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ENPARD: Support to Agriculture
and Rural Development



Kazbegi Development Strategy

2016-2020

Developed by Kazbegi Local Action Group (LAG Kazbegi)



This Strategy has been developed within the frames of the Project "Kazbegi Local Action Group". This Project is implemented by the international NGO "People in Need" (PIN), within the European Neighborhood Programme for Agriculture and Rural Development (ENPARD). The Project is being implemented together with the partners of "People in Need": Biological Farming Association "Elkana" and the National Network of Local Action Groups (NNLAG) of the Czech Republic. The Project envisages introduction of LEADER methodology in Kazbegi municipality, in order to facilitate rural development.

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Content

1. LEADER's Main Principle.....	3
1.1 LEADER's 7 Characteristics.....	4
1.2 Local Action Group.....	4
2. Kazbegi LAG.....	5
3. Kazbegi LAG Structure.....	7
4. Role of the Kazbegi LAG in strategy implementation.....	9
5. Population involvement and consulting activities for elaborating the local development strategy.....	8
6. Area of activity - description of Kazbegi municipality.....	11
6.1 General overview.....	11
6.2 Disconnection between sectors.....	13
6.3 Agriculture.....	13
6.4 Tourism.....	14
6.5 Healthcare.....	16
6.6 Public infrastructure and social issues.....	16
6.7 Education.....	18
6.8 Culture.....	19
6.9 Environment protection	19
7. Main challenges and development priorities.....	19
8. Stakeholders interested in the strategy, potential partners and beneficiaries (target groups).....	29
Legislative basis existing at the time of strategy development.....	29
10. Cooperation between sectors.....	29
11. Cooperation at international, state, regional and local levels.....	30

1. LEADER's Main Principle:

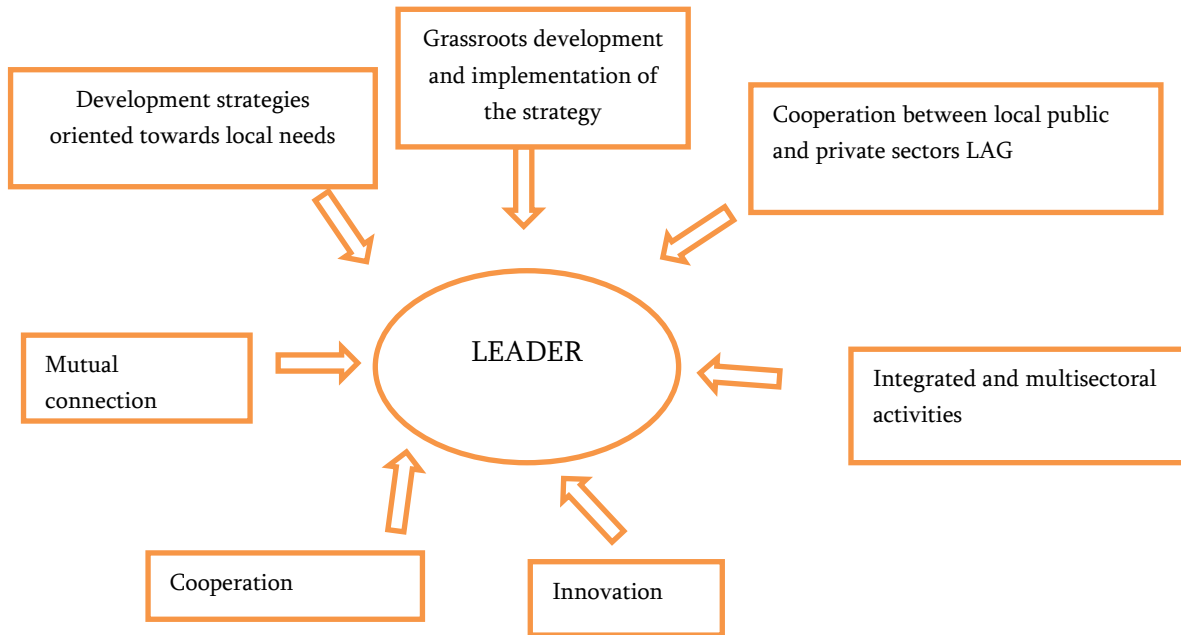
The acronym 'LEADER' derives from the French words "*Liaison Entre Actions de Développement de l'Économie Rurale*", which means "Links between the rural economy and development actions". The idea is to enlist the human and material resources that could contribute to the rural development process, by forming partnerships between the public, civil and private sectors, at the municipal level.

The LEADER methodology is based upon strengthening of involvement of local community, through development strategy implementation and resource allocation. The main tool for the application of the LEADER approach to regional development and involving local population in decision-making is the Local Action Group (LAG) (LAG Kazbegi). Experience has demonstrated, that LEADER really can change daily lives of rural populations. It can play an important role in terms of innovative approaches to problem-solving and become a so-called laboratory for identifying new ways of satisfying the needs of rural communities. This approach has achieved significant results in rural development of EU member-countries and it can assist the villages of current and future EU member-countries in the process of adapting to current realities.¹

This development Strategy is the program for supporting the process of rural development in Kazbegi municipality during the next 5 years.

¹http://ec.europa.eu/agriculture/rur/leaderplus/pdf/library/methodology/leader_approach_en.pdf

1.1 LEADER's 7 Characteristics



✓ *Grassroots approach*

Grassroots approach means, that local actors participate in the process of developing the Strategy and setting local priorities. As experience shows, grassroots approach should not be viewed as an alternative or the opposite of the „top down" approach, on the part of the national or/and regional government, but rather they have to be combined and integrated, for the purpose of better achievement of common goals.

