | Methods: Desk review analysis, key informant interviews, Qualitative and Quantitative research methods<br>Risks: Identifying appropriate method to measure the indicator |
|   | 4.2 Number of local Civil Society Organisations (CSOs) with strengthened capacities. Sub-targets for CSOs led by women, youth and ethnic minorities or working on empowering women, youth and ethnic minorities | Project Reports; ongoing monitoring data                       | 0  | 2018 | 15 (general), 2 (women), 1 (youth), 1 (ethnic minorities)                 | 20 (general), 3(women), 2 (youth), 2 (ethnic minorities)                  | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified  |



| EXPECTED OUTPUTS | OUTPUT INDICATORS  | DATA SOURCE                              | BASELINE |      | TARGETS* (by frequency of data collection)               |   | DATA COLLECTION METHODS & RISKS   |
|------------------|--|--|----------|------|--|---|---|
|                  |  |  | Value    | Year | 2020   | 2023  |   |
|                  | 4.3 Number of citizen participation initiatives implemented by CSOs. Sub-targets for initiatives led by women, youth and ethnic minorities or targeted at engagement of women, youth and ethnic minorities | Project Reports; ongoing monitoring data | 0        | 2018 | 10 (general), 2 (women), 1 (youth), 1(ethnic minorities) | 15 (general), 3 (women), 2 (youth), 2 (ethnic minorities) | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |
|                  | 4.4 Number of communities with mobilization schemes developed with active engagement of youth, women or ethnic minorities  | Project Reports; ongoing monitoring data | 0        | 2018 | 10   | 17  | Methods: Desk review analysis, key informant interviews<br>Risks: No Risks Identified |

\* Annualized targets will be developed in the course of the project implementation



## V. MONITORING AND EVALUATION

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

### Monitoring Plan

| Monitoring Activity                | Purpose   | Frequency   | Expected Action   | Partners (if joint) | Cost (if any)                       |
|------------------------------------|---|---|---|---------------------|-------------------------------------|
| Track results progress             | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.   | Quarterly, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management.  |                     | No (made by UNDP and Project staff) |
| Monitor and Manage Risk            | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Quarterly   | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. |                     | No (made by UNDP and Project staff) |
| Learn                              | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.  | At least annually   | Relevant lessons are captured by the project team and used to inform management decisions.  |                     | No (made by UNDP and Project staff) |
| Annual Project Quality Assurance   | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.  | Annually  | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.  |                     | No (made by UNDP and Project staff) |
| Review and Make Course Corrections | Internal review of data and evidence from all monitoring actions to inform decision making.   | At least annually   | Performance data, risks, lessons and quality will be discussed by the project board and used to make  |                     | No (made by UNDP and Project staff) |



| Monitoring Activity                   | Purpose  | Frequency  | Expected Action  | Partners (if joint)   | Cost (if any)                       |
|---------------------------------------|--|--|--|-----------------------|-------------------------------------|
| <b>Project Report</b>                 | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.  | Annually, and at the end of the project (final report) | course corrections.  |                       | No (made by UNDP and Project staff) |
| <b>Project Review (Project Board)</b> | The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Annually   | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | Project Board Members | No (made by UNDP and Project staff) |

#### Evaluation Plan

| Evaluation Title                                      | Partners (if joint) | Related Strategic Plan Output  | UNDAF/CPD Outcome  | Planned Completion Date | Key Evaluation Stakeholders  | Cost and Source of Funding                 |
|---|---------------------|--|--|-------------------------|--|--|
| Mid-Term Evaluation (if advised by the project board) |                     | Output 3.2: Functions, financing and capacity of sub-national level institutions enabled to deliver improved basic services and respond to priorities voiced by the public | UNDAF/CPD Outcome 1. By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels | September 2020          | Government of Denmark, MRDI, Parliament of Georgia, municipalities | Cost: 15,000 USD<br>Source: Project budget |



| Evaluation Title | Partners (if joint) | Related Strategic Plan Output  | UNDAF/CPD Outcome  | Planned Completion Date | Key Evaluation Stakeholders  | Cost and Source of Funding                 |
|------------------|---------------------|--|--|-------------------------|--|--|
| Final Evaluation |                     | Output 3.2: Functions, financing and capacity of sub-national level institutions enabled to deliver improved basic services and respond to priorities voiced by the public | UNDAF/CPD Outcome 1. By 2020, expectations of citizens of Georgia for voice, rule of law, public sector reforms, and accountability are met by stronger systems of democratic governance at all levels | March 2023              | Government of Denmark, MRDI, Parliament of Georgia, municipalities | Cost: 15,000 USD<br>Source: Project budget |



