

UNITED NATIONS DEVELOPMENT PROGRAMME



PROJECT DOCUMENT
UNDP GEORGIA

Project Title: EU4ITD: Advancing decentralized, effective and inclusive governance in Georgia (ADG)

Project Number: 00127677 (Output 00121589)

Implementing Partner: Ministry of Regional Development and Infrastructure of Georgia

Start Date: 27 December 2021 **End Date:** 30 September 2025 **LPAC Meeting date:** 7 February 2022

Brief Description

The objective of the project is to advance effective, responsive and accountable national and sub-national governance through promoting decentralization, inclusive and evidence-based policy making, citizen engagement and better service delivery at the local level.

The project will support the implementation of the Pilot Integrated Regional Development Programme (PIRDP) for Guria, Imereti, Kakheti and Racha-Lechkhumi and Kvemo Svaneti and the Decentralisation Strategy 2020-2025. The achievement of project objectives will be ensured through a set of actions supporting policy development, capacity building of national, regional and local authorities, improved service delivery and enhanced public engagement at local level.

National and territory-based system for effective policy-making and implementation will be built as an **outcome** of project intervention, which will be achieved through the following **outputs/results**:

- Inclusive and evidence-based policy making at national and regional/local levels (Output 1)
- Broader access to user-centric, high quality and accountable public services (Output 2)
- Fostered public participation in planning and implementation of regional/local development projects (Output 3)
- Support actions for implementation of Decentralisation Strategy delivered (Output 4)

The project contributes to:

UNSDCF 2021-2025 Outcome 1/CPD 2021-2025 Outcome 1: By 2025, all people in Georgia enjoy improved good governance, more open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision making

CPD 2021-2025 Output 1.1: Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all.

UNDP Strategic Plan 2018-2021: Outcome 1. Eradicate poverty in all its forms and dimensions/1.1.1 Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyse progress towards the SDGs, using innovative and data-driven solutions.

Output: 00121589: GEN2

Total resources required:	2,309,009 USD	
Total resources allocated:	UNDP TRAC:	56,757 USD <small>(equiv. of EUR 50,400 per UNXRATE for Dec-2021: 0.888)</small>
	EU:	2,252,252USD <small>(equiv. of EUR 2mln per UNXRATE for Dec-2021: 0.888)</small>
Unfunded:	0.00	

* USD equivalent will change in the course of project implementation per actual exchange rates of transferred instalments.

Agreed by:

United Nations Development Programme (UNDP)	Ministry of Regional Development and Infrastructure of Georgia
<p>DocuSigned by:  87B6354624D7437... Nick Beresford Resident Representative UNDP GEORGIA Date: 11-Feb-2022</p>	<p> Irakli Karseladze Minister of Regional Development and Infrastructure of Georgia Date:</p>

I. DEVELOPMENT CHALLENGE

1.1. General Overview

Georgia has developed a solid record of implementing economic and governance reforms resulting in gradual raise of the living standards of its citizens. Over the period of 2005-2019 economic growth has been sustained at annual average of 5 percent with significant reduction of poverty, especially extreme poverty of Georgia's population.

Georgia's efforts of strengthening governance, ensuring market access and establishing closer ties with the European Union (EU) led to the signing of the EU-Georgia Association Agreement (AA) and the Deep and Comprehensive Free Trade Agreement (DCFTA) in 2014. This was an important milestone that brought about new opportunities for closer political association, economic integration and sectoral cooperation with the EU. Since its signing, AA implementation agenda has guided Georgia's policy and institutional framework development. The process encompassed core reforms in a number of key areas such as good governance, public administration, civil service reform, social policies and equality. Among many other issues, the AA also reflects the importance of Decentralisation and local development and highlights that the implementation of the Decentralisation strategy in accordance with the "European Charter of Local Self-Government"¹ is the basis for the local democratic development. While there are some outstanding commitments to address, the latest progress report, adopted by the European Parliament on September 17, 2020, confirms Georgia's continued progress in the implementation of the AA. Political and economic advancements that Georgia has achieved over years were reflected in number of international rankings. However, despite impressive progress in specific sectors and areas, Georgia still faces significant challenges that hamper its further stable democratic and economic development.

The Covid-19 pandemic has been a serious blow to the country and its prospects. As a result of measures serving the containment of spread of virus, such as lockdown, curfew, a ban on public transport, enforced since early 2020, the economy contracted by 6.2 percent in 2020. Following the second lockdown and the gradual reopening of economy since last March, the World Bank has projected 4 percent growth in 2021 with the key baseline assumption that there are no further severe waves of COVID-19 infection that necessitate additional lockdowns, and the subsequent 5 percent growth in 2022 and 2023.²

In spite of the government's sizeable support package to vulnerable citizens and economic sectors, pandemic had significantly influenced the poverty, which according to World Bank (WB) is estimated to have risen by 5.4 percent in 2020³. Consequently, the share of population living under absolute poverty line has increased by 1.8 percent nationwide in 2020 compared to 2019, reaching 21.3 percent⁴.

Socio-economic data also point at uneven development across the country, significant disparities between regions and the sharp urban-rural gap. While data on poverty rates per regions are not available, the relative poverty rate for the share of population under 40 percent of the median consumption has been increasing in the rural areas, while opposite trend is observed in the cities.⁵ At the same time, absolute poverty has decreased in urban areas in the past three years, however it has increased considerably in the rural settlements hitting 27.5 percent in 2020. It shall be noted that poverty rate is significantly higher among children and adolescents making them the most vulnerable age group.⁶

The nationwide unemployment rate has reached 18.5 percent in 2020 up from 17.6 percent in 2019, as over one-third of the employed were unable to work at the peak of the restrictions. Furthermore, unemployment figures demonstrate obvious regional disparities, with unemployment being the highest in Racha-Lechkhumi and Kvemo Svaneti (31.9 percent in 2020) and the lowest in Kakheti (10.4 percent).⁷ While the rural-urban unemployment gap persists, with 15.8 percent of unemployment in rural area compared to 20.3 percent in

¹ [European Charter of Local Self-Government, Strasbourg, 15.X.1985](#)

² <https://www.worldbank.org/en/country/georgia/overview#3>

³ <https://www.worldbank.org/en/country/georgia/overview#3>

⁴ <https://www.geostat.ge/en/modules/categories/192/living-conditions>

⁵ [Geostat, relative poverty rate, 2018-2020](#)

⁶ [Geostat, absolute poverty rate, 2018-2020](#)

⁷ <https://www.geostat.ge/regions/>

urban areas, it can be asserted, that relatively more urbanized regions tend to have higher unemployment rates because of the scarce job opportunities⁸. At the same time, relatively low unemployment rates in Guria and Kakheti regions shall be attributed to a large share of labour force engaged in low-productivity agricultural activities, often of subsistence character.

In addition to current economic downfall deriving from global pandemic, Georgia has also been facing political disturbances due to a very high degree of polarization which has deepened since 2019. Although the most recent Parliamentary elections of November 2020 have resulted in more pluralistic composition of the national legislature, it has failed to secure social peace, necessary for constructive political processes. After a strong record of gradual improvements in democracy, governance and media rankings, certain backsliding in democratic developments can be observed over the recent years⁹.

1.2. Policy Context

Georgia has made important steps for improving legislative and institutional framework for regional and local development and decentralisation over the past years. The adoption of the organic law – the **Self-Government Code of Georgia** in 2014 was an important milestone in building stronger local governance system. The Code introduced direct election of mayors, installed the Regional Consultative Councils and Mayors' Representatives, increased competences of local municipalities, installed measures for certain level of fiscal decentralisation, etc.¹⁰ The 2017 **amendments to the Constitution** introduced new principles of subsidiarity and provided for clearer division of power between local and central authorities, thus setting a firm basis for the effective self-governance.¹¹

Despite the progress, the role of the local self-governments in deciding matters of public importance is still limited. To exercise the principle of subsidiarity, powers need to be gradually transferred from the centre to the regions, which shall ensure more effective and faster resolution of the matters in due consideration of local context. This shall also ensure the creation of public welfare, free development of each citizen or social group, provision of adequate social services connected to the role of the self-government in State administration and its capacity to adequately respond to existing challenges and demands of the population; full exercise of their powers by local self-governments, widening their powers and coverage of major part of public welfare issues increases the flexibility and effectiveness of problem solving and enables the due consideration of interests of the population in solving these matters.

For this, self-government units should be allocated necessary financial and material resources in order to discharge responsibilities imposed by law. Limited financial and material bases is one of the key problems which, among other factors, impedes practical implementation of local self-government. In many cases, some powers of local self-government cannot be implemented due to the lack of adequate resources.

To address these challenges, the Ministry of Regional Development and Infrastructure (MRDI) with participation of relevant stakeholders has developed and adopted a **Decentralisation Strategy 2020-2025**¹² and its **Action Plan 2020-2021**. The Strategy identifies the major concerns hindering decentralisation and the development of the local governance, establishes the strategic goals and objectives and provides for actions needed for its implementation.

The adoption of a new policy marked a new era in developing stronger and more effective local governance through delegating powers, resources and responsibilities from central to local authorities. The Strategy focuses on the three main priorities: (a) increasing the role of self-governments in managing a substantial share of public affairs; (b) ensuring adequate material and financial resources for local self-governments; and (c) developing reliable, accountable, transparent and result-oriented self-government.

In June 2018 Government of Georgia adopted a medium-term government document - the **Regional Development Programme of Georgia 2018-2021 (RDP)**¹³, which defined general goals, objectives, and

⁸ [Georgia: Skills Mismatch and Unemployment Labour Market Challenges \(2013\), World Bank, p.7-17](#)

⁹ According to [Global Rule of Law Index by the World Justice Project](#), Georgia's score was reduced by 0.05 points from 2016 to 2020; Georgia's scores decreased by 0.1 points according to the WB's Voice and Accountability ranking between 2016 and 2020. Transparency International's Corruption Perception Index has dropped by 2 points from 2018 to 2020.

¹⁰ [Organic Law of Georgia – Local self-Government](#)

¹¹ [Constitution of Georgia, 19/10/2017](#)

¹² [Decentralization Strategy 2020-2025](#)

¹³ [Regional Development Programme of Georgia 2018-2021 \(RDP\)](#)

priorities of regional development policy. The overall goal of the programme is to increase national and regional competitiveness, promote balanced socio-economic development, improved living conditions across the country, reduce regional disparities and increase territorial cohesion. The RDP sets three specific objectives: (a) Supporting rapid economic growth, by building on Georgia's comparative advantages and eliminating barriers hindering development; (b) Sustainable development, rehabilitation and expansion of public infrastructure, such as energy, communication and utilities; (c) Overcoming social and territorial disparities and creating equal opportunities for citizens. RDP identified five priorities in order to achieve its objectives: 1. Improvement of key infrastructure supporting competitiveness and sustainable development of the country and its regions; 2. Supporting SMEs, growth-oriented sectors of economy and promoting export; 3. Developing human capital; 4. Promoting local development and support to specific areas based on their endogenous development; 5. Increasing the quality and effectiveness of regional development institutions and preparation of pilot regional development programmes.

Based on RDP, a region-specific territorial development plan, **Pilot Integrated Regional Development Programme (PIRDP)**¹⁴ 2020-2022 has been developed jointly by the MRDI and regional/local authorities with the participation of local stakeholders. The implementation of the PIRDP is to contribute to the realisation of the medium-term objectives of RDP. The following five priorities for investment have been identified: 1) Urban renewal – integrated actions in urban areas; 2) Unique tourism potential; 3) Entrepreneurship, competitiveness and innovation of local SMEs; 4) Integrated local development; 5) Efficient local administration and partners for development (technical assistance). As a pilot initiative, the PIRDP proposes implementation of comprehensive regional development actions to increase competitiveness and cohesion in four regions of Georgia: **Guria, Imereti, Kakheti, Racha-Lechkhumi and Kvemo Svaneti**.

By setting regional development goals, priorities and actions and establishing institutional framework for the modern, decentralized regional policy, Georgia embarked on the **Integrated Territorial Development (ITD)** in line with the EU standards as provided for by the EU-Georgia AA. ITD concept serves to overcome regional disparities and achieve social cohesion by combining territorial development measures such as infrastructure upgrades or urban renewal with soft actions and services to promote education, economic development, social inclusion and environmental protection. This aspect of ITD is particularly valuable for Georgia, where, despite strong pre-pandemic growth rates, disparities among sub-national units were stark, and both infrastructure delivery and service development requiring improvement.

These policy frameworks (RDP and PIRDP) have been elaborated on the basis of a thorough gap assessment and data collection, thus ensuring its credibility. Recommendations of SIGMA's 2018 baseline assessment on policy development and coordination, identifying weaknesses in the quality of policy planning (costing, monitoring, coordination and public consultation) are addressed through the Public Administration Reform (PAR) roadmap and action plan implementation.