✓ *Cooperation of public and private sectors: essence and functions of Local Action Groups*

1.2 Local Action Group

Local Action Group formation is an important feature of the LEADER methodology. The goal of the LAG is to develop and implement local development strategies, as well as to redistribute and manage their financial sources.

Local Action Group effectively contributes to sustainable development, since it:

- Unifies available human and financial resources: public, private, civil sectors and volunteers;
- Links local actors for mutual cooperation and synergic actions, for the purpose of identifying and satisfying the most urgent needs and improving economic competitiveness;

- Strengthens dialogue and cooperation between various rural actors, who often have little experience of working together, through diminishing potential conflict and facilitating decision-making based on negotiations, by means of consultations and discussions;
- Through establishing relations between partners, facilitates the process of adaptation and change in the agricultural sector (e.g. product quality, food chain), as well as of raising the issues of mutual connection between environment protection, rural economy and life quality.

Local Action Group should link public and private sectors and be a balanced representative of local interest, consisting of various socio-economic sectors.

Private sector representatives should constitute minimum 50% at the decision-making level.

Local Action Group takes decisions on direction and content of local development strategy, as well as attraction of funding sources and projects to be funded locally.

Actors, which are most actively involved in the LAG:

- Professional organizations and unions (farmers, non-farmer professionals and micro-entrepreneurs);
- Trade associations;
- Citizens, local residents and their local government;
- Local policy representatives;
- Environment protection associations;
- Cultural and community service providers, including the media;
- Women's associations;
- Young people.

Local Action Group should:

- Link the groups with relevant interests (target groups), within common projects;
- Have the autonomy to make decisions and the ability of a new vision of engaging resources;
- Link various mechanisms;
- Be capable of not missing the opportunities, provided by local resources;
- Be open to innovative ideas;
- Be capable of linking various economic sectors and engaging them in mutual cooperation.

2. Kazbegi LAG

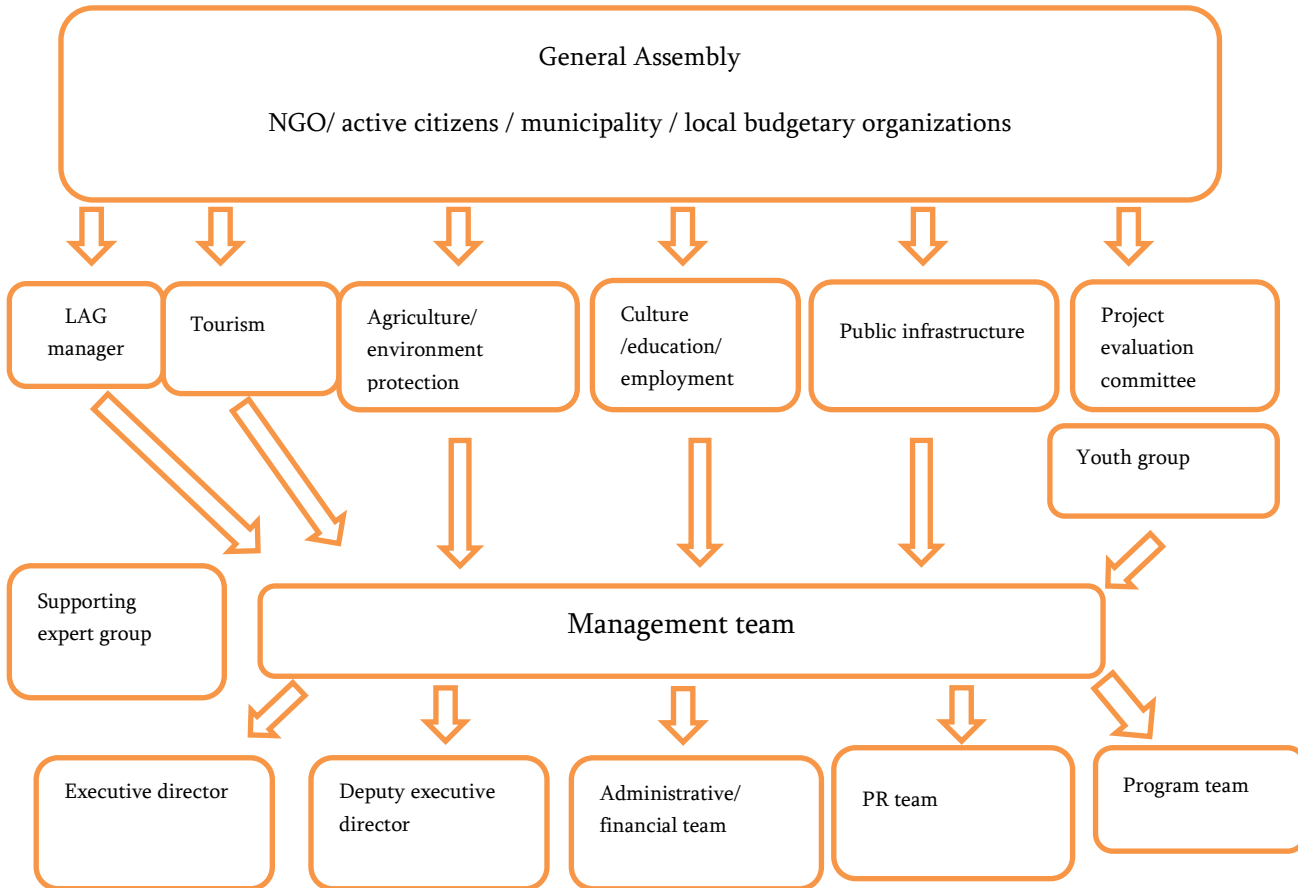
Kazbegi LAG was formed as a result of intensive meetings with the population and various interest-groups. Main issues, discussed at these meetings, were: the LEADER approach, European practice of its introduction, the essence of Local Action Groups and their role in rural development.