VI. MULTI-YEAR WORK PLAN <sup>24</sup>

| EXPECTED OUTPUTS  | PLANNED ACTIVITIES  | Planned Budget by Year |    |    |    |    | RESPONSIBLE PARTY         | PLANNED BUDGET |                    |                     |
|---|---|------------------------|----|----|----|----|---------------------------|----------------|--------------------|---------------------|
|   |   | Y1                     | Y2 | Y3 | Y4 | Y5 |                           | Funding Source | Budget Description | Amount (USD)        |
| <b>Output 1:</b> Improved policy and institutional framework to foster decentralization and promote good governance principles at the local level | 1.1 National policy and legal framework to foster decentralization enhanced   |                        |    |    |    |    | UNDP/MRD/Parliament       | DANIDA         |                    |                     |
|   | 1.2 Municipalities join Open Government Partnership (OGP) initiative  |                        |    |    |    |    | UNDP/Municipalities       | DANIDA         |                    |                     |
|   | 1.3 Gender institutional mechanisms established at the local level  |                        |    |    |    |    | UNDP/Municipalities       | DANIDA         |                    |                     |
|   | <b>Sub-Total for Output 1</b>   |                        |    |    |    |    |                           |                |                    | <b>658,870.07</b>   |
| <b>Output 2:</b> Enhanced institutional and human capacities of national and local authorities  | 2.1 National Training System for local civil servants enhanced and fully operational                                    |                        |    |    |    |    | UNDP/Municipalities/CSB   | DANIDA         |                    |                     |
|   | 2.2 Capacities of women councilors and local women managers strengthened  |                        |    |    |    |    | UNDP/Municipalities       | DANIDA         |                    |                     |
|   | 2.3 Municipal Human Resource Management systems in place and operational  |                        |    |    |    |    | UNDP/Municipalities/CSB   | DANIDA         |                    |                     |
|   | 2.4 Integrity strengthening systems established at the municipal level  |                        |    |    |    |    | UNDP/Municipalities       | DANIDA         |                    |                     |
|   | 2.5 Municipalities apply strategic planning and gender budgeting in local programming                                   |                        |    |    |    |    | UNDP/Municipalities       | DANIDA         |                    |                     |
|   | <b>Sub-Total for Output 2</b>   |                        |    |    |    |    |                           |                |                    | <b>1,148,447.04</b> |
| <b>Output 3:</b> Municipal service delivery improved  | 3.1 Performance management systems in place for selected services   |                        |    |    |    |    | UNDP/Municipalities       | DANIDA         |                    |                     |
|   | 3.2 Municipalities share the knowledge to foster better service delivery and enhance good governance at the local level |                        |    |    |    |    | UNDP/Municipalities/NALAG | DANIDA         |                    |                     |
|   | 3.3 E-Governance system in place at the local level   |                        |    |    |    |    | UNDP/Municipalities       | DANIDA         |                    |                     |
|   | Monitoring and Evaluation   |                        |    |    |    |    | UNDP                      | DANIDA         |                    |                     |
|   | <b>Sub-Total for Output 3</b>   |                        |    |    |    |    |                           |                |                    | <b>494,152.53</b>   |

<sup>24</sup> The budget will be finalized in close cooperation with project major stakeholders during the first 6 month after the project launch.