1.3. Other important policies

Government Programme 2021-2024 – Towards Building a European State adopted by the government of Georgia in December 2020 sets a broad framework for Georgia's democratic, economic and social development. The Strategy aims to overcome the pandemic-related crisis, ensure rapid economic recovery and development and put in place stable and safe environment for every citizen. In addressing regional development priorities, the Strategy serves to eliminate inequality in the development of the regions and create decent living conditions, by supporting the development of municipal, cultural, tourism, sports, educational, and healthcare infrastructure. To empower the system of self-government further, and enhance its independence, the reforms will seek to expand the authority of self-government based on the principles of subsidiarity, to introduce effective and innovative systems for providing quality services, boost the role of self-government in the development of local economy, and provide self-government with relevant material and financial resources.

The Strategy for the Development of Georgia's Mountain Settlements 2019-2023 was adopted by the Government of Georgia in July 2019. Strategy developed by MRDI with the support of UNDP, the governments of Switzerland and Austria aims at advancing living conditions and the demographic dynamics

¹⁴ [Pilot Integrated Regional Development Programme \(PIRDP\) 2020-2022](#)

of people living in the mountainous areas by improving basic infrastructure, social and public services, tourism attractiveness and by supporting economic activities.

The **Law of Georgia on the Development of Mountainous Regions** adopted in July 2015 encourages equal socio-economic development of the entire territory of Georgia, aims at raising living standards and promoting employment by targeted poverty reducing benefits for people living in the highlands, as well as incentives for businesses and budget support to economic and social development.

1.4. Region-Specific Situation Analysis

Among the regions addressed by PIRDP, Kakheti is the largest with its territory 11,375 km², while population-wise Imereti region comes first with 481.5 thousand inhabitants. Racha-Lechkhumi and Kvemo Svaneti is the least populated with 28.5 thousand residents on the territory of 4,600 km². Imereti region is the biggest GDP producer reaching over 4 billion GEL.¹⁵ Racha-Lechkhumi and Kvemo Svaneti region has the lowest GDP production (299 million GEL), however, is has the highest GDP per capita of USD 3,608.7.¹⁶

Living standards are similar in all four regions and fall far behind living standards in the capital city. In spite of socio-economic programmes implemented in the regions, there is a sizable gap in current economic and employment opportunities in the target regions and the capital city of Tbilisi. The average monthly income per person is highest in Imereti and the lowest in Guria region. Employment relations are the main source of income in all four regions, followed by state pensions and social assistance and money transfers from abroad. With average nominal monthly salary Imereti region again comes the first, but no gender desegregated data are available. Overall, the average wage gap between men and women in Georgia exceeds 400 GEL as of the first quarter of 2021.¹⁷ Such a gap has been almost static, if not increasing.¹⁸ Overall, about half of women compared to just 30 percent of men report earning less than 500 GEL per month, and larger proportion reports having no personal income.¹⁹ Furthermore, all settlements of Racha are declared as mountainous. Parts of Kakheti (Akhmeta and Tusheti) are also high mountain territories. Imereti and Guria feature somewhat limited number of mountainous rural settlements.

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 2020, a number of issues remain unaddressed.

A series of public services remain problematic in villages and mountainous areas. As of 2019 centralized supply of drinking water is only available to 77% of lowland rural settlements and 52% of residents of mountainous areas.²⁰ Similarly, the sewage system is available to only 6% of rural areas and highland settlements.²¹ Cleaning service has been made available for the rural areas, increasing from 21% in 2013 up to 83% in 2019.²² 4.1% of children in rural Georgia live in households where there is no improved source of drinking water and over 32.9% of rural children live in households with unimproved sanitation facilities (vs 7% of urban children)²³. Given that women are responsible for most of the unpaid care and household work,²⁴ 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.²⁵

¹⁵ <https://www.geostat.ge/regions/>

¹⁶ [Geostat, national and region specific data 2019](#)

¹⁷ [Geostat, Average Monthly Nominal Salary of Employees by Sex, Sectors, Economic Activity, Years and Quarters](#)

¹⁸ [Analysis of The Gender Pay Gap and Gender Inequality in the Labour Market in Georgia, UN Women](#)

¹⁹ [Research report: Men, Women, and Gender Relations in Georgia: Public Perceptions and Attitudes, UNDP and UNFPA Georgia, Tbilisi 2020 \(p. 13\)](#)

²⁰ [Study on citizens' satisfaction with public services in Georgia, UNDP, Tbilisi 2019](#)

²¹ Ibid.

²² Ibid.

²³ [Welfare Monitoring Survey \(2017\) UNICEF](#)

²⁴ [Research report: Men, Women, and Gender Relations in Georgia: Public Perceptions and Attitudes, UNDP and UNFPA Georgia, Tbilisi 2020](#)

²⁵ Ibid.

Almost absolute majority of the population has the 24/7 electricity supply, as for the access to gas supply it was 100% in Kakheti by 2019 and the lowest 36% in Racha-Lechkhumi and Kvemo Svaneti. In all four regions population assesses the condition of roads near the highways as “good”, however, the road conditions within the settlements are assessed less favourably. Moreover, the accessibility to municipal transport is considered as the most problematic.²⁶ All four regions have access to internet. By July 2020, the share of households with the access to the internet was critically low in Racha-Lechkhumi and Kvemo Svaneti (25%) and highest in Imereti region (53%), however the latter still falls far behind the capital city of Tbilisi, hitting approximately 82% of all households.²⁷

Access to education and healthcare services also varies across the regions and mountainous/non-mountainous settlements. While kindergartens are available to 81% of population nationwide, in highland settlements, only 60% of citizens have access to them. Among the four regions, the residents of Kakheti have the highest access to public kindergartens (93%), whereas the access to kindergartens is the lowest (68%) in Racha-Lechkhumi and Kvemo Svaneti. The 2019 study results by **region** demonstrate that public schools in districts/settlements are accessible for eight and more out of ten respondents. The lowest level of accessibility was reported in Racha-Lechkhumi-Kvemo Svaneti (77%). In terms of access to public school, the 2019 study did not demonstrate the differences between **highland** (93%) and lowland settlements, (92%), or **urban/rural** (Tbilisi – 95%, cities – 90%, villages - 92%) areas.

The overall citizen satisfaction and trust in public kindergartens and schools is higher in the rural areas than in the urban settlements. The lack of access to the nearest schools in rural areas through public transport is problematic in all regions of Georgia, however the highest share of students indicating lack of access to transport fall on Guria (27%) and Kakheti (29%).²⁸

The government of Georgia has made vocational education and training a priority over the past several years. The reforms in the sector have also been significantly supported by various donors, however, the access to municipal vocational education institutions remains low (36% as of 2019). Among the most demanded vocations are viticulture/ winemaking in Kakheti and Racha-Lechkhumi and Kvemo Svaneti, gardening in Guria, and cattle breeding in Imereti.²⁹

For the past few years universal healthcare has been accessible to the citizens of Georgia. The rate of population, who has benefited from healthcare services is highest in Imereti of all four regions (43%) and lowest in Racha-Lechkhumi and Kvemo Svaneti. 32% of 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.³⁰

From the target regions, Kakheti has the largest population of ethnic minority, more than 21 thousand citizens belonging to Azerbaijani ethnic group are not fluent in Georgian.³¹ Guria which has the population of about 100 thousand, is home to approximately 13 thousand Muslim Georgians.³² Generally, citizens’ participation in local-self-governance is low in Georgia, while participation of ethnic minorities is even lower.³³

Depopulation of Georgia’s regions has been an important challenge for over a decade. All four target regions of Georgia have seen a decline in population since 2018.

Region	2018 (in thousands)	2021 (in thousands)
Guria	110.5	107.1
Imereti	507	481.5
Kakheti	314.7	309.6

²⁶ Study on citizens’ satisfaction with public services in Georgia, UNDP, Tbilisi 2019 (p. 76 -85)

²⁷ Source: Geostat, Share of households with computer access, 2020

²⁸ Study on citizens’ satisfaction with public services in Georgia, UNDP, Tbilisi 2019, 27-37

²⁹ Ibid. 43

³⁰ Ibid.

³¹ Geostat, Total population by regions and ethnicity by Regions, Urban/Rural and ethnicity

³² Ibid.

³³ Study on citizens’ satisfaction with public services in Georgia, UNDP, Tbilisi 2019

Racha-Lechkhumi and Kvemo Svaneti	30.2	28.5
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In addition to a heavy socio-economic background nationwide, the increased emigration trend is a result of uneven availability of economic and employment opportunities and a large rural-urban gap in local infrastructure and quality and accessibility of services. This includes services such as childcare, basic education, healthcare, etc.

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 **Decentralisation 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. As of 2019 the majority of the population in the focus regions trust and were satisfied with the self-governance bodies. However, they thought that the municipalities needed to engage local population in the decision-making process, as well as allocate more budget for solving problems of district/municipality. Effectiveness of the municipality leadership is assessed highest in Racha-Lechkhumi and Kvemo Svaneti and lowest in Imereti. At the same time, in all regions, population has stated that the provision of services has worsened over time. Attempts of civic participation in focus regions is critically low. On average, 80% of the civilians do not engage in civic activities.³⁴

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.

II. STRATEGY

The logic of the proposed interventions is based on the presumption that strong, effective and accountable national and local governance institutions act as drivers of change and enable creation of the environment where all actors unite forces to ensure socio-economic development.

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.

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.

Local self-government is one of the fundamentals of a democratic political system, since it is the best place to represent and involve citizens in determining specific local public needs and designing the future of their own communities. Local self-governance is a process that connects representation, participation, administration and service delivery at the local levels with the ultimate goal of promoting sustainable and inclusive growth.

³⁴ [Study on citizens' satisfaction with public services in Georgia, UNDP, Tbilisi 2019](#)

Overall objective of this project as part of a broader program is to create a favourable environment for a more balanced territorial development and improved living standards of the population in four target regions through enhanced governance system.

Specific objective is to advance effective, responsive and accountable national and sub-national governance through promoting decentralization, inclusive and evidence-based policy making, citizen engagement and better service delivery at the local level.

The project will support the implementation of the Pilot Integrated Regional Development Programme (PIRDP) for Guria, Imereti, Kakheti and Racha-Lechkhumi and Kvemo Svaneti and the Decentralisation Strategy 2020-2025. The achievement of project objectives will be ensured through a set of actions supporting policy development, capacity building of national, regional and local authorities, improved service delivery and enhanced public engagement at local level.

National and territory-based system for effective policy-making and implementation will be built as an **outcome** of project intervention, which will be achieved through the following **outputs/results**:

- Inclusive and evidence-based policy making at national and regional/local levels (Output 1)
- Broader access to user-centric, high quality and accountable public services (Output 2)
- Fostered public participation in planning and implementation of regional/local development projects (Output 3)
- Support actions for implementation of Decentralisation Strategy delivered (Output 4)

While the project will be structured around the above four expected results, gender, youth empowerment and minority perspective will be mainstreamed throughout all project activities. The project foresees large scale capacity building interventions. Effort will be made to ensure gender balance and equal opportunities for men and women in gaining access to professional development. Close attention will be paid to ensuring that women are proactively involved in local policy making, service design and implementation. When supporting community initiatives and service development, due consideration will be given to ensuring gender equality, youth participation and inclusion of minorities. UNDP will ensure that no harm is caused to women and to the disadvantaged groups and take every opportunity and action to contribute to closing the gender gap.

During the EU4ITD project design stage, UNDP undertook **intensive consultations** with the **MRDI** in order to shape the selection and prioritization of the activities proposed. The **State Trustees** of the four target regions along with representatives of many constituent **municipalities** were also consulted. UNDP's participation in the EU4ITD initiative was warmly welcomed by all counterparts consulted.

The theory of change of proposed project is:

Input	If targeted support is provided to: 1) national institutions to implement Decentralisation Strategy and Action Plan, streamline regional dimension and characteristics into sectoral policies, enhance evidence-based policy making, and strengthen project management capacities; 2) State trustees' (regional governors) offices and Regional Consultative Councils (RCC) to facilitate inter-municipal cooperation and enhance project management, monitoring and evaluation capacities; 3) municipalities to establish effective project and contract management systems, provide continuous education to local civil servants, incorporate gender considerations into local programming, improve existing and develop new services and make services widely accessible; 4) 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 to design and implement community-driven projects.
Output	Then inclusive and evidence-based policy making at national and regional/local levels will be enhanced, broader access to user-centric, high quality and accountable public services will be ensured, public participation in planning and

	<i>implementing of regional/local development projects will be fostered and Decentralisation Strategy will be successfully implemented.</i>
Outcome	Leading to effective, responsive and accountable national and sub-national governance featuring inclusive and evidence-based policy making, greater competences of municipalities, better service delivery and participatory decision making at the local level reflecting the views of women, men, youth and ethnic minorities.
Impact	Eventually contributing to creating a favourable environment for a more balanced territorial development and improved living standards of the population in four focal regions.