1. Meetings with the population: 26 community meetings were held in 21 villages of Kazbegi municipality, attended by 223 individuals.
2. Meetings with the public sector:
 - Kazbegi municipality Gamgeoba;
 - Kazbegi municipality Sakrebulo;

- Kazbegi educational resource center;
 - Kazbegi municipality public schools;
 - Al. Kazbegi ethnographic museum;
 - Infrastructure department of Kazbegi municipality;
 - Stepantsminda central library;
 - Kazbegi police department;
 - Kazbegi municipality information-consultation service of the Ministry of Agriculture;
 - Kazbegi National Park;
 - First mountain rescue Department of management of emergency situations of Kazbegi;
 - LEPL Kazbegi municipal ambulance center;
3. Meetings with the business sector:
- “Regional Health Center”, ltd., Kazbegi medical institution;
 - Enterprise producing metal-plastic doors and windows;
 - Stone processing enterprise;
 - House of Art.
4. Meetings with the NGO sector:
- “Khevis Momavali”;
 - GergArti
 - Association of Friends of the National Park;
 - Global Support;
 - Association “Women’s Foundation”.

In total, 47 meetings were held.

3. Kazbegi LAG structure



❖ **General assembly** consists of all those individuals, who expressed the desire to become members of the Kazbegi LAG. This includes NGOs, active participants, municipal structures, representatives of local budgetary organizations and businesses. All of these members constitute the general assembly.

General assembly is divided into subgroups by the following topics:

- Tourism
- Agriculture/environment protection
- Culture/education/employment
- Public infrastructure

Each subgroup chooses a coordinator, for performing organizational functions.

Group of young people, which has been established as a separate group, includes Kazbegi municipality school students, school graduates, members of the youth sakrebulo and college students.

Management team:

- Administrative/financial team
- PR team
- Program team
- Executive Director and Deputy Executive Director

Kazbegi LAG is an independent unit, a registered legal entity, with the status of the non-entrepreneurial (non-commercial) legal entity. In order to become acquainted with the Charter of the Kazbegi LAG, please see the webpage of the registry of legal entities.

- ❖ **Group of supporting experts** includes support experts living in Tbilisi and outside the country. They provide as-needed consultation to the management team and assist them in advocacy, program development, obtaining specific technical support, etc.
- ❖ **Kazbegi LAG manager:**

Within the frames of the ENPARD rural development program, People in Need in Georgia and the LAG manager provide technical assistance and coordination support to the Kazbegi LAG, as part of the ongoing project.

4. Role of the Kazbegi LAG in strategy implementation

Role of the Kazbegi LAG is to facilitate implementation of priorities, defined by the strategy, through advocacy and increasing awareness campaigns, as well as development and introduction of a fair and transparent project evaluation system.

For detailed information please see the grant competition management manual, developed by the Kazbegi LAG (Annex).

5. Population involvement and consulting activities for elaborating the local development strategy

Local development strategy incorporates the data, which was obtained as a result of a whole range of activities, which are the researches and studies conducted by partner organizations:

- "Tourism sector in Kazbegi municipality - current challenges and development opportunities" and "Kazbegi municipality development overview - baseline study", conducted by GeoWellResearch;
- "Assessment of Kazbegi municipality agricultural opportunities", conducted by the biological farming Association Elkana;
- Kazbegi PIN project team held working meetings with the population and with their assistance obtained information about the situation existing in their villages, which was not reflected in any documents and is at the same time important for municipality development. These meetings demonstrated, that it is important to take into account

individual characteristics of each village. Due to scarcity of land in some villages, agricultural development will be difficult. Part of the villages have lands which can be used only as pastures and there are also villages, in which there are sufficient areas of arable land. The same also applies to tourism development. Some villages are more suitable for tourism development, while others have less potential. All of these features are taken into account in the 5-year strategy of local development.

- Consultation meetings on thematic issues:
 - Kazbegi municipality gameoba;
 - Kazbegi municipality sakrebulo;
 - Kazbegi educational resource center;
 - Kazbegi municipality public schools;
 - Al. Kazbegi ethnographic museum;
 - Infrastructure department of Kazbegi municipality;
 - Stepantsminda central library;
 - Kazbegi municipality information-consultation service of the Ministry of Agriculture;
 - Kazbegi National Park;
 - First mountain rescue Department of management of emergency situations of Kazbegi;
 - LEPL Kazbegi municipal ambulance center;
 - “Regional Health Center”, ltd., Kazbegi medical institution;
 - House of Art.

- During the period of strategy development, thematic subgroups of Kazbegi LAG held 22 meetings, where current problems of the municipality, possibilities of development, condition of various sectors, needs of various groups were discussed and the SWOT analysis of the municipality was prepared. Priority issues were identified, which have been reflected in the strategy.