| EXPECTED OUTPUTS  | PLANNED ACTIVITIES   | Planned Budget by Year                  |    |    |    |    | RESPONSIBLE PARTY | PLANNED BUDGET |                    |                     |
|---|--|---|----|----|----|----|-------------------|----------------|--------------------|---------------------|
|   |  | Y1                                      | Y2 | Y3 | Y4 | Y5 |                   | Funding Source | Budget Description | Amount (USD)        |
| Output 4: Right holders empowered to engage in local policy making and claim their rights | 4.1 Citizens have better understanding of their rights   |   |    |    |    |    | UNDP/Public/CSOs  | DANIDA         |                    |                     |
|   | 4.2 Civil society organizations (CSOs) design and lead participatory initiatives                                 |   |    |    |    |    | UNDP/CSOs         | DANIDA         |                    |                     |
|   | 4.3 Local youth groups act as agents of change to foster decentralization and Good Governance at the local level |   |    |    |    |    | UNDP/CSOs         | DANIDA         |                    |                     |
|   | 4.4 Local community empowered to foster decentralization from below  |   |    |    |    |    | UNDP/CSOs         | DANIDA         |                    |                     |
|   |  | <b>Sub-Total for Output 4</b>           |    |    |    |    |                   |                |                    | <b>658,870.04</b>   |
| Project Management, Monitoring and Evaluation   |  |   |    |    |    |    | UNDP              | DANIDA/        |                    | 700,049.42          |
|   |  |   |    |    |    |    | UNDP              | MRDI           |                    | 113,240.02          |
|   |  | <b>Sub-Total for Project Management</b> |    |    |    |    |                   |                |                    | <b>700,049.42</b>   |
| Project Net Budget  |  |   |    |    |    |    |                   |                |                    | <b>3,660,389.10</b> |
| GMS (8%) MRDI   | Facilities and Administration  |   |    |    |    |    |                   | MRDI           |                    | <b>9,059.20</b>     |
| GMS (8%) DANIDA   | Facilities and Administration  |   |    |    |    |    |                   | DANIDA         |                    | <b>292,831.13</b>   |
| <b>Total (Gross)</b>  |  |   |    |    |    |    |                   |                |                    | <b>4,075,519.45</b> |

**SUMMARY OF FUNDING SOURCES:**

| Donor:                       | Original Currency | USD                 | Share (%) | Comment  |
|------------------------------|-------------------|---------------------|-----------|--|
| Danish Government            | DKK 24,000,000.00 | 3,953,220.23        | 97.00%    | Converted to USD per UNORE for Mar-18 amounting to 6.071 |
| Government of Georgia (MRDI) | GEL 300,000.00    | 122,299.23          | 3.00%     | Converted to USD per UNORE for Jul-18 amounting to 2.453 |
| <b>TOTAL</b>                 |                   | <b>4,075,519.45</b> |           |  |

Note: USD equivalent will be adjusted in the course of the project implementation per actual rates of received installments.



## VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Fostering Decentralization and Good Governance at the Local Level project will be implemented in accordance with the National Implementation Modality (NIM), with UNDP support services; In the project, the Government of Georgia through the MRDI, will take a lead in defining the key priorities and activities during the project implementation together with the UNDP, while UNDP will provide support for the execution of the project activities and provision of inputs. UNDP will remain in charge of managing all project funds and procuring goods and services necessary for project implementation.

The project will closely cooperate with the Municipalities, Regional Governments, Civil Service Bureau, National Local Self-Government Association as well as local communities including Private and Civil Society sectors.

The project board will be established to oversee the overall strategic directions of the project representing supplier, executive and beneficiary. The Project Board will consist of the following permanent members: MRDI, Parliament of Georgia, Government of Denmark and UNDP. Other reform stakeholders (such as the relevant Parliamentary Committees, Civil Service Bureau, NALAG, regional and local authorities etc.) will be invited as needed based on the subject of the meeting. The strategic direction of the project as a whole will be reviewed and, if necessary, modified during the project board meetings after consultation with the donor. The Board will meet twice a year, following submission of the respective progress report, or more often if needed.

UNDP Democratic Governance Team Leader and respective Programme Associate will play the Project Assurance role. The Project Assurance team will act as an objective quality monitoring agent, will verify the project progress, its products' or outputs' quality.

UNDP will convey the administrative support services to the project implementation, implying undertaking administrative, financial, procurement and recruitment services according to its rules and regulations. UNDP will be responsible for the provision of all project inputs upon a formal request from the Project Manager.