Proposed intervention logic is based on the assumptions that political system remains stable, central and local governments engage in the project interventions and ensure continuous and smooth cooperation. MRDI continues to be committed to implementation of the Decentralisation Strategy. For detailed risks and assumptions see section 5: Risks and mitigation.

The project is in line with the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2021- 2025 and UNDP Country Programme Document (CPD) Outcome 1: By 2025, all people in Georgia enjoy improved good governance, more open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision making. The project directly contributes to CPD Output 1.1: Inclusive national and local governance systems have greater resilience and capacities to mainstream gender, ensure evidence-based and participatory policymaking, map and address inequalities and deliver quality services to all.

III. RESULTS AND PARTNERSHIPS

3.1. Expected results

Output 1: Inclusive and evidence-based policy making at national and regional/local levels

The project will support the MRDI and other line ministries/agencies, State Trustees' Offices and municipalities in developing and implementing sound regional policies responsive to local development needs and opportunities. This entails the development of policy and strategic planning, analytical and project management capacities at all levels, improving quality of regional/local statistical data required for evidence-based policy making and enhancing inter-municipal cooperation. The project will also promote Sustainable Development Goals, particularly the ones focusing on gender equality (SDG 5) and strong institutions (SDG 16) thus strengthening good governance at national and local levels.

Milestone 1.1. – Develop policy planning and implementation capacity

Activity 1.1.1. Streamline regional dimension and characteristics into sectoral policies

The project will promote the introduction of territorial characteristics and regional dimension into sectoral policy planning, implementation and monitoring by providing targeted support to MRDI and line ministries. This will be achieved through the following actions: (1) support establishment of institutional mechanism at the MRDI to facilitate incorporation of regional dimensions into sectoral policies with active engagement of RCCs; (2) develop guidelines on incorporating territorial characteristics into sectoral policies and provide technical assistance to line ministries. Specifically, the institutional mechanism at the MRDI will act as a coordinating body to collect and assess the draft sectoral policies and provide recommendations to line ministries; 3) Conduct the analysis the of Policy Planning Guideline to identify the areas where regional dimensions can be incorporated and develop recommendations.

Activity 1.1.2. Strengthen policy planning capacities of public servants of MRDI, offices of State Trustees and municipalities

The project will implement capacity development interventions such as mentoring, coaching and on the job-trainings in relevant thematic areas (data analysis, data application in policy planning, ITD principles). This will facilitate the implementation of activities 1.1.1 and 1.1.3. which require skilled RCC and municipal staff to provide feedback on sectoral policies. A number of trainings will also be conducted to complement the capacity development process with the engagement of local and international experts.

Moreover, the project will organize a study tour for high level officials from MRDI, State Trustees from project target regions and selected local officials to learn experiences of EU member states on planning and implementing regional development policies and programmes. UNDP will cooperate in this area with the Polish Ministry of Development Funds and Regional Policy which has been playing a key role in implementation of cohesion policy since Poland joined the EU in 2004. The participants of a study visit will get an opportunity to review perspectives of the national, regional and local authorities as well as the civil society and other stakeholders engaged in regional policy development. Polish experience of promoting social inclusion, gender equality and non-discrimination in policy planning, implementation and monitoring will be shared with the Georgian partners.

To support effective policy planning and implementation of regional development programmes, the project will procure necessary equipment (e.g., computers, scanners and printers) for MRDI. The list and specifications of goods will be developed in cooperation with MRDI during the first phase of project implementation.

Activity 1.1.3. Enhance evidence-based policy making

Limited availability of regional/municipal statistics has been one of the major obstacles in designing tailored interventions that respond to the needs and priorities of local communities. The project will provide support to Geostat to collect and systematize municipal data from administrative sources and define and collect new statistical indicators. To make the data available to wider public in a user-friendly manner, support will be provided to build a new portal into statistics web page (geostat.ge).

Therefore, the project will assist Geostat in establishing a special unit for municipal statistics that will collect the data from administrative data sources (e.g., Social Service Agency) for at least six new indicators. Moreover, the project will support development of dedicated municipal statistics section that will be incorporated into Geostat webpage, similar to the regional statistics section. Besides, the project will provide necessary IT equipment to the municipal statistics unit as well as trainings and on the job-coaching to municipal staff.

Activity 1.1.4. Promote inclusive and sustainable policy making at the local level

The project will support the broader aim of achieving Sustainable Development Goals through assisting the GoG administration in implementing SDG Localization Action Plan. Namely, support will be provided in replication of pilot initiatives in selected municipalities of four target regions (working meetings with selected municipalities; trainings and on-the-job coaching for municipal staff on SDGs localization, implementation and monitoring; preparation and approval of SDGs localization documents; monitoring of implementation). Particular focus will be made on activities promoting SDG 5 (Gender Equality) and SDG 16 goals (Peace, Justice and Strong Institutions).

Milestone 1.2 – Develop the project management and implementation capacities

Activity 1.2.1. Provide consultancy on municipal project management

The project will support MRDI, State Trustees' offices and municipalities in preparation, implementation and management of projects funded through PIRDP and other state or municipal funds. Technical assistance in project preparation will include developing feasibility studies, technical plans, contracting documents, environmental assessments, etc. and contract management. The development of projects enhancing inter-municipal cooperation will be a priority. Expert support and on-the-job coaching will be also provided to municipalities in project design, project cycle management and monitoring and evaluation. Enhanced project management capacities will further facilitate implementation of community driven initiatives supported by the project under Output 2.2.

Milestone 1.3 Strengthen inter-municipal cooperation

RCCs have a key role in ensuring consideration of municipal needs and perspectives into territorial development planning and implementation. They represent important actors in regional development process providing a platform for inter-municipal cooperation and coordination by joint efforts of national and local authorities. Furthermore, successful inter-municipal cooperation heavily relies on capable and effective municipal staff.

Activity 1.3.1. Support capacity building of RCCs

The project will carry out a set of actions to enhance the understanding of RCC members on regional development and Integrated Territorial Development concepts and facilitate dialogue and experience sharing among municipalities. This will be done through the joint workshops for RCC members, where State Trustees, mayors, chairpersons and deputy chairpersons of Sakrebulo will get familiar with experiences of other countries in supporting inter-municipal initiatives and services, potential benefits and modalities of service provision. The workshops will be complemented with other activities to strengthen the system.

Activity 1.3.2 Facilitate development of inter-municipal services

The project will create thematic working groups in RCCs in three target regions (Guria, Racha-Lechkhumi & Kvemo Svaneti, Kakheti) and provide them with expert support. This activity will replicate a successful model on urban development/architecture Working Group established in Imereti Region for promoting participatory and coordinated approach to resolving pressing urban development issues at municipal level. Namely, intermunicipal thematic working group established in Imereti RCC office is composed of representatives of municipal architectural units to discuss and resolve complex cases related to urban and spatial development. The group also receives technical assistance with donor support.

Considering the scarcity of qualified staff at the municipal level in the area of urban and spatial planning, the working group proved to be an effective cooperation platform among municipal staff members. Therefore, the project will support replication of this practice in three other regions and provide technical assistance to strengthen this mechanism.

Furthermore, the RCCs in all four regions will be provided with expert support in identifying models and spheres for inter-municipal cooperation and in defining administrative units suitable for respective inter-municipal services. The selected RCCs will also be assisted in implementing the developed model of inter-municipal services.

Output 2: Broader access to user-centric, high quality and accountable public services

The project will strive to improve the quality of municipal service delivery, promote innovation and knowledge sharing among municipalities as well as raise accountability and public access to services through introducing citizen satisfaction measurement systems and promoting public uptake of services.

In order for municipalities to ensure the successful delivery of services, the project will support capacity development of municipalities and local CSOs, as well as local community groups. The project will also support municipalities in establishing e-services at local level. The project will pay particular attention to gender, youth and minority perspectives while promoting responsive service delivery.

Milestone 2.1. Promote innovation in local public service delivery

Activity 2.1.1. Facilitate development of new innovative services

The project will provide technical assistance to selected municipalities to design innovative service development projects and provide co-funding to them. Inter-municipal projects will be prioritized. This activity will be implemented in cooperation with the National Association of Local Authorities in Georgia (NALAG).

The municipal services will be identified through a call for ideas announced for all target municipalities to support innovative projects that can serve as best practice in certain service areas and can be also introduced in other municipalities at a later stage. EUD will be engaged in selecting the winning ideas. UNDP has successful experience of implementing the similar initiatives, which resulted in instalment of solar panels to a nursery school to provide heating and hot water in high mountainous settlement in Chiatura, piloting waste separation and recycling project in Zestaponi, etc. The project will seek to further encourage and support inter-municipal services and therefore, we continue to support MRDI to ensure that enabling legislative

framework is in place for inter-municipal cooperation. As the result of project intervention, the development and implementation of at least two inter-municipal services in the target regions will be supported.

Activity 2.1.2. Support improvement of existing services

The project will provide complementary support (TA/equipment) to municipalities to reinforce the results, further expand and improve services developed under PIRDP. Additionally, in order to facilitate establishment of e-governance systems, the project will support selected municipalities in developing municipal digital platform/database through digitalization of available data (cadastral data, etc.). This activity will be implemented in cooperation with NALAG.

Activity 2.1.3 Support knowledge sharing among municipalities

The project will cooperate with NALAG to organize annual Best Practices Conference to identify municipalities that demonstrate best practices in service delivery. In addition, winning municipalities will be supported to share their good practices with the wider local government community. This will be achieved through a set of activities including open days, study visits, publicity materials and publications on websites, etc. By rewarding best-performing municipalities and supporting them to act as centres of excellence the project will facilitate knowledge sharing and inter-municipal cooperation.

Furthermore, the project will organize a study tour in Estonia for municipalities to learn experiences of EU member states in delivering municipal services. UNDP will cooperate in this area with Estonia's e-Governance Academy (eGA). The participants of a study visit will get an opportunity to learn how municipal services are provided in Estonia. Special focus will be made on introducing the practice of using electronic municipal services.

Besides, the project will enhance the role of citizens and community groups in more efficient public service delivery by supporting two-way communications, to ensure that citizens have a way of providing continuous feedback on service quality. For this purpose, based on the knowledge and experience gained through study tour in Estonia, the project, will develop and assist in application of tools for measuring citizen satisfaction and incorporating public feedback into service development.

Milestone 2.2. Improve access to local public services

Activity 2.2.1. Support service provision in remote areas

The project will provide support to the Unified Electronic System currently being established by the MRDI by designing a concept on the provision of municipal/public services in remote areas by Mayor's Representatives. The Concept shall explore criteria for setting up service provision units at Mayors' Representatives offices to ensure greater accessibility and define the types of services that could be locally provided. The project will also provide necessary IT equipment (notebooks, scanners, ID readers) to the Mayors' Representatives offices to facilitate data collection from community members. Subsequent to the concept development, the project will provide trainings to selected Mayor's Representatives in service provision.

Activity 2.2.2. Promote public uptake of municipal services

The project will support public awareness campaign to deliver information to citizens about available e-services and equip them with the necessary skills. To disseminate information among community members, the project will strengthen the role of Mayors' Representatives in administrative units. Behavioural science methodology will be applied in the promotion campaign to ensure its positive results. This activity could be delivered in partnership with local CSOs and academia.

Activity 2.2.3. Support establishment of "one-stop-shop" municipal service centres

To facilitate access to services the project will support selected municipalities in establishing "one-stop-shop" municipal service centres for citizens and businesses in local municipalities. This activity will be modelled after a successful case of Khoni municipality where a unified front office for all relevant municipal services has been installed with UNDP support. The activity will entail the delivery of relevant capacity building measures to municipalities.

Output 3: Fostered public participation in planning and implementation of regional/local development projects

Participatory decision-making and effective partnerships between the authorities and local stakeholders (NGOs, private sector, communities) are pre-requisites for inclusive and sustainable economic growth.

The project will facilitate public participation at local level by raising awareness on municipal services (including e-services) and projects, supporting CSO capacity development and creating mechanisms for allocation of municipal funds for community driven initiatives. The project will make a small grants scheme available to CSOs to support community driven initiatives at local level. Projects will be selected according to pre-defined criteria. EUD will be engaged in selection panel. Particular focus will be made on engaging women, youth and ethnic minorities to better hear their voices and mainstream their needs and priorities into local decision-making.

Milestone 3.1. Promote Citizen engagement

Activity 3.1.1. Provide support in implementing community driven initiatives

The project will work with CSOs to increase their knowledge on regional development and ITD related issues. In order to support them in effectively contributing to local development, the project will raise CSOs capacities in designing and implementing projects based on regional/local needs prior to the grant competition.