For the purpose of more efficiency, local development strategy takes into account the existing state, regional and daba Stepantsminda strategies.

Mtskheta-Mtianeti region development strategy²

1. Environment protection, maintaining sustainable ecological balance;
2. Establishing the region's innovative (cluster) sustainable development system;
3. Developing an investment policy and facilitating development of export-oriented small and medium business;
4. Agricultural development;
5. Sustainable development of tourism;

²<http://static.mrdi.gov.ge/569f6b0a0cf20aa08475988c.pdf>

6. Facilitating development of innovative branches of economy and attracting investment;
7. Improvement of education, culture and sport accessibility;
8. Improvement of accessibility of the services necessary for health and social protection;
9. Improvement of transport services;
10. Development of social and utilities' infrastructure;
11. Perfecting regional and municipal government and self-government.

- ***Agriculture development strategy***³

1. Increasing the competitiveness of those employed in the agrarian sector;
2. Institutional development;
3. Irrigation and soil fertility;
4. Regional and sectoral development - added value;
5. Facilitation of full cycle production development;
6. Ensuring food security;
7. Food safety, veterinary and plant protection;
8. Climate change, environment and maintaining biodiversity.

- ***Tourism development strategy***

1. Creating the opportunity for visitors to receive unique and high-quality impressions, through use of cultural and environmental wealth of the country, for which there is a growing demand at the world tourism markets with the highest paying capacity;
2. Simplifying arrival by air from the tourism markets with the high paying capacity, as well as improvement of the internal transport networks, in order to ensure free movement of the visitors' flow in the country;
3. Improvement of data collection and market research capabilities, for the purpose of better studying requirements and characteristics of tourism markets with higher payment capacity;
4. Use of research and better marketing resources for accessing these markets more effectively, establishing contacts and increasing visibility of Georgia, as a worldwide tourism destination;
5. Improvement of services to visitors (in terms of transportation, accommodation and foreign language knowledge), so that the tourists, who come to the country in line with target marketing activities, spread positive messages about Georgia and revisit the country.

- **Daba Stepantsminda development strategy**

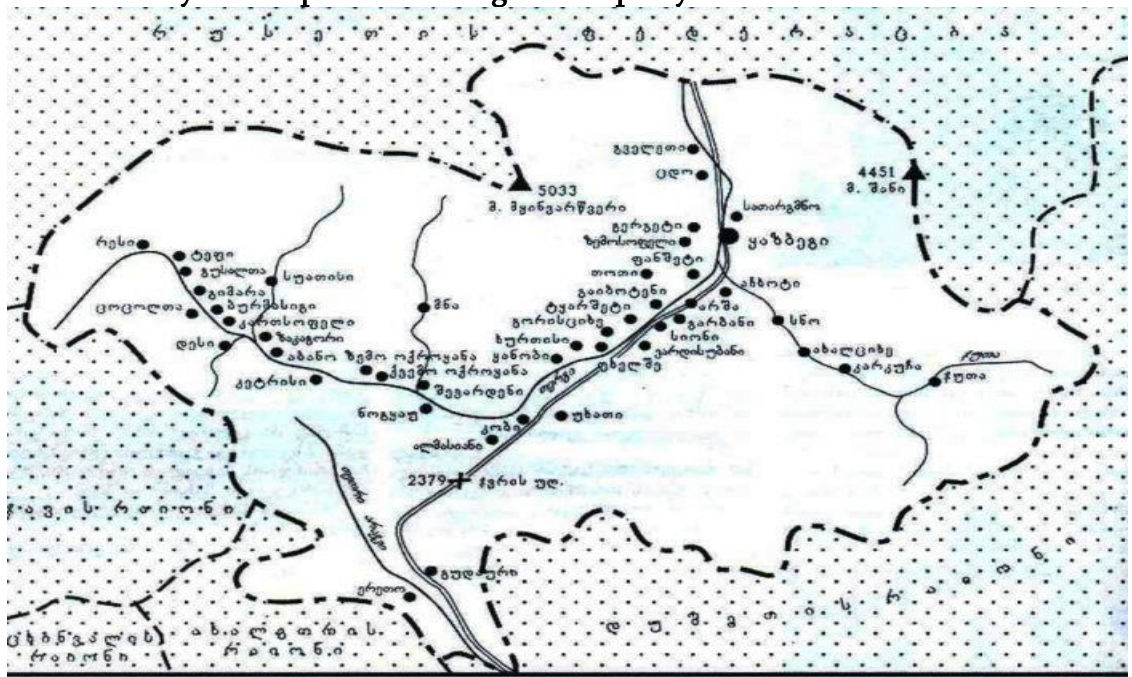
1. **Management sphere** -achieving a high quality of accessibility and promptness of municipal services; ensuring proper functioning of engineering-technical

³<http://www.moa.gov.ge/Ge/Strategy>

infrastructure; engagement of local community in the decision-making process (co-participatory planning); efficient management of natural disasters; developing and leading a system of local development indicators; branding of Stepantsminda and its symbol - Mount Kazbegi;

2. **Economy sphere** - maximal utilization of local natural, human, infrastructural potential; overcoming depopulation; establishing an attractive environment for investment development; development of diversified tourism, oriented towards local sights; restoration of trans-border economic connections; creation of a free economic zone;
3. **Social sphere** - supporting self-awareness of local community and strengthening solidarity; restoration of self-government traditions and skills; facilitation of traditional identity factors;
4. **Culture and education sphere** - ensuring national standards of secondary education; introducing the practice of national and international summer schools; displaying, inventorying and maintenance and care of material and non-material cultural heritage, within a full typological and chronological range; implementation of an internationally tested "landscape policy"; development of specific sports; establishing of a Caucasus culture centre.
5. **Environment sphere** - perfecting the system of protected territories and harmonizing it with agricultural requirements; implementation of sanitary and environmental standards and technical regulations; maintaining the natural quality of drinking water and food products.