Project personnel – The organigram below gives a view of the major operational positions in the project. The project management unit (PMU) will be established to coordinate and manage the project implementation. The following incumbencies will be established within the PMU:

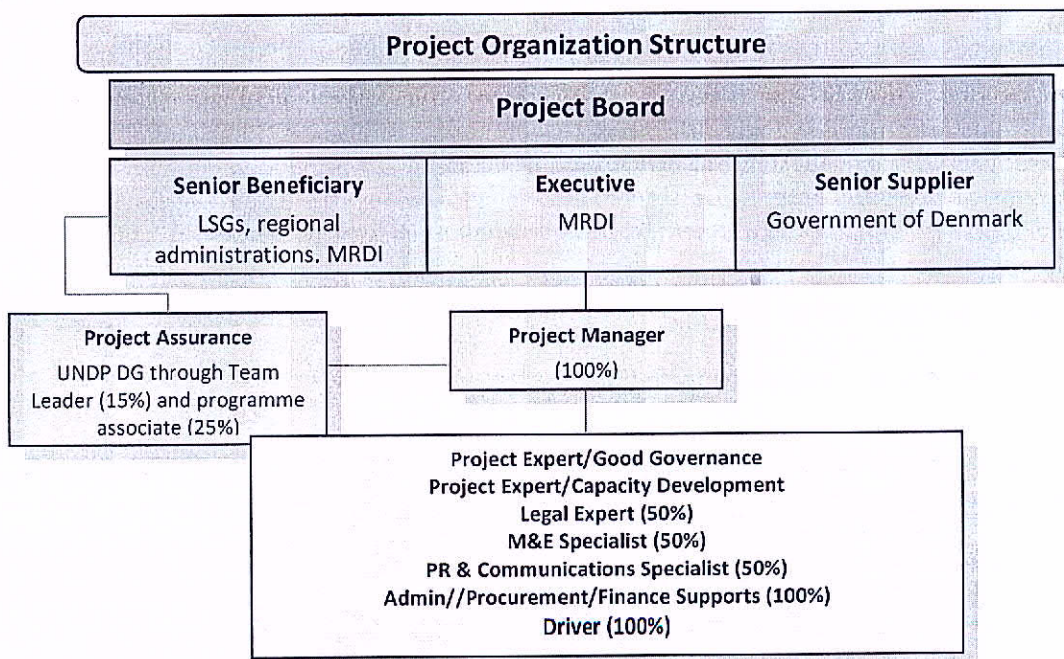


Figure 1. Project management organizational structure



**The Democratic Governance Team Leader (ED TL):** he/she will provide overall quality assurance, oversight and monitoring of the project to ensure that the project produces the results (outputs) specified in the project document and compliant with the required standard of quality and within the specified constraints of time and cost. The DG TL will provide liaison support with counterparts as needed, oversee reporting (both for the donors internal UNDP reporting), provide additional analysis of risks and mitigation measures, ensure coherence and promote cooperation between this project and other relevant UNDP projects. UNDP DG Team Leader will be charged through direct project costs for the time spent directly attributable to the implementation of the Project, not exceeding 15% of the working time.

**The UNDP Programme Associate** will provide quality assurance for financial matters and reporting and advice project personnel on financial, administrative and reporting procedures. The UNDP Programme Associate will be charged through direct project costs for the time spent directly attributable to the implementation of the Project, not exceeding 25% of the working time.

**Project Manager:** PM will be responsible for the overall substantive, administrative, financial and HR management of the project. S/he will manage the project on a day-to-day basis. His/her primary responsibility will be, jointly with the core team, to ensure that the project achieves results that are capable of delivering the outcomes and outputs described in this document. The Project Manager will be in charge of requesting funds to cover project-related expenses, and for keeping an adequate control system for all financial and accounting records. The Project Manager will be reporting regularly to UNDP on the implementation of the project. He/she will be involved into the substantial project activities and provide the overall direction and guidance to the project staff in achievement of the project outputs. He/she will be establishing and maintaining partnerships with national and international stakeholders. The PM will hold accountable for the project activities towards the Project Board.

**Project Experts** will be responsible for the implementation of respected activities of the project. They will report to the Project manager and will be responsible for monitoring and reporting on respective activities according to the M&E system and reporting procedures set under the project.

**Legal Expert (50%):** S/he will be responsible for overall legal guidance and support to the national and municipal stakeholders; ensuring smooth implementation of Good Governance at Local Level strategy outputs linked to LED, as well as developing rules and regulations in accordance with LSG Code and other sectoral legislation. The expert also identifies needs if relevant amendments are needed, provides support to the Parliamentary Committee on Regional Policy and Self-government and MRDI in policy and legal initiatives.