The project will offer a small grants scheme to CSOs to support to local community driven initiatives complementing municipal projects under PIRDP. Projects will be selected according to pre-defined criteria. EUD will be engaged in selection panel. The grants scheme will enable CSOs to implement their ideas aimed at improving their communities by cooperating with local government, private sector and other stakeholders. This activity will aim at fostering the sense of local initiative and partnership by helping CSOs in prioritizing the issues of importance to local community, developing innovative approaches and engaging different stakeholders in addressing community concerns. In delivering this activity, UNDP will build on its experience of small grants programme implemented in the framework of DGG Project.

In addition, the project will assist at least four municipalities in target regions in streamlining legal framework to enable them to fund community driven initiatives. The aim of the activity is to establish and apply practical legal mechanisms for co-financing local initiatives. By replicating a successful model of Rustavi municipality, the project will contribute to improved cooperation between stakeholders in the process of solving local challenges.

Furthermore, the project will promote allocation of municipal funds for community driven initiatives and assist local communities in designing projects based on local needs. The project will promote initiatives contributing to religious/cultural exchange and women/youth empowerment. This activity could be delivered through cooperation with local CSOs and would entail the following: (1) identification of community driven initiatives through a transparent online platform, (2) advocacy for obtaining municipal funding for the initiative; and (3) provision of co-funding to implement the initiative.

Activity 3.1.2. Raise public awareness

By supporting different measures, such as: small grants scheme, CSO capacity building and municipal co-funding opportunities, the project will promote citizen engagement (especially the youth) in local development and will increase their motivation to develop projects serving local communities. The project will support information platforms (e.g., “წაერთვით და მართეთ”)³⁵ promoting citizen participation and contributing to visibility of EU4ITD programme priorities. The greater outreach will be ensured through disseminating information on successful actions and human stories.

³⁵ Meaning “Engage and Manage” in Georgian

Output 4: Actions in support to implementation of Decentralisation Strategy

UNDP will continue to provide policy support to the MRDI in the process of decentralisation. While all four project outputs serve the purpose of strengthening local self-governance and promoting balanced distribution of powers and respective resources among central and local authorities, Output 4 provides for overall support to the implementation of Decentralisation Strategy.

Activity 4.1. Support development of M&E system

Building on the existing reporting and monitoring experience, as well as lessons learnt from the implementation of the first Action Plan (2020) of the Decentralisation Strategy, the project will assist the MRDI in developing comprehensive monitoring and evaluation system for the Decentralisation Strategy and its Actions Plans. More specifically, the project will support the MRDI in establishing medium-term monitoring plans, developing monitoring and evaluation methodology (monitoring visits, data analysis, case studies, surveys, etc.) and developing **monitoring and evaluation reports** on the implementation of the Decentralisation Strategy 2020-2025 and its Action Plans.

Finally, UNDP will ensure that all experiences under the EU4ITD programme are documented and shared with other regions and that lessons learnt are drawn to inform the replication of pilot experiences.

Activity 4.2. Support implementation of the Action Plan and development of new Strategy/Action Plan

UNDP will provide needs-based support to implement the activities foreseen in the Decentralisation Action Plan for 2022-2023 under all priority areas through technical assistance, advisory consultancy, analytical work, pilot initiatives and workshops and conferences.

Activity 4.3. Enhance transparency and accountability of local councils (Sakrebulos)

To enhance transparency and accountability of local councils, the project will support measures to ensure live broadcasting of the council sessions. Hence, population that is unable to attend the local council sessions will be informed about the discussions and decisions made by the council.

Furthermore, the project will enhance the capacity of local councils through increased awareness on legislative requirements and clearly defined institutional arrangement, to ensure that existing standards for transparency and accountability are met.

Activity 4.4. Support transfer of property and assets to local authorities

Ensuring adequate material and financial resources for local self-governments is one of the strategic goals of the Decentralisation Strategy. It is meant to be achieved through consistent transfer of properties to municipalities.

The project will support four municipal centres (Telavi, Kutaisi, Ozurgeti, Ambrolauri) in developing property inventory, creating database and incorporating the data into the GIS system.

3.2. Partnerships

The project will be implemented in close partnership with key national and local stakeholders:

- **MRDI** – the main partner of the project and responsible for decentralization strategy/action plan implementation.
- **Line ministries** – responsible for incorporating regional dimension into sectoral policies.
- **Geostat** – national statistics office of Georgia responsible for developing system of regional and local data collection and analyses that will serve as a Responsible Party of the project, implementing Activity 1.1.3.
- The **State Trustees (Governors)** of the four target regions and their offices responsible for coordination of the work of RCCs.

- **Municipalities** – all municipalities of four target regions responsible for developing and implementing local policies, services and projects. Selected municipalities for specific activities will serve as Responsible Parties of the project, implementing Activity 1.2.1 and Activity 2.2.3.
- **National Association of Local Authorities of Georgia (NALAG)** - the key partner in policy advocacy and lobbying initiatives as well as in providing support to municipalities in designing and delivering innovative services. NALAG will serve as a Responsible Party of the project, implementing Activity 2.1.1, Activity 2.1.2 and Activity 2.1.3.
- **CSOs working in project target regions** – responsible for mobilizing local population, advocating initiatives of local importance and promoting innovative projects and services.
- In addition, UNDP has secured **two strategic partners** from the **EU member states**, whose expertise and experience will enrich and complement UNDP's capacities: the **Polish Ministry of Development Funds and Regional Policy** (serving as a Responsible Party of the project, implementing Activity 1.1.1 and Activity 1.1.2) and **Estonia's e-Governance Academy (eGA)** (serving as a Responsible Party of the project, implementing Activity 2.1.3). Their roles are outlined in the activities described above.

3.3. Coordination with other donor-funded projects

Decentralisation and integrated territorial development are among priorities of government of Georgia. National reform agenda is supported by number of **EU and other donor funded programmes**. During the implementation, project will coordinate with all stakeholders and ensure complementarity and mutual reinforcing with relevant donor-funded interventions many of which are implemented by UNDP.

The project will be implemented in close coordination with the UNDP's ongoing initiative **Fostering Decentralisation and Good Governance at the Local Level in Georgia (DGG, 2018-2023)** funded by the Danish Government, which aims to advance policy reforms, enhance capacities of national and local authorities and empower citizens to engage in political processes in three regions of Georgia – Kvemo Kartli, Mtskheta-Mtianeti and Imereti. The activities of the EU4ITD Decentralisation Support Project and DGG will be heavily synchronized and complement each other. The lessons learned will be derived and successful initiatives within the DGG project will be replicated in other regions.

Close coordination will be ensured with the **EU4ITD project implemented by GIZ** to achieve Specific Objective 1: Create a favourable environment and promote integrated socio-economic development of the four focal regions (Kakheti, Imereti, Guria, Racha-Lechkhumi & Kvemo Svaneti) through integrated territorial development measures to ensure complementarity of the two objectives.

Besides that, the project will coordinate with other donor-funded initiatives implemented by UNDP or other development partners:

Fostering Regional and Local Development Phase 2 (FRLD 2) in Georgia (2018-2022) - is implemented by UNDP with funds from the *Swiss and Austrian governments*. Project implementation is closely coordinated with the Danish-funded Fostering Decentralisation and Good Governance at the Local Level project.

The overarching goal of the project is to build strong LSG institutions with greater competencies and capacities to act as catalysts for stimulating regional/local economies, engage citizens in local policy making and design and implement people-centred initiatives benefiting women, men, youth, ethnic minorities, IDPs and other population groups. The project facilitates citizen participation by raising awareness on the Local Self-government reform, good governance principles, and participation tools and mechanisms to equip the right holders with relevant knowledge and skills to engage in local matters. The project covers Kvemo Kartli, Guria, Racha-Lechkhumi & Kvemo Svaneti, Samegrelo-Zemo Svaneti regions with the funding of USD 5.5 million contributed to its implementation. There are further plans to continue the project in 2022-2025.

EU & UNDP Mayors for Economic Growth (M4EG) Facility (2021-2024) - the project supports local authorities in Eastern Partnership countries including in Georgia to use innovative methods towards just and green development. The overall objective of this action is to enhance economic inclusive growth and job creation in the region by supporting local authorities in the EaP countries to design and implement Local Economic Development Plans (LEDPs) in line with the principles of good governance and sound financial management. During project implementation, the M4EG network will increase to about 400 local authorities, and 12 local authorities will go through a process of portfolio development.

Supporting Public Administration Reform in Georgia (PAR) 2021-2025 – is a project implemented by UNDP with *funds from the UK aid*. The project aims to enhance the capabilities of the Government of Georgia to implement its national development agenda through a more effective, professionally trained, unified and independent public administration, that delivers public services with greater accountability and responsiveness to citizens’ needs. Along with supporting central government bodies, PAR also supports local authorities mainly through CSO grants.

Accelerator Lab – is a UNDP’s recently established unit that aims at providing innovative means to solve development challenges. It is one of the 92 labs around the world, which analyse data crucial for decision-making processes, which could be harnessed for the ITD purposes as well. It applies collective intelligence, design thinking, behavioural insights to include large groups of people in assessing challenges and designing actions that will result in user-centered outcomes.

Good Governance for Local Development South Caucasus (2020 – 2023) – is a project implemented by GIZ with the funding from the *German Federal Ministry for Economic Cooperation and Development (BMZ)* and the *Swiss Agency for Development and Cooperation (SDC)*. The project aims to strengthen institutional and human capacities of governments of Georgia, Armenia and Azerbaijan to provide better public services. It promotes citizen participation in local decision-making, gender equality and sustainable reforms. Partner agencies include the Ministry of Regional Development and Infrastructure of Georgia (MRDI) and the Ministry of Finance of Georgia (MoF). Project budget is EUR 6.8 million.³⁶

Good Governance Initiative – is a *USAID funded* project that aims to increase transparency and accountability of the central and local government agencies, thus improving the quality and efficiency of the governance. Key partners include the Parliament of Georgia, the Administration of the Government of Georgia, Ministries, local government bodies, and civil society organizations.

The **World Bank Group** is financing numerous projects of high importance for Georgia’s rural development, among them are municipal infrastructure development projects, irrigation and land market development projects, programs for SMEs, energy liability support programs, etc.

World Bank’s **Second Regional and Municipal Infrastructure Development Project** aims to improve the efficiency and reliability of targeted municipal services and infrastructure by investing in high priority local infrastructure improvements, and by supporting Local Self-Governments in enhancing their capacity and systems for service delivery. The program implemented during 2014-2024 will finance infrastructure investments for the rehabilitation and expansion of priority municipal services, and provision of public infrastructure to attract private sector investments in towns and villages. The program includes an institutional development component to support LSGs and the Municipal Development Fund in improving their institutional capacity and performance. It was approved in 2014 and will be closed in 2024. The total programme budget implemented by the Georgian Municipal Development Fund is USD 58.93 million.³⁷

3.4. Risks and Assumptions

See attached risk log under Annex 1.

3.5. 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** – Is a central government institution responsible for implementation of the Decentralisation strategy. Policy-making and project and contract management capacities of the MRDI require

³⁶ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Good Governance for Local Development South Caucasus - Georgian Component, Bonn and Eschborn, Germany
(https://www.giz.de/en/downloads/Factsheet_Good_Governance_for_Local_Development_Georgian_Component.pdf)

³⁷ The World Bank, Second Regional and Municipal Infrastructure Development Project, (<https://projects.worldbank.org/en/projects-operations/project-detail/P147521>)

significant improvement. It is anticipated that at least 15 individuals will benefit directly from project interventions.

- **Line ministries** – The staff of relevant departments of the line ministries, responsible for sectoral policy development, need capacity building to ensure incorporation of regional dimension into sectoral policies. It is anticipated that at least 10 individuals will benefit directly from project interventions.
- **State Trustees (Governors) and Regional Consultancy Councils (RCCs)** – State Trustees’ offices and RCCs are key regional units responsible for regional policy development. One of the principal objectives of the RCC is the development of regional strategies and action plans and monitoring their implementation. According to the research “Studying working mechanisms and citizen engagement practices of the Regional Consultancy Councils” conducted by People in Need in 2018³⁸, RCCs don’t have Action Plans; RCC reports, and regulations are not proactively published; when discussing the municipal project proposals, only infrastructure projects are prioritized, while other strategic directions such as education, healthcare, environment protection are neglected. Governor’s offices and RCCs need capacity building to identify and prioritize regional needs and promote inter-municipal cooperation. It is anticipated that at least 70 individuals will benefit directly from project interventions.
- **Municipalities** – While all municipalities countrywide will benefit from project interventions due to targeted support to the implementation of the Decentralisation Strategy, 27 municipalities of four target regions will be specifically targeted through project intervention. Despite some steps towards Decentralisation during past few years, the level of Decentralisation of competencies and resources is still quite limited. At the same time, capacities of the local authorities to design and deliver development oriented, evidence-based, inclusive, participatory and gender-sensitive services remain insufficient. All target municipalities need capacity building enabling them to deliver user-centric, high quality and accountable public services, develop, implement and monitor projects of local importance and create favourable environment for meaningful citizen engagement. It is anticipated that at least 120 individuals will benefit directly from project interventions.
- **CSOs working in project target regions** – Georgia is characterized 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 participation tools and mechanisms and are not aware of their own rights. While CSOs located in central areas (mainly in the capital) have strong capacities for advocacy, project management and outreach, the ones operating in the regions still need substantive capacity building to successfully play their role as a bridge between citizens and authorities. It is anticipated, that at least 10 CSOs will benefit directly from project interventions.
- **Local population in project target regions** - citizens in project target regions directly benefit from stronger local governments, improved service delivery and enhanced opportunities of participation at the local level.
- **Women, youth, ethnic minorities and vulnerable population groups** –Special considerations are incorporated in all project activities to ensure that vulnerable groups of population are addressed. Such considerations include small grants schemes, knowledge products and publicity materials produced in minority languages.
- **Other potentially affected groups** include general population of the country who will benefit indirectly from the policy changes.