6. Area of activity - description of Kazbegi municipality



დასახლებული პუნქტი, სადაც არის ისტორიის და კულტურის ძეგლი

6.1 General overview

Kazbegi municipality development strategy encompasses administrative boundaries of Kazbegi municipality.

Kazbegi municipality is located in the northern part of East Georgia, to the north of Tbilisi, on the northern slope of the main Caucasus range, mostly in the valley of river Tergi.

The municipality is bordered from the south-east by Dusheti, in the south - by Akhalkgori, in the west - by Java municipalities and to the north - by the Russian Federation. Total area of the municipality is 1081,7 km².

Municipality territory is highly mountainous. Altitude fluctuates between 1500 and 5000 m above sea level. The municipality is completely within the zone, covered by the Law of Georgia On Development of High-mountainous Regions and the benefits, envisaged by this Law.

In the comparatively lower zone (within 1700 meters), the climate is moderately humid. Winters are cold and dry, while summers are cool. Average annual air temperature is 4,9 °C, while average annual precipitation is 800 mm. Within 1800-2000 m above sea level, average air temperature diminishes to 3,5 °C, while precipitation reaches 1160 mm. Above 3600 m, the nival zone is spread.

The municipality is rich with rivers, lakes, glaciers and mineral waters. The main river is Tergi, the length of which within the municipality is up to 85 km. The municipality is rich with lakes, among which Kelitsadis Tba. Archvebis Tba and others should be noted. Glaciers are also widely represented in the municipality.

Kazbegi massive is characterized with widest glacial zones (area - approximately 80 km²). Quite a few glaciers descend from Kazbegi, the most significant of which are Gergeti and Devdaraki glaciers. Largest part of the territory is occupied with mountain-meadow sod and primitive soils. There are also alluvial soils at the bottom of river valleys. Mountain-meadow sod soils spread up to 1100-2600 m above sea level.

Plants of alpine, subalpine, xerophile and many other ecological groups are widespread in Kazbegi municipality. Forests are mostly situated on slopes with pronounced inclination. 105 types of bark plants are represented, however, birches, pines, junipers and blueberry are the most common. It should be noted, that quite large areas are occupied by sea buckthorn, which is rare in Georgia.

Kazbegi flora is rich with wild medicinal herbs, that are one of the most important natural resources, protection, revival and cultivation of which is of utmost significance. List of medicinal herbs, which are common here, includes: wormwood, rosehip, tanacetum, dandelion, thyme, chamomile, chicory, tussilago, achillea, origanum, valeriana, St John's wort, henbane, blueberry, plantago, urtica, motherwort, etc. There are many plants endemic to the Caucasus and included in the "red list".

Most of the animals, common for Kazbegi, are included in the list of rare and almost extinct types and the "red list": East Caucasian tur, chamois, brown bear, lynx. Forest marten, forest cat, rabbit, squirrel, etc. are also encountered.

Snow avalanches, mudflow, floods and riverbank washouts are the natural threats, widespread in the municipality.

Landslide occurrences are less common in the municipality.

Based on the census of 2014, municipality population is 3,795 individual⁴.

⁴[Results of the 2014 population universal census](#)

As a result of adoption of the Law of Georgia On Development of High-mountainous Regions, during the year 2016, registration of permanent residents of the municipality is to be conducted which will enable to verify the number of permanent residents. Density is 4.5 individuals/km², which is considerably lower than the average indicator in the country (67 individuals/km²).

Kazbegi municipality is divided into 6 sakrebulo: Stepantsminda, Goristsikhe, Sioni, Sno, Kobi and Gudauri. There are officially 47 villages in the municipality, although only 25 of them have permanent residents.

Administrative centre is Daba Stepantsminda, which is located 150 kilometers, or approximately 2.5-3 hours away from Tbilisi. It is also located 12 kilometers or 10 minutes away from the Russian border and 45 kilometers, or approximately 1 hour away (not counting the time necessary for crossing the border) from Vladikavkaz, which is the regional capital of North Ossetia.

Daba Stepantsminda consists of Stepantsminda, village Gergeti, village Tsdo and village Gveleti. However, the settlements included in one daba cannot be viewed as one whole in terms of socio-economic situation. Stepantsminda and Gergeti generally differ considerably from other settlements of Kazbegi (Stepantsminda and Gergeti - according to the data of 2014, 1,326 residents). While the population of Kazbegi is greatly dependent upon small-scale agriculture, only sufficient for sustenance, population of Stepantsminda and Gergeti is benefitting considerably from the quickly-growing tourism sector.

6.2 Disconnection between sectors

Despite a high rate of tourist activities in the municipality, tourism in general is benefitting local village population very little. Rural population mostly subsists on pension, social allowance and small-scale agricultural activity. Kazbegi municipality is less developed in terms of agriculture, which is mostly related to its being highly mountainous and scarcity of land. Animal farming and potato production are the more or less developed branches.