**Monitoring & Evaluation (M&E) Specialist (50%):** Ensures M&E systems are robust, provide timely and accurate information, and can serve as evidence for advocacy. S/he will train staff, partners and beneficiaries in participatory monitoring techniques and processes, ensure monitoring data is being submitted and process data into M&E reports. S/he will also ensure the processes are fully in compliance with UNDP regulations.

**Communications Specialist (50%):** Will ensure the communications strategy is developed and will support project staff and target groups in their communication-related tasks. Ensure that the materials and statements produced by the project reinforce the goals and objectives developed in the communications strategy.

**Project Assistant:** Responsible for all aspects of administrative procedures

**Finance Officer (50%):** Responsible for all aspects of finance procedures.

A number of **international and local experts** will be recruited on temporary contracts using competitive recruitment procedures, for provision of high level expertise in regional and local development, LED, capacity development support, citizen participation etc. support the project activities.

**Driver** will provide transportation support and assistance with logistics to the project.



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## VIII. LEGAL CONTEXT

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

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

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## IX. RISK MANAGEMENT

### Government Entity (NIM)

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.



8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

11. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
12. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
13. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.



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**X. ANNEXES**

1. Risk Log

2. Social and Environmental Screening Template

3. Project Quality Assurance Report



## ANNEX 1: RISK LOG

| # | Description  | Date Identified | Type                | Impact & Probability   | Countermeasures / Mngt response   | Owner                         |
|---|--|-----------------|---------------------|--|---|-------------------------------|
| 1 | End of political “buy-in” to the project: relevant government institutions, municipalities and CSOs seize to recognize the project as an important opportunity for themselves and for fostering local development in Georgia (Goal and outcome levels) | March 2018      | Political Strategic | The project has already established a position and reputation with national and local authorities. The project is recognized as an important player and contributor to decentralization in Georgia. Therefore, the probability that this risk will occur is low.<br><br>Probability = 1; Impact = 4 <sup>25</sup>        | All activities of the project have been planned in cooperation with main stakeholders. The project will continue consultations and bilateral meetings to ensure that decisions made during the process of project implementation will be made by local stakeholders with UNDP experts providing sound policy and technical advice.  | Project Manager/ Project Team |
| 2 | Political will/commitment towards decentralization declined (Goal, outcome and output levels)  | March 2018      | Political           | Over recent years, the national government has been reluctant to transfer power to local authorities fearing of losing control over the local developments. In March 2018, however, the GoG has declared a firm commitment to develop and implement Decentralization expected to be adopted in 2018.<br><br>P = 2; I = 3 | The project will have intensive dialogue with the Parliament of Georgia, central and national institutions, line Ministries and other government agencies. Advocacy campaign will also be conducted in cooperation with donor community and CSOs. A set of activities will be planned including the organization of the high-level round table discussions, preparation of reports and articles related to local self-governance and decentralization.              | Project Manager/ Project Team |
| 3 | Political and/or institutional instability following Local Elections in 2021 (Outcome and output levels)   | March 2018      | Political           | Local self-government elections in 2021 may result in an overhaul of the political systems at the local level resulting in the loss of key contacts established and the reputation/credibility built.<br><br>P = 2; I = 3  | UNDP will seek to proactively engage with the new authorities and establish new contacts immediately to ensure uninterrupted organization of activities at the local level. The project will take advantage of the established relation with the Parliament, MRDI and NALAG to use their resources to connect with the new authorities if needed. The project will ensure that the new authorities are aware and engaged in the project planning and implementation | Project Manager               |