3.6. South-South and Triangular Cooperation (SSC/TrC)

The subjects of this project -Decentralization and effective and inclusive governance at the sub-national levels - is of very high interest in South Caucasus and Eastern Europe. The countries of these regions and

³⁸ <https://georgia.peopleinneed.global/en/samxareo-sakonsultac-io-sabchoebis-samushao-mek-anizmebisa-da-samok-alak-o-ch-art-ulobis-prak-tikis-shep-asebit-i-kvleva-1287pub>

particularly Ukraine, which is also EU 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. For this reason, the project team will cooperate with UNDP office in Ukraine.

Additionally, the project relies on the experience of two **strategic partners** from the **EU member states**, the **Polish Ministry of Development Funds and Regional Policy** and **Estonia's e-Governance Academy (eGA)**, whose expertise will enrich the beneficiaries' knowledge and perspectives on decentralization and effective and inclusive sub-national governance.

3.7. Knowledge

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 incorporate territorial characteristics into sectoral policies;
- Guidelines for municipal capacity development in project design, project cycle management and monitoring and evaluation;
- Methodologies and guidelines for promoting evidence-based policy making at the local level;
- Publications, video/print materials, educational leaflets and brochures. Within the public awareness activities, the project will develop various materials with the purpose to raise public awareness on integrated territorial development, LSG reform, decentralization, municipal competences, municipal services, citizen participation, and SDGs.

3.8. Sustainability and Scaling Up

UNDP interventions have always supported 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 this project and will be strongly emphasized over its entire duration. The project is closely aligned with Georgian Government's national programme and policy priorities. Notably, it builds on Decentralisation Strategy 2020-2025 and PIRDP, thus ensuring full national ownership and sustainability of project outcomes. 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 proven 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 to ensure consistent and accurate monitoring and reporting on the implementation of the Decentralisation Strategy and its Action Plans, as well as in streamlining the monitoring and evaluation process for the PIRDP, in order to draw accurate conclusions and make timely adjustments to project implementation. Through institutionalising these mechanisms, the project will ensure its lasting results. In addition, UNDP will strengthen project management capacities of the MRDI, regional and local authorities. Training and experience sharing will be complemented with designing and formalising relevant templates for report writing, monitoring, contracts and other contractual documents that will be used beyond the project life cycle. Furthermore, UNDP will support streamlining a legal framework in 4 target municipalities to allow co-funding of community driven initiatives. Institutionalising practical legal mechanisms will contribute to improved cooperation between stakeholders in the process of solving local challenges far beyond the project implementation period.
- **Creating the best practice for further replication** - While the project will work with four target municipalities of the PIRDP, it intends to create and promote best practices and success stories, including in terms of inter-municipal cooperation that could be further replicated in other regions of Georgia. To that end the project will ensure that it vigorously documents the efforts of its pilot schemes and works with all the partners to provide evidence-based support for the modification and continuation of the policy.
- **Financial sustainability** will be achieved by optimizing project operations to fit existing legal and institutional framework. The project will prioritize cost-effective models of services and projects to ensure their sustainability beyond project lifetime.

3.9. Particular added-value elements

By supporting national and local governance capacity to develop evidence-based policies and targeted interventions /services for communities, the project will ensure better policy response to the actual needs of the society. More responsive and accountable public service and a better equipped and aware civil society will further feed into the ongoing process of strengthening **democracy and good governance** in Georgia. Greater accountability, improved and institutionalised monitoring and reporting capacities both on central and local levels will contribute to the **effective public administration and the fight against corruption**. Empowerment of citizens, achieved through their increased participation in decision-making and oversight, coupled with enhanced social and economic opportunities in the regions, will be a solid base for **greater access to human rights**.

Support in designing and **delivering innovative services and projects** as well as promoting practices of inter-municipal cooperation will add further value to the project. Developed services will serve as a **model for replication** and will be promoted nationwide generating a new drive for further change and improvements.

The engagement of UNDP as a long-standing partner to the Georgian authorities in decentralisation, and good governance reforms will add value to the project by capitalising on existing experience, building on lessons learnt and **ensuring synergies** with all relevant programmes and interventions, thus maximising the impact of the action. Participation of UNDP partners from Poland and Estonia will enrich the project actions with the most applicable **best practices** and innovative solutions tested in similar environments.

IV. RESULTS FRAMEWORK³⁹

Intended Outcome as stated in the UNSDCF/Country Programme Document, 2021-2025 Programme Results and Resource Framework, OUTCOME 1: By 2025, all people in Georgia enjoy improved good governance, more open, resilient and accountable institutions, rule of law, equal access to justice, human rights, and increased representation and participation of women in decision making.						
Outcome indicators as stated in the Country Programme 2021-2025 Results and Resources Framework, including baseline and targets:						
1.1. (UNSDCF indicator 1.1) [National SDG 16.6.2.5] Rule of law index. Baseline (2019): percentile rank 62.02; Target: >63						
1.2. (UNSDCF indicator 1.2) [National SDG 16.6.2.2] Voice and accountability index. Baseline (2019): percentile rank 53.20; Target: >54						
1.3. (UNSDCF indicator 1.6.1) [National SDG 5.5.1] Proportion of seats held by women in national parliaments and local governments. Baseline (2019). a) Women in Parliament 14.8% (22 women). b) Women in local governments 13.5% (277 women). Target: a) < 20%; b) < 20%						
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 title and Atlas Project Number: EU4ITD: Advancing Decentralized, Effective and Inclusive governance in Georgia Project: 00127677 Output: 00121589						
	Results chain	Indicator	Baseline (value & reference year)	Target* (value & reference year)	Source and mean of verification	Assumptions
Impact (Overall objective)	Overall objective of this project as part of a broader program is to create a favourable environment for a more balanced territorial development and improved living standards of the population in four target regions through enhanced governance system.	OO1: Percentage of population satisfied with local self-governments	General: 67.3%; Urban: 64%; Rural 72%; High mountainous: 80% (2019)	General: 69%, Urban: 65%; Rural: 75%; High mountainous 82% (2025)	UNDP citizens' satisfaction with public services survey	N/A
		OO2: Municipal budget total receipts as a percentage of GDP	4.7% (2019)	7% (2025)	MRDI 2020-2025 decentralization strategy implementation reports	
Outcome (s) (Specific objective)	Specific objective is to advance effective, responsive and accountable national and sub-national governance through promoting decentralization, inclusive and evidence-based policy making, citizen	SO1: Municipal statistics system established and available to wider public	No (2021)	Yes (2025)	Geostat webpage and reports	Political situation in the country remains stable and state and local government institutions are able to fulfil their obligations
		SO2: Number of policy documents developed with engagement of MRDI coordination mechanism on regional policy/ITD (with engagement of RCCs)	0 (2021)	5 (2025)	MRDI annual reports	

³⁹ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

	Results chain	Indicator	Baseline (value & reference year)	Target* (value & reference year)	Source and mean of verification	Assumptions	
	engagement and better service delivery at the local level.	SO3: Number of new property items under effective management of municipalities	0 (2021)	At least 100 property items (2025)	Municipal reports		
		SO4: % Increase of the level of public awareness about the LSG reform, participation tools and mechanisms (%), disaggregated by women, youth and ethnic minorities	67.3% (2019)	4% increase (2025)	UNDP citizens' satisfaction with public services survey		
Outputs	Output 1: Inclusive and evidence-based policy making at national and regional/local levels	Milestone 1.1. – Develop policy planning and implementation capacity					MRDI continues to be committed to decentralisation reform and considers inclusive and evidence-based policy making as its integral part; Newly elected municipal leadership is engaged in decentralisation reform
		1.1.(a)Number of central and local public institutions with increased capacities in policy planning and implementation	0 (2021)	20 (2025)	Project progress reports. Training reports, pre/post-tests indicating knowledge increase of participants as a result of the training. Baseline/follow up capacity assessments for institutions.		
		1.1. (b) Number of new municipal data indicators integrated into national statistics system	0 (2021)	8 (2025)	Geostat webpage and reports		
		Milestone 1.2 Develop the project management and implementation capacities					
		1.2.(a)Number of studies/technical documents prepared in support of municipal projects funded through PIRDP and state funds	0 (2021)	11 (2025)	Project progress reports		
		Milestone 1.3 Strengthen inter-municipal cooperation					
		1.3. (a) Number of thematic working groups established under the RCCs in target regions;	1 (2021)	4 (2025)	Municipal reports; project progress reports		
		1.3. (b) Number of spheres for inter-municipal cooperation identified;	0 (2021)	3 (2025)	Municipal reports; project progress reports		
	Output 2: Broader access to user-centric, high quality and accountable public services	Milestone 2.1. Promote innovation in local public service delivery					Newly elected municipal leadership is engaged in implementation of decentralisation strategy; quality and access to services remains high on the municipal agenda.
		2.1. (a) Number of municipal services supported by EU4ITD project	0 (2021)	16 (2025)	Project progress reports		
2.1. (b) Feedback mechanism in place		No (2021)	Yes (2025)	Project progress reports			
Milestone 2.2. Improve access to local public services							

	Results chain	Indicator	Baseline (value & reference year)	Target* (value & reference year)	Source and mean of verification	Assumptions
		2.2. (a) Number of Mayor's representatives equipped and trained	0 (2021)	27 (2025)	Project progress reports; Training materials	
		2.2. (b) Number of municipalities with "one stop shop" municipal service centres established with project support	0 (2021)	4 (2025)	Project progress reports	
	Output 3: Fostered public participation in planning and implementation of regional/local development projects	Milestone 3.1. Promote Citizen engagement				Municipalities remain committed and involved in decentralisation reform and consider citizen engagement as an important component of their activities. Public has trust in CSO-led activities.
		3.1 (a) Number of local initiatives implemented by CSOs	0 (2021)	10 (2025)	Project progress reports	
		3.1. (b) Number of social media products	0 (2021)	24 (2025)	Project progress reports	
	Output 4: Actions in support to implementation of Decentralisation Strategy	4.1. Number of initiatives from decentralisation action plan supported by project	0 (2021)	10 (2025)	MRDI 2020-2025 decentralization strategy implementation reports	MRDI remains committed to implement decentralization strategy and action plan; municipalities are engaged in implementing local self-governance reform
		4.2 Number of local councils with enhanced transparency measures established with project support	0 (2021)	15 (2025)	Municipal reports	
		4.3 Total area of municipal property inventoried and incorporated into GIS system	0 (2021)	At least 100,000 square meters (2025)	Municipal reports	

* Note: The targets will be broken by years upon inception of the project.

V. MONITORING AND EVALUATION

M&E of the project will be conducted using the project-specific results framework. Reporting shall be made on the results at impact, outcome and output levels, linked to sources of verification presented in the logical framework. Reporting will be carried out through Interim Progress and Final Reports to the donor and will be based on evidence-based data collected and analysed using the internal M&E system, and, when relevant, other reliable sources of information. The project M&E system will be completed upon the inception of the project, on the basis of the below Results Framework, including the establishment of a robust baseline and the regular collection and analysis of evidence-based data and other information relevant to M&E purposes. On this basis, the project will submit annual progress reports. Reporting will be based on progress as per annual implementation work plans, to be submitted and approved by the donor (EUD Georgia).

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the Results Framework will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Annually, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.
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. Financial transactions and statements shall be subject to the internal and external auditing procedures as per the General Conditions	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.
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.
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.
Review and make course corrections	Internal review of data and evidence from all monitoring actions will be made to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the Project Board and used to make course corrections.
Project reporting	Annual progress briefings 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	Annually (interim reports, payments), and final report (closure)	Annual progress reports and work plans for the following periods should be submitted at least one week in advance to the Project Board annual review meetings.