6.3 Agriculture

Traditional branches of agriculture in Kazbegi municipality are sheep farming, cattle farming and potato production. Agriculture is less developed in conditions of scarcity of land in the municipality. Based on the data submitted by Kazbegi municipality, agricultural land in the municipality constitutes 45610,34 hectares, of which 62,34 ha is arable land, 3274 ha is mowing lands and 42274 - pastures.

Based on the data of agricultural research, conducted by the Biological Farming Association Elkana within the ENPARD Local Action Group Project, a large part of the population is employed in traditional family farming and produces agricultural products for domestic consumption. Farms have small land plots, while income from agricultural activities constitutes 1/3 of the already meager family budgets.

Almost one third of the families have only one source of income.

3-4 types of traditional agricultural branches are predominant in the municipality (sheep farming, cattle farming, potato production, producing forage on mowing lands and, on comparatively smaller scale, beekeeping), all of which are managed by dated and inefficient methods. Cattle and sheep farming proceed according to the traditional nomadic rule and on the background of insufficient pastures. Animal productivity is low. Beekeeping has a small share within the region's agricultural

sector but it has the highest cost-efficiency, while potato production is characterized by dated seed material and traditional technologies. Beekeeping has the highest financial efficiency but the smallest scale.

There is a shortage of information and technical consulting in the municipality's agricultural sphere. Most of surveyed families look at agriculture only as at an additional activity, oriented towards own consumption, not as at a business. Due to this, local agricultural produce is not competitive even at the local market.

Accessibility of inputs (apart from animal farming) and financial resources is low, while labour force is unqualified and infrastructure - inconsistent. Agriculture has small scale and low effectiveness, while restriction of use of those resources (pastures, low price energy carriers), on which this sector was based in the past, predetermines decline of traditional farms.

Products produced in the municipality are distinguished with high quality in terms of taste, but complete incompliance with consumer standards. Due to this and also due to small volumes of produce, it is sold through simple methods (on the spot, among neighbours, etc.) and cannot access other markets of the region, which are supplied from other regions of Georgia. Local businesses (hotels, restaurants, shops) have demand for local products, but they refrain from buying them, due to lack of standards of produce, as well as lack of regulation of the legal aspect and instability of the supply. Scarce production also predetermines non-existence of processing plants in the municipality. Unfortunately, farmers do not have any motivation to change the existing situation and become suppliers of agricultural products for local businesses, who are mostly being supplied with agricultural produce imported from other regions of Georgia. We can name only one positive example here, of the local mushroom-producing farmer who supplies stores with his products.

The situation of such traditional branch as meat and dairy animal farming should also be noted. The biggest obstacle to development of meat producing animal farming and meat production in general is non-existence of a slaughterhouse in the municipality, due to which food industry objects and stores are not able to consume local meat products. This priority was identified at all working meetings of the agricultural group and is one of the significant problems of the municipality.

In conditions of new state regulations of milk processing and cheese production, in Kazbegi municipality this activity is completely out of the scope of legal business.

One of the interesting directions is collection and processing of wild plants and cane berries, for which there is quite high demand on the spot and also in other regions of Georgia.

6.4 Tourism

Kazbegi is one of the most popular touristic locations in Georgia. Apart from the Gudauri ski resort, Kazbegi offers to tourists Mount Kazbegi – one of the most famous symbols of Georgia and the Caucasus and the most accessible 5 thousand meter peak in the country. Apart from the Gergeti Church of Holy Trinity, which many tourists come to visit, there exist multiple opportunities for fulfillment of touristic interests in the municipality. There are hundreds or even thousands of beautiful hiking trails, in Kazbegi National Park and on its adjacent territories.

For the purpose of researching tourism opportunities in Kazbegi, within the frames of the ENPARD Local Action Group Project there was conducted a study, which made it possible to see a real picture in the tourism sphere. The study included desk research and review of publically available data, a

survey of guesthouses and hotels, visits to touristic sights, as well as a quantitative and in-depth survey of tourists and service providers.

Data of the research of visitor accommodation possibilities relies on the subjects registered in the GEOSTAT database and on booking.com. There are considerable differences between family hotel offers, most of them belong more to the category of family guesthouses, than to more structured hotels. The real picture is different and it is likely, that considerably more families in the municipality accept tourists, apart from Gudauri.

Despite the fact that tourists generally gave a high evaluation of touristic sights, research has identified infrastructural problems almost everywhere. Apart from the centre of Stepantsminda, there are practically no English or Russian language signs anywhere, which would assist tourists in orientation in the city and on adjacent territories, in finding the hiking trails and enjoying the local culture, flora, fauna and geography. There are no toilets, stores or restaurants in many tourist spots. It may turn out to be quite difficult to find the family hotels, booked in advance, even from the city centre.

Family guesthouses offer comparatively cheap services to tourists, although tourism companies often express dissatisfaction due to scarcity of reliable “medium class” services. Practically, there is one high class hotel in Kazbegi and many comparatively lower class places to stay, but there are no medium class hotels. Emergence of Kazbegi Rooms hotel was a significant event for development of Kazbegi, as a serious touristic destination. However, a four-star hotel is an expensive luxury for the majority of visitors in Kazbegi. Apart from the Rooms hotel, other places where one can stay in Kazbegi are mostly cheap family guesthouses, which offer good prices to visitors, but often cannot offer even the simplest services to their guests, such as individual bathrooms for the rooms or a simple menu choice, which tourists nowadays often demand.