<sup>25</sup> Probability is assessed on a scale from 1 (low) to 5 (high); Impact is assessed on a scale from 1 (low) to 5 (high)



| # | Description  | Date Identified | Type      | Impact & Probability  | Countermeasures / Mngt response   | Owner                         |
|---|--|-----------------|-----------|---|---|-------------------------------|
| 4 | Instability in the structure and composition of the Government of Georgia (Goal, outcome and output levels)                          | March 2018      | Political | Frequent change of the structure and composition of the Government has been taking place in Georgia over recent years. Changes in the GoG and the Ministry of Regional Development and Infrastructure may influence commitment of the ministry to provide active implementation of decentralization reform. At this point, no reorganization of the MRDI is expected in the foreseeable future.<br>P =3; 1 = 2            | UNDP will have active cooperation with MRDI and will observe political context in order to identify any upcoming changes in advance. In case reorganization takes place, UNDP will intensify communication with the new leadership of the Ministry to bring the cooperation to the former level.<br>from the beginning.   | Project Manager/ Project Team |
| 5 | High turnover of municipal staff (Outcome and output levels)   | March 2018      | Political | Turnover of the civil servants at central and local level has been taking place in Georgia. After the LSG elections in 2021, there is a risk that civil servants at the local level may be replaced. This will decrease effectiveness of capacity development measures.<br>P =3; 1 = 3  | Together with international community and civil society, the project will continue the dialogue with central and local institutions, line Ministries, Parliament and donor community to maintain the principles of ongoing civil service reform and keep staff turnover as low as possible. In case there are changes in municipal staff, the project will provide capacity development support to new staff members and provide other administrative support if necessary. | Project Manager/ Project Team |
| 6 | Lack of agreement among different governmental agencies and failure to launch the full scale National Training System (Output level) | March 2018      | Political | The National Training Concept was adopted by the GoG in 2015 which was followed by establishment of the National Training System, where 74 municipalities submitted their annual training needs to purchase services. However, the system needs the approval of the simplified procurement procedures for municipalities so that LSGs can easily purchase services through the system without going to tendering process. | The project will continue advocacy, but in case the procurement problem is not resolved, UNDP will engage with the MRDI/CEGSTAR to adjust the concept, in a way as to propose a more flexible training delivery model.  | Project Manager/ Project Team |



| # | Description  | Date Identified | Type        | Impact & Probability  | Countermeasures / Mngt response  | Owner                               |
|---|--|-----------------|-------------|---|--|-------------------------------------|
| 7 | Citizens fail to become active participants of the local policy making (Outcome and output levels)   | March 2018      | Political   | The lack of participation culture defines the limited engagement of citizens in local policy making. P =3; I = 4  | The project will conduct intensive public awareness campaign targeted at the right holders to equip them with relevant knowledge and skills and encourage their participation in local policy making   | Project Manager/ Project Team       |
| 8 | Women, Youth and/or Ethnic minorities are not seen as important stakeholders by central and local governments and their representation and participation is limited in local decision-making (Outcome and output levels) | March 2018      | Political   | There is currently a lack of consultative platforms for participation of different societal and interest groups in decision making<br>P =3<br>I = 4   | The project will ensure continuous advocacy and awareness raising among both decision-makers and different groups in the communities about the importance and value of diversified participation in decentralised local development and decision-making  | Project Manager/ Project Team       |
| 9 | Duplication and overlap of different donor funded projects focussing on municipal reform and local governance  | March 2018      | Operational | There are a number of donor organizations (SCO, ADC, EU, GIZ, USAID, WB) that focus on regional development and local self-governance issues. Each of them having own mandate, but the priorities of various projects have much in common. The activities of various projects may overlap, unless a strong coordination platform continues to be available.<br>P=1, I=2 | UNDP leads the strategic partnership of respective donor/partner organizations in this area and is conscious of other organization's priorities. UNDP also directly implements some of other donor's respective programmes, i.e. SCO, ADC, ENPARAD, PAR. With this, any possible overlap with GIZ and USAID has turned into synergies so far; we will need to continue this way. i.e. together with MRDI, the project will continue to organize regular coordination meetings of Strategic Partners, established and led by UNDP during the RLD phase 1. This platform proved to be efficient for coordination and joint advocacy purposes for all the participants and planned to be continued. | Project Manager/ Project Team/MR DI |



## SOCIAL AND ENVIRONMENTAL SCREENING

### Project Information

| <b>Project Information</b>          |  |
|-------------------------------------|--|
| 1. Project Title                    | Fostering Decentralization and Good Governance at the Local Level in Georgia |
| 2. Project Number                   | 00109456   |
| 3. Location (Global/Region/Country) | Georgia  |

### Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

#### **QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?**

##### *Briefly describe in the space below how the Project mainstreams the human-rights based approach*

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

##### *Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment*

Gender considerations will be mainstreamed throughout project activities. The project will pay special attention to ensure that the needs and priorities of women and girls are incorporated into the national policy framework as well as in local policies and initiatives. When providing support to MRDI and the GoG in implementing the Good Governance Strategy and the Mountain Development Strategy respectively, the project will make a special focus on initiatives aimed at empowering youth, women and other vulnerable population groups.