Monitoring Activity	Purpose	Frequency	Expected Action
	evaluation or review reports prepared over the period. Progress and final reports will be submitted to the EU.		
Project review	The Project Board will hold annual meetings, beside ad-hoc meetings as necessary: - for regular project review, guidance and decision making against annual operational (progress) reports submitted at least one week in advance to the meetings, including review of annual work plans for the next periods to ensure implementation is on track, correct deviations if necessary, and ensure realistic budgeting over the life of the project.	Annually	Review, guidance and decision-making on project planning, implementation, M&E. Any quality concerns or slower than expected progress will be discussed by the Project Board and management actions agreed to address the issues identified.

The project will support the establishment of the mechanisms required for regular collection, analysis and reporting of evidence-based statistical data, including trainings and other incentives, equipment and complementary materials including baselines/end lines, dedicated research, surveys, needs assessments, results snapshots, lessons learned initiatives, study tours, field and exchange visits, ad hoc evaluations and others.

The project M&E will introduce ad-hoc/quick assessments, needs and capacity assessments and monitoring exercises to be regularly updated. For this purpose, dedicated M&E tools will ensure that specific information is available on the support and the impact of the project considering gender aspects, youth, ethnic and other minority groups.

Close to its end the project will commission external final evaluation in order to measure project achievements, assess sustainability of its results, identify best practices and provide recommendations that may be used in the future programming.

Evaluation Plan

Evaluation Title	Related Strategic Plan Output	UNSDCF/CPD 2021-2025 Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Project Midterm evaluation	SP 2018-21 Output 1.1.1	Outcome 1	2023	EU, MRDI, NALAG, Municipalities	EUR 12,600 (EU4ITD Decentralisation project budget)
Project Final Evaluation	SP 2018-21 Output 1.1.1	Outcome 1	2025	EU, MRDI, NALAG, Municipalities	EUR 12,600 (EU4ITD Decentralisation project budget)

VI. MULTI-YEAR WORK PLAN ⁴⁰⁴¹

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 1: Inclusive and evidence-based policy making at national and regional/local levels	1.1 Milestone: Develop policy planning and implementation capacity	21,363	21,363	13,322	4,020	UNDP	30079	72100 Contractual Services-Companies	60,068
		32,635	18,919			UNDP/POL	30079	72100 Contractual Services-Companies	51,554
		21,756	21,757			UNDP/GEOSTAT	30079	72100 Contractual Services-Companies IMP	43,513
	1.2 Milestone: Develop the project management and implementation capacities	45,454	83,953	122,451	83,953	UNDP/ municipalities	30079	72100 Contractual Services-Companies IMP	335,811
	1.3 Milestone: Strengthen inter-municipal cooperation	9,459	12,466	3,007		UNDP	30079	72100 Contractual Services-Companies	24,932
	Sub-Total for Output 1								515,878
Output 2: Broader access to user-centric, high quality and accountable public services	2.1 Milestone: Promote innovation in local public service delivery		28,379	14,189	14,189	UNDP/ NALAG/ Estonian e-Governance Academy (eGA)	04000	72100 Contractual Services-Companies	56,757
		47,297	47,297	56,757	56,756		30079	72100 Contractual Services-Companies IMP	208,107
	2.2 Milestone Improve access to local public services	35,000	38,784	38,784	4,730	UNDP	30079	72100 Contractual Services-Companies	117,298
	Sub-Total for Output 2								382,162

⁴⁰ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

⁴¹ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 3: Fostered public participation in planning and implementation of regional/local development projects	3.1 Milestone: Promote Citizen engagement			94,594	94,595	UNDP/ CSOs	30079	72600 Grants	189,189
		1,892	22,703	1,892	1,892	UNDP	30079	72100 Contractual Services-Companies	28,379
	Sub-Total for Output 3								217,568
Output 4: Actions in support to implementation of Decentralization Strategy	4.1. Activity: Support development of M&E system		2,364		2,365	UNDP	30079	72100 Contractual Services-Companies	4,729
	4.2. Activity: Support implementation of the Action Plan and development of new Strategy/Action Plan	4,730	4,730	4,730	4,730	UNDP	30079	72100 Contractual Services-Companies	18,920
	4.3. Activity: Enhance transparency and accountability of local councils (Sakrebulos)	9,459	1,655	1,655		UNDP/ Municipalities	30079	72100 Contractual Services-Companies	12,769
	Activity 4.4. Support transfer of property and assets to local authorities		110,575	110,575	110,575	UNDP/ Municipalities	30079	72100 Contractual Services-Companies	331,725
	Sub-Total for Output 4								368,143
Evaluation	EVALUATION	2,872	17,061	2,872	17,061	UNDP	30079	72100 Int. Consultant 74220 Translation Cost	39,866
General Management Support		152,305	167,620	159,062	159,062	UNDP	30079	71400 Contractual Services -individuals	638,049
GMS 7%		25,902	42,470	41,686	37,285	UNDP	30079	75100 Facilities & Administration	147,343
Sub-Total for Output 4								825,258	
TOTAL		410,124	642,096	665,576	591,213				2,309,009

VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be implemented by the Ministry of Regional Development and Infrastructure of Georgia through National Implementation Modality (NIM) with UNDP Country Office support in accordance with UNDP rules and regulations. 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 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 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: Delegation of the EU to Georgia, MRDI and UNDP. Other reform stakeholders (such as the 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 once a year, following submission of the respective progress report, or more often if needed.

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

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.

In 2022-2023 (the first 24 months), the project will share the staff as well as the office space including equipment, materials and supplies with the Danish funded Fostering Decentralisation and Good Governance at the Local Level Project. Therefore, procurement of new equipment will not be required, which will substantially reduce operations cost. In 2022-2023 (the first 24 months), 50 % of the salary of the shared staff and office including rent, utilities, equipment will be funded by the EU4ITD Decentralisation Support project, while the remaining 50% will be covered by the UNDP ongoing DGG project funded by the Danish Government. In 2024-2025 (the last 21 months), 100 % of the salary will be funded by the EU4ITD project.

The organigram below gives a view of the major operational positions in the project and its overall organization structure.

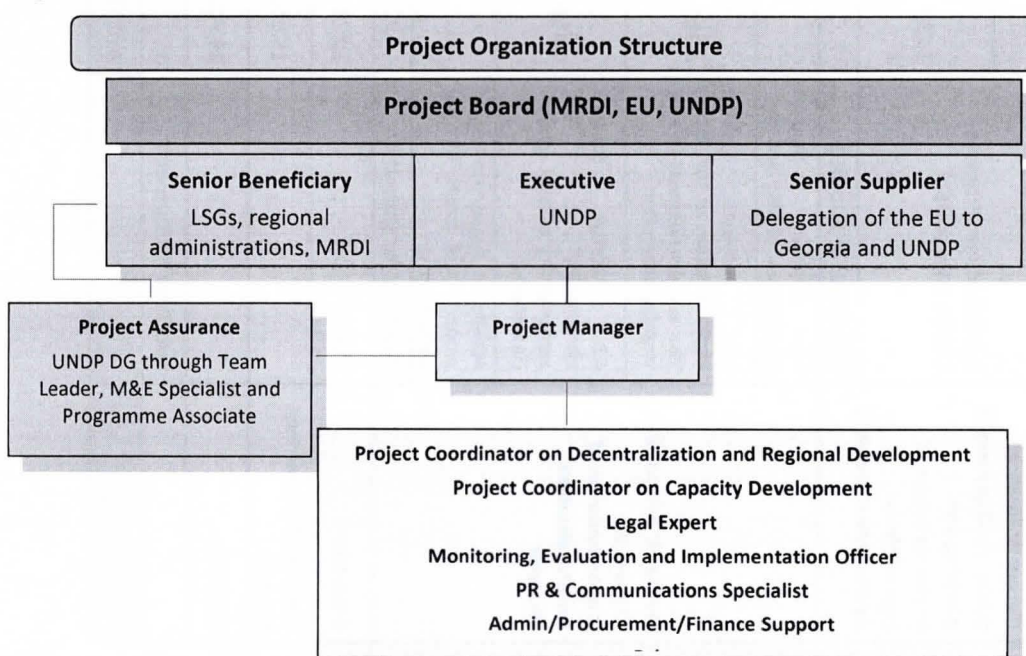


Figure 1. Project management organizational structure

The project management unit (PMU) will be established to coordinate and manage the project implementation. The following incumbencies will be established within the PMU:

Democratic Governance Team Leader (DG 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 and 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.

Monitoring and Evaluation Specialist will be responsible for the overall guidance in monitoring and evaluation to ensure compliance with UNDP and EU standards.

Programme Associate will provide quality assurance for financial matters and reporting and advice project personnel on financial, administrative and reporting procedures. The Programme Associate will be charged through direct project costs for the time spent directly attributable to the implementation of the Project.

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.

Two Project Coordinators 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: S/he will be responsible for overall legal guidance and support to implementation of the Decentralisation strategy as well as other policy documents.

Monitoring & Evaluation Officer: 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: 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 and 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, capacity development support, citizen participation etc. support the project activities.

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

Other project office costs

The project staff would require permanent coordination (including meetings), communication, and exchange of documentation with both the project partners and UNDP throughout the implementation of the Action.

For these causes, the project will rent the space based on the experience of previous years, the project will apply the cost-effective solution of cost-sharing the office space with other projects UNDP projects. Currently, UNDP's DGG Project is renting a separate office, a total of 246 m2 (offices, conference room, and

support area) which might also be considered. The project will utilize 1/2 of the space (1 office room, shared conference room, and shared support area).

The project will receive some office equipment and furniture from the previous UNDP projects. However, some office consumables will be covered by the project. office expenses will also include cleaning services, consumables (office supplies), internet, and other services, such as electricity, heating, maintenance, etc. These costs are described in the budget. The project will cover staff communication costs (e.g., telephone/internet), as well as translations costs.

Vehicle costs (Fuel, Maintenance, Insurance) The project will use a Hybrid Vehicle owned by UNDP purchased in 2019. Hybrid Vehicle will save the cost of fuel and maintenance during the project cycle.

Travel and DSA

Many activities of the project will be implemented at the municipal level in six project target regions. Consequently, this will require traveling of project staff members to regions to coordinate closely with local partners and beneficiaries. It will require local DSA to be paid to project staff members.

In addition, project envisages two study tours to EU countries for project beneficiaries (central and local government representatives) to learn about EU experiences. Consequently, study tour participants (beneficiaries and project staff members) will be paid international DSA.

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.

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.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
 - (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.
5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should

include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
- ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. 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>).
7. 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.
8. 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.
9. 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.
10. 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.
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. 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.

12. 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.

13. Choose one of the three following options:

Option 1: 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.

Option 2: The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of 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.

Option 3: 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.

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.

14. 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.
15. 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.
16. 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.

X. ANNEXES

- 1. Risk log**
- 2. Design & Appraisal Stage Quality Assurance Report**
- 3. Social and Environmental Screening Template**
- 4. Letter of Agreement between UNDP and the Ministry of Regional Development and Infrastructure of Georgia for the Provision of Support Services**

Annex 1. Risk Log

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner
1	Breakout/continuation of pandemic, natural disaster or any major civil disorder.	Oct, 2021	Political	Although vaccination has started, its low speed or any new mutations of Covid-19 virus may hinder project implementation. P – 3; I-4	UNDP will employ modern technologies and cooperate closely with relevant national authorities to adjust to existing needs.	Project Manager/ Project Team
2	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	Oct, 2021	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 Decentralisation in Georgia. Therefore, the probability that this risk will occur is low. P - 1; I - 4	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 project implementation are made by local stakeholders with UNDP experts providing sound policy and technical advice.	Project Manager/ Project Team
3	Political and/or institutional instability following Local Elections in 2021	Oct, 2021	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. 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, Regional governors 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 from the beginning.	Project Manager
4	Instability in the structure and composition of the Government of Georgia	Oct, 2021	Political	In recent years Georgia has seen frequent changes of the structure and composition of the Government. Changes in the GoG and the MRDI may influence commitment of the ministry to active implementation of Decentralisation reform. At this point, no reorganization of the MRDI is expected in the foreseeable future. P=3; I = 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 ensure smooth continuation of the cooperation.	Project Manager/ Project Team

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner
5	High turnover of municipal staff	Oct, 2021	Political	Although turnover of the civil servants at central and local level is frequent in Georgia, the project is scheduled to start after the LSG elections in 2021, therefore the risk of decreasing effectiveness due to staff turnover is low. P =2; I = 3	Together with international community and civil society, the project will continue 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 engage in policy planning training system for public servants	Oct, 2021	Political	The MRDI has defined policy planning capacity building as one of the priorities and will likely be highly interested in this activity. P =2; I = 3	The project will continue working with MRDI and line ministries to ensure coordination and smooth implementation of the activity.	Project Manager/ Project Team
7	Citizens demonstrate no interest in participating in local policy making	Oct, 2021	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
9	Duplication and overlap of different donor funded projects focusing on Decentralisation and integrated regional development	Oct, 2021	Operational	There are a number of donor organizations that focus on Decentralisation, 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. P=2; I=2	With UNDP support, the MRDI established donor coordination mechanism in the area of local self-governance and regional development with the aim to coordinate all donor-funded activities in the country. UNDP co-chairs the donor coordination meetings that are convened by the MRDI twice a year. This platform is an outgrowth of the Strategic Partnership Meetings established by UNDP in 2016 that proved an effective platform for coordination and joint advocacy purposes for all the participants and planned to be continued.	Project Manager/ Project Team/MRDI

Design & Appraisal Stage Quality Assurance Report

Form Status:	Approved
Overall Rating:	Satisfactory
Decision:	Approve: The project is of sufficient quality to continue as planned. Any management actions must be addressed in a timely manner.
Portfolio/Project Number:	00127677
Portfolio/Project Title:	EU4ITD
Portfolio/Project Date:	2021-12-17 / 2025-12-31

Strategic Quality Rating: Highly Satisfactory

1. Does the project specify how it will contribute to higher level change through linkage to the programme's Theory of Change?