Due to the fact, that there is no infrastructure, especially hotels in Kazbegi, aimed at tourists with an average budget, most of the visitors come only for one day, to see Mount Kazbegi and Gergeti Holy Trinity Church. Consequently, Kazbegi is an “easy to reach” place from Tbilisi, at the distance of 2.5 hours by car. Kazbegi is also very close to the Russian border, where the population is quite large. Vladikavkaz, with its population of 300 thousand individuals, is only one hour away from Stepantsminda. Consequently, Kazbegi could be a short stop from tourists entering the country from Russia.

Two more issues need to be distinguished, since they reflect the general situation related to tourism in Kazbegi. Tourists often want to go to a restaurant in the evening, instead of staying at the family guesthouse. In this respect, their choice is quite limited. It is strange for a touristic destination, such as Kazbegi, that late in the evening none of the restaurants are open and there are no places for entertainment, such as bars, unless we count the quite expensive Rooms hotel.

Thus, the existing general situation hinders the use of tourism in order to accumulate wealth in the municipality. Local interests often oppose change, despite the fact, that such changes could be beneficial for the region. The fact that local drivers oppose conduction of repairs on the road to Gergeti Holy Trinity Church, since they consider, that this will harm their expensive service model is a good reflection of the essence of this problem. Kazbegi remains fixed in the old tourism business model, where the main goal is to receive much profit from a small number of short-term visitors, rather than offering quality and reliable services, in order to attract large numbers of long-term visitors.

Based on information received from community consultations, Kazbegi LAG members and various sources, the problem of migration is quite serious. This mostly concerns young people who have left the municipality in order to receive higher education, as well as young parents, who move to Tbilisi in order to give better education to their children.

6.5 Healthcare

In Kazbegi municipality, pharmacy services are available only in daba Stepantsminda and a multi-profile medical center is also located in Stepantsminda.

Village doctor and nurse services are very weakly developed, due to shortage of qualified staff and lack of relevant infrastructure.

In most cases, population refers to medical service suppliers in Tbilisi.

Resolution of indicated problems, through relevant research and advocacy, will significantly affect the number of permanent residence and quality of life.

6.6 Public infrastructure and social issues

Land registration still remains a problem in Kazbegi, as well as in all of Georgia. A very small portion of those, who possess land, have it properly registered in the cadastral registry, although this is expensive. This creates confusion related to both privately owned and communal land. Despite the fact that there are currently no serious problems of any type, this confusion may create significant problems in the future.

All main activities in Kazbegi municipality are gathered in Stepantsminda, including the sakrebulo and gamgeoba, central government offices, police, hospital, fire service, several schools, kindergarten and a newly opened House of Justice, as well as hotels and guesthouses, restaurants and other businesses, which are mostly related to tourism.

Unfortunately, it has become complicated for residents of other villages to use these services.

The problem of internal transportation in the municipality is unresolved. Local bus, which is funded from the municipal budget, functions only in the mornings and evenings, while during the day public transport is not accessible for the population. Individuals arriving from villages to Stepantsminda in the morning have to lose the whole day, due to the fact that the next bus will travel only in the evening. In such conditions, young people often cannot use sports or cultural infrastructure. Transportation problem is especially serious for pensioners. Resolution of the internal transportation problem was named as one of the most important priorities at almost all community or working meetings.

Quality of the Internet is generally good in Stepantsminda, but it becomes worse farther from the centre, while even cell phone connections are not reliable in some of the villages. Farther from the centre, we rarely encounter stores and roads are in far worse conditions.

According to the data of the Social Service Agency, there are about 900 pensioners in Kazbegi, which equals approximately ¼ of the region's permanent population. The number of those who receive targeted social allowance is comparatively higher and equals approximately 1000 individuals (450 households). This means, that 30% of Kazbegi households receive targeted social allowance, which, in its turn, is considerably higher than the average indicator in the country. It is self-evident, that the

large number of targeted social allowance recipients points to a high poverty rate, while at the same time emphasizing the importance of assistance in high-mountainous regions.

Also according to the SSA data, there are 86 persons with limited capabilities registered in Kazbegi. In Kazbegi, similarly to the rest of Georgia, there is either no proper infrastructure for persons with limited capabilities or it is very weakly developed.

Same as in other high-mountainous settlements, where the rate of migration of young residents is high, approximately 25% of the local population of Kazbegi receive state pensions (for comparison, only 15% of the population countrywide receive pensions). Approximately 30% of households receive targeted social allowance (TSA), which is issued based on financial needs of the families. This percentage is considerably higher than the national rate, that constitutes 12%, which partly emphasizes relative poverty of the region.

Based on the survey, 57% of Kazbegi population consider themselves “unemployed”, which is not such a poor rate, as it may seem at first. For comparison, based on regular surveys, conducted by the National Democracy Institute (NDI) on various topics in the whole country, only 33% stated, that they have a job.

A large part of employed individuals in Kazbegi are concentrated in state-paid services - 26% are employed by the state (mostly as teachers) and only 17% are employed in the business sector. This may simply be a reflection of the small numbers of population in Kazbegi and the fact, that delivery of main state services requires employment of a large portion of the population compared to other sectors. Based on the survey, the list of five largest employers includes schools and kindergartens, special emergency service, Rooms hotel, hydro-electric plant and border police. This also indicates, that the increase of teachers’ salaries, envisaged by the new Law on High-mountainous Regions, can significantly affect Kazbegi.