Similarly, when supporting joint initiatives of municipalities and local private sector particular attention will be paid to those activities specifically targeted at youth, women, ethnic minorities and other vulnerable groups.

The project will proactively seek an equal participation of women and men in local policy making. Special interventions will be designed to mobilize and empower women/youth groups and NGOs working on gender equality/youth issues to engage them in designing and planning local initiatives.

The project will also provide support to establish Gender Equality Councils and develop Gender Equality Strategy and action plans at the local level. Having gender institutional mechanisms at the local level will serve as a pre-requisite to advance gender mainstreaming into the local



programming and ensure that gender equality and women's empowerment principles are incorporated across all local initiatives. Knowledge products produced within the project will go through the gender analysis to ensure gender neutral language is applied. Sex-segregated data collection will be in place for the purpose of monitoring and evaluation.

*Briefly describe in the space below how the Project mainstreams environmental sustainability*

Environmental sustainability is at the core of regional and local development. The proposed support will be implemented with the due consideration of the environmental impact having in mind institutional, policy and operational aspects. The policy institution will be provided with technical assistance on following good practice of implementing environmentally sustainable policy through incorporating these aspects into local initiatives initiated by the project. Relevant trainings and capacity development measures will be implemented for the staff of implementing partners and stakeholder organizations. The proposed support will promote sustainable natural resources management and raise awareness of climate change aspects and mitigation strategies. UNDP and implementing partners will ensure compliance of any equipment and other inputs procured with internationally recognized environmental standards.

**Part B. Identifying and Managing Social and Environmental Risks**

| <b>QUESTION 2: What are the Potential Social and Environmental Risks?</b><br><i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i> | <b>QUESTION 3: What is the level of significance of the potential social and environmental risks?</b><br><i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i> | <b>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</b> |                 |  |
|--|--|---|-----------------|--|
| <b>Risk Description</b>  | <b>Impact and Probability (1-5)</b>  | <b>Significance (Low, Moderate, High)</b>   | <b>Comments</b> | <b>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</b> |
| Risk: No risks identified  | 1 =<br>P =   | <b>QUESTION 4: What is the overall Project risk categorization?</b>   |                 |  |



| Select one (see SESP for guidance)   |                                     | Comments |
|--|-------------------------------------|----------|
| Low Risk   | <input checked="" type="checkbox"/> |          |
| Moderate Risk  | <input type="checkbox"/>            |          |
| High Risk  | <input type="checkbox"/>            |          |
| <b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b> |                                     |          |
| Check all that apply   |                                     |          |
| <i>Principle 1: Human Rights</i>   | <input type="checkbox"/>            | Comments |
| <i>Principle 2: Gender Equality and Women's Empowerment</i>  | <input type="checkbox"/>            |          |
| <i>1. Biodiversity Conservation and Natural Resource Management</i>  | <input type="checkbox"/>            |          |
| <i>2. Climate Change Mitigation and Adaptation</i>   | <input type="checkbox"/>            |          |
| <i>3. Community Health, Safety and Working Conditions</i>  | <input type="checkbox"/>            |          |
| <i>4. Cultural Heritage</i>  | <input type="checkbox"/>            |          |
| <i>5. Displacement and Resettlement</i>  | <input type="checkbox"/>            |          |
| <i>6. Indigenous Peoples</i>   | <input type="checkbox"/>            |          |
| <i>7. Pollution Prevention and Resource Efficiency</i>   | <input type="checkbox"/>            |          |

### Final Sign Off

| Signature  | Date | Description   |
|--|------|---|
| QA Assessor<br>Gigi Bregadze, Governance Team Leader |      | UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.  |
| QA Approver<br>Natia Natsvlshvili, ARR               |      | UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC. |
| PAC Chair<br>Natia Natsvlshvili, DRR a.i.            |      | UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.  |