3: The project is clearly linked to the programme's theory of change. It has an explicit change pathway that explains how the project will contribute to outcome level change and why the project's strategy will likely lead to this change. This analysis is backed by credible evidence of what works effectively in this context and includes assumptions and risks.

2: The project is clearly linked to the programme's theory of change. It has a change pathway that explains how the project will contribute to outcome-level change and why the project strategy will likely lead to this change.

1: The project document may describe in generic terms how the project will contribute to development results, without an explicit link to the programme's theory of change.

Evidence: Linkage is provided. the project has its own TOC as well.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

2. Is the project aligned with the UNDP Strategic Plan?

3: The project responds to at least one of the development settings as specified in the [Strategic Plan](#)¹ and adapts at least one [Signature Solution](#)². The project's RRF includes all the relevant SP output indicators. (all must be true)

2: The project responds to at least one of the development settings as specified in the [Strategic Plan](#)⁴. The project's RRF includes at least one SP output indicator, if relevant. (both must be true)

1: The project responds to a partner's identified need, but this need falls outside of the UNDP Strategic Plan. Also select this option if none of the relevant SP indicators are included in the RRF.

Evidence: Yes, linkage is indicated on the cover and RRF.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

3. Is the project linked to the programme outputs? (i.e., UNDAF Results Group Workplan/CPD, RPD or Strategic Plan IRRF for global projects/strategic interventions not part of a programme)

Yes

No

Evidence: Yes, linkage to CPD/UNSDCF outputs is indicated.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

Relevant Quality Rating: Satisfactory

4. Do the project target groups leave furthest behind?

3: The target groups are clearly specified, prioritising discriminated, and marginalized groups left furthest behind, identified through a rigorous process based on evidence.

- 2: The target groups are clearly specified, prioritizing groups left furthest behind.
- 1: The target groups are not clearly specified.

Evidence: the target groups are clearly defined. Additionally, women, youth, ethnic minorities and vulnerable population groups are specified as one of the target groups of the project: "Special considerations are incorporated in all project activities to ensure that vulnerable groups of population are addressed. Such considerations include small grants schemes, knowledge products and publicity materials produced in minority languages".

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

5. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design?

- 3: Knowledge and lessons learned backed by credible evidence from sources such as evaluation, corporate policies/strategies, and/or monitoring have been explicitly used, with appropriate referencing, to justify the approach used by the project.
- 2: The project design mentions knowledge and lessons learned backed by evidence/sources but have not been used to justify the approach selected.
- 1: There is little, or no mention of knowledge and lessons learned informing the project design. Any references made are anecdotal and not backed by evidence.

Evidence: The project document sharing of experience with other projects.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national / regional / global partners and other actors?

- 3: An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project, including identification of potential funding partners. It is clear how results achieved by partners will complement the project's intended results and a communication strategy is in place to communicate results and raise visibility vis-à-vis key partners. Options for south-south and triangular cooperation have been considered, as appropriate. (all must be true)
- 2: Some analysis has been conducted on the role of other partners in the area where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project, with unclear funding and communications strategies or plans.
- 1: No clear analysis has been conducted on the role of other partners in the area that the project intends to work. There is risk that the project overlaps and/or does not coordinate with partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance.

Evidence: The prodoc provides good overview of all existing projects and donor interventions in the area of local governance and envisages synergies with them.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

Principled

Quality Rating: Satisfactory

7. Does the project apply a human rights-based approach?

- 3: The project is guided by human rights and incorporates the principles of accountability, meaningful participation, and non-discrimination in the project's strategy. The project upholds the relevant international and national laws and standards. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. (all must be true)
- 2: The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. (both must be true)
- 1: No evidence that the project is guided by human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered.

Evidence: "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, including 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 national and sub-national levels stronger

capacities and opportunities to effectively fulfil their obligations and increase accountability". (SESP)

List of Uploaded Documents

#	File Name	Modified By	Modified On
1	SESP-EU4ITD_11893_107	khatuna.chanukvadze@undp.org	2/8/2022 4:37:00 PM

8. Does the project use gender analysis in the project design?

3: A participatory gender analysis has been conducted and results from this gender analysis inform the development challenge, strategy and expected results sections of the project document. Outputs and indicators of the results framework include explicit references to gender equality, and specific indicators measure and monitor results to ensure women are fully benefitting from the project. (all must be true)

2: A basic gender analysis has been carried out and results from this analysis are scattered (i.e., fragmented and not consistent) across the development challenge and strategy sections of the project document. The results framework may include some gender sensitive outputs and/or activities but gender inequalities are not consistently integrated across each output. (all must be true)

1: The project design may or may not mention information and/or data on the differential impact of the project's development situation on gender relations, women and men, but the gender inequalities have not been clearly identified and reflected in the project document.

Evidence: "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 Decentralization Strategy, 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 civil society 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. 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". (SESP)

List of Uploaded Documents

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No documents available.			

9. Did the project support the resilience and sustainability of societies and/or ecosystems?

3: Credible evidence that the project addresses sustainability and resilience dimensions of development challenges, which are integrated in the project strategy and design. The project reflects the interconnections between the social, economic and environmental dimensions of sustainable development. Relevant shocks, hazards and adverse social and environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. (all must be true)

2: The project design integrates sustainability and resilience dimensions of development challenges. Relevant shocks, hazards and adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures incorporated into project design and budget. (both must be true)

1: Sustainability and resilience dimensions and impacts were not adequately considered.

Evidence: Social and environmental impacts have been considered in SESP.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

10. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks? The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences and/or communication materials and information dissemination. [if yes, upload the completed checklist. If SESP is not required, provide the reason for the exemption in the evidence section.]

Yes

No

SESP not required because project consists solely of (Select all exemption criteria that apply)

1: Preparation and dissemination of reports, documents and communication materials

2: Organization of an event, workshop, training

3: Strengthening capacities of partners to participate in international negotiations and conferences

4: Partnership coordination (including UN coordination) and management of networks

5: Global/regional projects with no country level activities (e.g. knowledge management, inter-governmental processes)

6: UNDP acting as Administrative Agent

Evidence: SESP uploaded.

List of Uploaded Documents

#	File Name	Risk Category	Risk Requirements	Document Status	Modified By	Modified On
1	SESP-EU4ITD_11893_110	Low		Final	khatuna.chanukvadze@undp.org	2/8/2022 5:33:00 PM

Management & Monitoring Quality Rating: Satisfactory

11. Does the project have a strong results framework?

3: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators that measure the key expected development changes, each with credible data sources and populated baselines and targets, including gender sensitive, target group focused, sex-disaggregated indicators where appropriate. (all must be true)

2: The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of target group focused, sex-disaggregated indicators, as appropriate. (all must be true)

1: The project's selection of outputs and activities are not at an appropriate level; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. (if any is true)

Evidence: The project has SMART indicators, measuring results at impact, outcome and output levels.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

12. Is the project's governance mechanism clearly defined in the project document, including composition of the project board?

3: The project's governance mechanism is fully defined. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. (all must be true)

2: The project's governance mechanism is defined; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles. (all must be true)

1: The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided.

Evidence: Yes, the Project Board and governance mechanism is described under VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

13. Have the project risks been identified with clear plans stated to manage and mitigate each risk?

3: Project risks related to the achievement of results are fully described in the project risk log, based on comprehensive analysis drawing on the programme's theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis such as funding potential and reputational risk. Risks have been identified through a consultative process with key internal and external stakeholders, including consultation with the UNDP Security Office as required. Clear and complete plan in place to manage and mitigate each risk, including security risks, reflected in project budgeting and monitoring plans. (both must be true)

2: Project risks related to the achievement of results are identified in the initial project risk log based on a minimum level of analysis and consultation, with mitigation measures identified for each risk.

1: Some risks may be identified in the initial project risk log, but no evidence of consultation or analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified, no initial risk log is included with the project document and/or no security risk management process has taken place for the project.

Evidence: The risk log is attached as annex 1.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			
Efficient		Quality Rating: Satisfactory	
14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include, for example:			
i) Using the theory of change analysis to explore different options of achieving the maximum results with the resources available.			
ii) Using a portfolio management approach to improve cost effectiveness through synergies with other interventions.			
iii) Through joint operations (e.g., monitoring or procurement) with other partners.			
iv) Sharing resources or coordinating delivery with other projects.			
v) Using innovative approaches and technologies to reduce the cost of service delivery or other types of interventions.			
<input checked="" type="radio"/> Yes <input type="radio"/> No			
Evidence: Cost-effective solutions of sharing the office space with other projects UNDP projects, as well as logistical services is discussed in VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS .			
List of Uploaded Documents			
#	File Name	Modified By	Modified On
No documents available.			
15. Is the budget justified and supported with valid estimates?			
<input type="radio"/> 3: The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Realistic resource mobilisation plans are in place to fill unfunded components. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. Adequate costs for monitoring, evaluation, communications and security have been incorporated.			
<input checked="" type="radio"/> 2: The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget, but no funding plan is in place. Costs are supported with valid estimates based on prevailing rates.			
<input type="radio"/> 1: The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget.			
Evidence: Yes, the project has detailed activity level budget, broken down by years and responsible parties.			
List of Uploaded Documents			
#	File Name	Modified By	Modified On
No documents available.			
16. Is the Country Office / Regional Hub / Global Project fully recovering the costs involved with project implementation?			
<input type="radio"/> 3: The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.)			
<input checked="" type="radio"/> 2: The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant.			
<input type="radio"/> 1: The budget does not adequately cover project costs that are attributable to the project, and UNDP is cross-subsidizing the project.			
Evidence: The project is EU0funded and therefore, DPC does not apply. However, the CO recovers the costs by charging % of salaries of CO staff, who will be provided services to the project.			
List of Uploaded Documents			
#	File Name	Modified By	Modified On
No documents available.			
Effective		Quality Rating: Highly Satisfactory	
17. Have targeted groups been engaged in the design of the project?			
<input type="radio"/> 3: Credible evidence that all targeted groups, prioritising discriminated and marginalized populations that will be involved in or affected by the project, have been actively engaged in the design of the project. The project has an explicit strategy to identify, engage and ensure the meaningful participation of target groups as stakeholders throughout the project, including through monitoring and decision-making (e.g., representation on the project board, inclusion in samples for evaluations, etc.)			
<input checked="" type="radio"/> 2: Some evidence that key targeted groups have been consulted in the design of the project.			

1: No evidence of engagement with targeted groups during project design.

Not Applicable

Evidence: The prodoc mentions (Section II. Strategy) that in the design stage, UNDP undertook intensive consultations with the MRDI in order to shape the selection and prioritization of the activities proposed. The State Trustees of the four target regions along with representatives of many constituent municipalities were also consulted.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

18. Does the project plan for adaptation and course correction if regular monitoring activities, evaluation, and lesson learned demonstrate there are better approaches to achieve the intended results and/or circumstances change during implementation?

Yes

No

Evidence: Project Board will serve this purpose.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

19. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum.

Yes

No

Evidence: The project is GEN2

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

Sustainability & National Ownership Quality Rating: Needs Improvement

20. Have national / regional / global partners led, or proactively engaged in, the design of the project?

3: National partners (or regional/global partners for regional and global projects) have full ownership of the project and led the process of the development of the project jointly with UNDP.

2: The project has been developed by UNDP in close consultation with national / regional / global partners.

1: The project has been developed by UNDP with limited or no engagement with national partners.

Evidence: Yes, the project was designed in close consultation with the Ministry of Regional Development and Infrastructure (MRDI), as well as local authorities of the municipalities.