## SESP Attachment 1. Social and Environmental Risk Screening Checklist

| <b>Checklist Potential Social and Environmental Risks</b>  |  |                        |
|--|--|------------------------|
| <b>Principles 1: Human Rights</b>  |  | <b>Answer (Yes/No)</b> |
| 1.   | Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?  | No                     |
| 2.   | Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? <sup>26</sup>  | No                     |
| 3.   | Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?  | No                     |
| 4.   | Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?   | No                     |
| 5.   | Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?   | No                     |
| 6.   | Is there a risk that rights-holders do not have the capacity to claim their rights?  | No                     |
| 7.   | Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?  | No                     |
| 8.   | Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?   | No                     |
| <b>Principle 2: Gender Equality and Women's Empowerment</b>  |  |                        |
| 1.   | Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?   | No                     |
| 2.   | Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?  | No                     |
| 3.   | Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?   | No                     |
| 4.   | Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?<br><i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i> | No                     |
| <b>Principle 3: Environmental Sustainability:</b> Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below |  |                        |
| <b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>   |  |                        |
| 1.1  | Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?<br><i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>  | No                     |
| 1.2  | Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?  | No                     |
| 1.3  | Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)   | No                     |
| 1.4  | Would Project activities pose risks to endangered species?   | No                     |
| 1.5  | Would the Project pose a risk of introducing invasive alien species?   | No                     |
| 1.6  | Does the Project involve harvesting of natural forests, plantation development, or reforestation?  | No                     |
| 1.7  | Does the Project involve the production and/or harvesting of fish populations or other aquatic species?  | No                     |
| 1.8  | Does the Project involve significant extraction, diversion or containment of surface or ground water?  | No                     |

<sup>26</sup> Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.



|  |  |    |
|--|--|----|
|  | <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>   |    |
| 1.9  | Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)   | No |
| 1.10   | Would the Project generate potential adverse transboundary or global environmental concerns?   | No |
| 1.11   | Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?<br><br><i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i> | No |
| <b>Standard 2: Climate Change Mitigation and Adaptation</b>        |  |    |
| 2.1  | Will the proposed Project result in significant <sup>27</sup> greenhouse gas emissions or may exacerbate climate change?   | No |
| 2.2  | Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?   | No |
| 2.3  | Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)?<br><br><i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>  | No |
| <b>Standard 3: Community Health, Safety and Working Conditions</b> |  |    |
| 3.1  | Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?  | No |
| 3.2  | Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?  | No |
| 3.3  | Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?   | No |
| 3.4  | Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)  | No |
| 3.5  | Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?  | No |
| 3.6  | Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?   | No |
| 3.7  | Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?  | No |
| 3.8  | Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?   | No |
| 3.9  | Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?  | No |
| <b>Standard 4: Cultural Heritage</b>                               |  |    |
| 4.1  | Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)  | No |
| 4.2  | Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?   | No |
| <b>Standard 5: Displacement and Resettlement</b>                   |  |    |
| 5.1  | Would the Project potentially involve temporary or permanent and full or partial physical displacement?  | No |
| 5.2  | Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?   | No |

<sup>27</sup> In regards to CO<sub>2</sub>, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]



|   |   |    |
|---|---|----|
| 5.3   | Is there a risk that the Project would lead to forced evictions? <sup>28</sup>  | No |
| 5.4   | Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?  | No |
| <b>Standard 6: Indigenous Peoples</b>                           |   |    |
| 6.1   | Are indigenous peoples present in the Project area (including Project area of influence)?   | No |
| 6.2   | Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?  | No |
| 6.3   | Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?<br><br><i>If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i> | No |
| 6.4   | Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?  | No |
| 6.5   | Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?  | No |
| 6.6   | Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?   | No |
| 6.7   | Would the Project adversely affect the development priorities of indigenous peoples as defined by them?   | No |
| 6.8   | Would the Project potentially affect the physical and cultural survival of indigenous peoples?  | No |
| 6.9   | Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?  | No |
| <b>Standard 7: Pollution Prevention and Resource Efficiency</b> |   |    |
| 7.1   | Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?  | No |
| 7.2   | Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?  | No |
| 7.3   | Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?<br><br><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>   | No |
| 7.4   | Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?   | No |
| 7.5   | Does the Project include activities that require significant consumption of raw materials, energy, and/or water?  | No |

<sup>28</sup> Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.