List of Uploaded Documents

#	File Name	Modified By	Modified On
No documents available.			

21. Are key institutions and systems identified, and is there a strategy for strengthening specific / comprehensive capacities based on capacity assessments conducted?

3: The project has a strategy for strengthening specific capacities of national institutions and/or actors based on a completed capacity assessment. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly.

2: A capacity assessment has been completed. There are plans to develop a strategy to strengthen specific capacities of national institutions and/or actors based on the results of the capacity assessment.

1: Capacity assessments have not been carried out.

Not Applicable

Evidence: The project envisages building different capacities of public servants of MRDI, offices of State Trustees and municipalities. Capacity assessments will be conducted in due course.

List of Uploaded Documents

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No documents available.

22. Is there is a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.) to the extent possible?

- Yes
- No
- Not Applicable

Evidence: The project is NIM with CO support and therefore, UNDP will apply its own system of M&E, procurement, etc.

List of Uploaded Documents

#	File Name	Modified By	Modified On
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No documents available.

23. Is there a clear transition arrangement / phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation and communications strategy)?

- Yes
- No

Evidence: Sustainability is discussed in length under 3.8. Sustainability and Scaling Up.

List of Uploaded Documents

#	File Name	Modified By	Modified On
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No documents available.

QA Summary/LPAC Comments

The LPAC was conducted electronically. The project is viable and recommended for approval.

Annex 3: Social and Environmental Screening Template**SOCIAL AND ENVIRONMENTAL SCREENING TEMPLATE (2021 SESP TEMPLATE, VERSION 1)**

Project Information

Project Information	
1. Project Title	EU4ITD: Advancing decentralized, effective and inclusive governance in Georgia (ADG)
2. Project Number (i.e. Atlas project ID, PIMS+)	00127677
3. Location (Global/Region/Country)	Georgia
4. Project stage (Design or Implementation)	Design
5. Date	27 December 2021 - 30 September 2025

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
<i>Briefly describe in the space below how the project mainstreams the human rights-based approach</i>
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, including 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 national and sub-national levels stronger capacities and opportunities to effectively fulfil their obligations and increase accountability.
<i>Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment</i>
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 Decentralization Strategy, 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 civil society 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. 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.
<i>Briefly describe in the space below how the project mainstreams sustainability and resilience</i>
Sustainability and resilience are at the core of regional and local development. The proposed support will be implemented with the due consideration of the environmental and social 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 and resilient policy through incorporating these aspects into local initiatives proposed 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 compliancy of any equipment and other inputs procured with internationally recognized environmental standards.

Briefly describe in the space below how the project strengthens accountability to stakeholders

The project will be implemented in accordance with the highest accountability standards.

UNDP will take all required measures to ensure that exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them, is avoided while project implementation. In fact, project implementation strategy will imply participatory approach and consultation of wide range of stakeholders.

UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism defined above.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Complete SESP Attachment 1 before responding to Question 2.</i>		QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 5</i>		QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High													
<i>Risk Description (broken down by event, cause, impact)</i>	<i>Impact and Likelihood (1-5)</i>	<i>Significance (Low, Moderate Substantial, High)</i>	<i>Comments (optional)</i>	<i>Description of assessment and management measures for risks rated as Moderate, Substantial or High</i>													
Risk 1:	I = L =																
Risk 2	I = L =																
[add additional rows as needed]																	
QUESTION 4: What is the overall project risk categorization?																	
<table border="1"> <tr> <td style="text-align: right;">Low Risk</td> <td><input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td style="text-align: right;">Moderate Risk</td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td style="text-align: right;">Substantial Risk</td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td style="text-align: right;">High Risk</td> <td><input type="checkbox"/></td> <td></td> </tr> </table>						Low Risk	<input checked="" type="checkbox"/>		Moderate Risk	<input type="checkbox"/>		Substantial Risk	<input type="checkbox"/>		High Risk	<input type="checkbox"/>	
Low Risk	<input checked="" type="checkbox"/>																
Moderate Risk	<input type="checkbox"/>																
Substantial Risk	<input type="checkbox"/>																
High Risk	<input type="checkbox"/>																

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)			
Question only required for Moderate, Substantial and High Risk projects			
<i>Is assessment required? (check if "yes")</i>	<input type="checkbox"/>		<i>Status? (completed, planned)</i>
<i>if yes, indicate overall type and status</i>		<input type="checkbox"/>	Targeted assessment(s)
		<input type="checkbox"/>	ESIA (Environmental and Social Impact Assessment)
		<input type="checkbox"/>	SESA (Strategic Environmental and Social Assessment)
<i>Are management plans required? (check if "yes")</i>	<input type="checkbox"/>		
<i>if yes, indicate overall type</i>		<input type="checkbox"/>	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)
		<input type="checkbox"/>	ESMP (Environmental and Social Management Plan which may include range of targeted plans)
		<input type="checkbox"/>	ESMF (Environmental and Social Management Framework)
<i>Based on identified risks, which Principles/Project-level Standards triggered?</i>		Comments (not required)	
<i>Overarching Principle: Leave No One Behind</i>			
<i>Human Rights</i>	<input type="checkbox"/>		
<i>Gender Equality and Women's Empowerment</i>	<input type="checkbox"/>		
<i>Accountability</i>	<input type="checkbox"/>		
<i>1. Biodiversity Conservation and Sustainable Natural Resource Management</i>	<input type="checkbox"/>		
<i>2. Climate Change and Disaster Risks</i>	<input type="checkbox"/>		
<i>3. Community Health, Safety and Security</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"/>		

	7. Labour and Working Conditions	<input type="checkbox"/>	
	8. Pollution Prevention and Resource Efficiency	<input type="checkbox"/>	

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	Date	Description
QA Assessor Gigi Bregadze, Democratic 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 Anna Chernyshova, DRR		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 Anna Chernyshova, DRR		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

Checklist Potential Social and Environmental Risks		
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the <u>SES toolkit</u> for further guidance on addressing screening questions.		
Overarching Principle: Leave No One Behind		Answer (Yes/No)
Human Rights		
P.1	Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
P.2	Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	No
P.3	Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	No
<i>Would the project potentially involve or lead to:</i>		
P.4	adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
P.5	inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? ⁴²	No
P.6	restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	No
P.7	exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Gender Equality and Women's Empowerment		
P.8	Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
<i>Would the project potentially involve or lead to:</i>		
P.9	adverse impacts on gender equality and/or the situation of women and girls?	No
P.10	reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
P.11	limitations on 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? <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
P.12	exacerbation of risks of gender-based violence? <i>For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.</i>	No
Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below		
Accountability		
<i>Would the project potentially involve or lead to:</i>		
P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	No
P.14	grievances or objections from potentially affected stakeholders?	No
P.15	risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project?	No
Project-Level Standards		

⁴² Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, 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 and transsexual people.

Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
<i>Would the project potentially involve or lead to:</i>		
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) 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	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	risks to endangered species (e.g. reduction, encroachment on habitat)?	No
1.5	exacerbation of illegal wildlife trade?	No
1.6	introduction of invasive alien species?	No
1.7	adverse impacts on soils?	No
1.8	harvesting of natural forests, plantation development, or reforestation?	No
1.9	significant agricultural production?	No
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11	significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.12	handling or utilization of genetically modified organisms/living modified organisms? ⁴³	No
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development) ⁴⁴	No
1.14	adverse transboundary or global environmental concerns?	No
Standard 2: Climate Change and Disaster Risks		
<i>Would the project potentially involve or lead to:</i>		
2.1	areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	No
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? <i>For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes</i>	No
2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? <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
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	No
Standard 3: Community Health, Safety and Security		
<i>Would the project potentially involve or lead to:</i>		
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	No
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	No
3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	No
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No

⁴³ See the [Convention on Biological Diversity](#) and its [Cartagena Protocol on Biosafety](#).

⁴⁴ See the [Convention on Biological Diversity](#) and its [Nagoya Protocol](#) on access and benefit sharing from use of genetic resources.

3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No
3.7	influx of project workers to project areas?	No
3.8	engagement of security personnel to protect facilities and property or to support project activities?	No
Standard 4: Cultural Heritage		
<i>Would the project potentially involve or lead to:</i>		
4.1	activities adjacent to or within a Cultural Heritage site?	No
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No
4.3	adverse impacts to 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
4.4	alterations to landscapes and natural features with cultural significance?	No
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
<i>Would the project potentially involve or lead to:</i>		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No
5.2	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
5.3	risk of forced evictions? ⁴⁵	No
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
<i>Would the project potentially involve or lead to:</i>		
6.1	areas where indigenous peoples are present (including project area of influence)?	No
6.2	activities located on lands and territories claimed by indigenous peoples?	No
6.3	impacts (positive or negative) to 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)? <i>If the answer to screening question 6.3 is "yes", then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk</i>	No
6.4	the 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	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 5 above</i>	No
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	No
6.8	risks to the physical and cultural survival of indigenous peoples?	No
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.</i>	No
Standard 7: Labour and Working Conditions		

⁴⁵ Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

<i>Would the project potentially involve or lead to: (note: applies to project and contractor workers)</i>		
7.1	working conditions that do not meet national labour laws and international commitments?	No
7.2	working conditions that may deny freedom of association and collective bargaining?	No
7.3	use of child labour?	No
7.4	use of forced labour?	No
7.5	discriminatory working conditions and/or lack of equal opportunity?	No
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	No
Standard 8: Pollution Prevention and Resource Efficiency		
<i>Would the project potentially involve or lead to:</i>		
8.1	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
8.2	the generation of waste (both hazardous and non-hazardous)?	No
8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	No
8.4	the use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the <u>Montreal Protocol</u>, <u>Minamata Convention</u>, <u>Basel Convention</u>, <u>Rotterdam Convention</u>, <u>Stockholm Convention</u></i>	No
8.5	the application of pesticides that may have a negative effect on the environment or human health?	No
8.6	significant consumption of raw materials, energy, and/or water?	No

Letter of Agreement between UNDP and Government of Georgia for the Provision of Support Services

Dear Mr. Karseladze,

1. Reference is made to consultations between officials of the Government of Georgia (hereinafter referred to as "Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant project document, as described below.

2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.

3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the project:

- (a) Identification and/or recruitment of project personnel;
- (b) Identification and facilitation of training activities;
- (c) Procurement of goods and services;

4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a project, the annex to the project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.

5. The relevant provisions of the *UNDP standard basic assistance agreement with Republic of Georgia* (the "SBAA") signed on 1-Jul-1994, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed project through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.

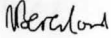
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.

8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between the Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,

DocuSigned by:

87B6354624D7437...

Signed on behalf of UNDP

Nick Beresford

Resident Representative


For the Government:

Irakli Karseladze

Minister of Regional Development and Infrastructure of Georgia

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between the Administration of Government of Georgia, the institution designated by the Government of Georgia and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed Project "EU4ITD: Advancing decentralized, effective and inclusive governance in Georgia (ADG) (Project Number: 00127677), "the Project".
2. In accordance with the provisions of the signed letter of agreement and the project document, the UNDP country office shall provide support services for the Project as described below.
3. Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Amount and method of reimbursement of UNDP (where appropriate)
1. Payments, disbursements and other financial transactions	2022-2025	Cost-recovery for ISS based on UNDP Universal Price List
2. Recruitment of staff, project personnel and consultants	2022-2025	Cost-recovery for ISS based on UNDP Universal Price List
3. Procurement of services and goods, including disposal	2022-2025	Cost-recovery for ISS based on UNDP Universal Price List
4. Organization of training activities, conferences and workshops, including fellowships	2022-2025	Cost-recovery for ISS based on UNDP Universal Price List
5. Travel authorization, visa requests, ticketing, and travel arrangements	2022-2025	Cost-recovery for ISS based on UNDP Universal Price List
6. Shipment, custom clearance, vehicle registration, and accreditation	2022-2025	Cost-recovery for ISS based on UNDP Universal Price List
7. Supervision of project implementation, monitoring and assistance in project evaluations	2022-2025	Cost-recovery for ISS based on UNDP Universal Price List

4. Description of functions and responsibilities of the parties involved:

UNDP will provide support services to Government as described in the paragraph 3 above in accordance with UNDP rules and procedures; it retains ultimate accountability for the effective implementation of the Project activities;

UNDP will be responsible for the provision of all Project inputs upon a formal request from Government. It will be responsible for administering resources in accordance with the specific objectives, and in keeping with the key principles of transparency, competitiveness, efficiency and economy. The financial management and accountability for the resources allocated, as well as other activities related to the execution of the Project activities will be undertaken under the direct supervision of the UNDP Country Office.

Government will review and clear Annual Work Plans (AWP) and annual progress achieved through Annual Project Reviews based on the approved annual work plans and sign Combined Delivery Reports (CDRs) by the end of each quarter.