Within the frames of the LAG Project, ongoing with support from ENPARD, according to the results of Kazbegi municipality baseline research, conducted by the Project’s partner organization GeoWel Research, 57% of adult respondents are unemployed. The largest employer in Kazbegi municipality is the state. 26% of surveyed respondents aged above 18 are employed exactly in public structures (mostly public schools), while 17% are employed in private structures. The situation in terms of employers is relatively different in Stepantsminda, where the number of private employers equals the number of employees in public structures. Consequently, 50% of surveyed respondents state, that they are employed in the private sector. However, when discussing the numbers of those employed in the private sector, the self-employed and the unemployed, we should take into account that indicated data may not be accurate, due to non-existence of official statistics.

6.7 Education

45% of the adult population of Kazbegi have received higher education, while 29% have received vocational education, which means, that only $\frac{1}{4}$ of the population have not received post-school education.

There are also problems related to schools, especially farther from the centre. In the municipality which consists of 25 villages there are 7 schools, located in such a way that some villages are quite far from all of them. Both schools of Stepantsminda, despite the fact that one of them (St. Ilia Gymnasium) is furnished and equipped better than other public schools – have, as a minimum, computers, sports ground and a heating system. In other schools, apart from Arsha and Sioni, they are using firewood stoves for heating, while other equipment simply does not exist. One of the reasons for migration of large numbers of the population to Tbilisi was named to be exactly the desire of families to take their children to better schools.

School	Number of students	Number of teachers
Stepantsminda St. Ilia Gymnasium	136	20
Stepantsminda public school	97	25
Village Arsha public school	81	21
Village Goristsikhe public school	39	15
Village Sioni public school	102	19
Village Sno public school	39	18
Village Kanobi public school	1	5

In some public schools, for example the public school of village Kanobi, it is not possible to continue studies after 5th grade. In general, transportation of students is expensive, while quality of education is low. The situation is relatively different in Stepantsminda. There are only two schools functioning in the daba. Despite the fact, that one school (St. Ilia Gymnasium) is technically better equipped, than the other public school, it can still be said, that there are elementary conditions for education in both schools, since they have computers, sports equipment and central heating. As to other settlements, apart from the schools of the villages Arsha and Sioni, heating is provided by means of firewood stoves, while any other additional technical equipment simply does not exist. As to pre-school education, kindergartens are mostly functioning on the same premises as schools. There is the total of 7 kindergartens in the region, in which 172 children are enrolled.

Table 1: Adult population education profile in Kazbegi

Higher education or currently in college	45%
Vocational education	29%
Secondary education	26%

It is interesting, that three fourths of the population have received post-school education. 1/3 of this group have diplomas confirming vocational education. It should also be noted, that currently the number of individuals enrolled in vocational educational institutions is currently quite small among the surveyed group. It is likely, that during the Soviet period, population of Kazbegi had more opportunities of studying in vocational schools. There are currently no vocational education institutions in Kazbegi or the whole Mtskheta-Mtianeti region.

6.8 Culture

Women's ensemble "Didebai", young men's ensemble "Eroba", young men's vocal ensemble and children's folk ensemble of musical instruments are functioning at the House of Culture of Kazbegi. There also functions a Students' House, where children attend various classes and club activities. 4 villages have libraries. Wide-scale cultural events and festivals are rarely held in the municipality.

6.9 Environment protection

The local government budget of 2014 constituted GEL 6.08 million, while in 2013 it was GEL 3.85 million. A large portion of this additional funding has been spent on "communal infrastructure development". It is an interesting fact, that expenditures allocated for education have doubled (meaning pre-school education), but expenses related to environment protection have diminished by 50%.

Out of the environment component, the main part of the budget is being spent on resolving the problem of groundwater. Compared to 2014, expenditures related to improvement of communal infrastructure have been increased by GEL 2 million. However, it is interesting that the only item of classification under the component of improvement of communal infrastructure is "other unclassified communal management".

There is a National Park in Kazbegi municipality, expansion of which is planned to take place in 2016-2107.

7. Main challenges and development priorities

This strategy is a guiding document, for 2016-2020, for the Kazbegi LAG, as well as for other local groups and stakeholders. The strategy should facilitate sustainable development of Kazbegi municipality. The strategy reflects problems identified by local population and facilitates investment into priority spheres.

Kazbegi LAG has prepared a SWOT analysis of the municipality, in order to identify development priorities and plan investments accordingly.

Strengths	Weaknesses
<ul style="list-style-type: none"> - Clean environment; - Diverse natural resources for development of summer and winter tourism; - Rich ethnic and folk handicraft traditions; - Rich water (including mineral water) resources; - Diversity of plant life, characteristic of the Alpine zone; - Resources for development of fish farming and beekeeping; - An internationally significant route crossing the municipality; - Almost all villages are being supplied with natural gas; - There are water supply and plumbing systems in daba Stepantsminda and several villages; - The municipality is one of the most popular tourism destinations; - Proximity to the capital and stable automobile communication; 	<ul style="list-style-type: none"> - A very high rate of migration of young people; - A very low level of knowledge of foreign languages; - Lack of skills necessary for delivery of tourism services; - Undeveloped tourism infrastructure; - Inefficient system of residential waste management, especially on touristic routes and near tourism sights; - Lack of infrastructure of stops, necessary for international cargo carriers; - Poor water supply system; - There are no complete or unified sources of information about tourism services in the municipality; - There is no widely accessible information database about investment opportunities in the municipality; - Inefficient healthcare system; - There is no complete and available statistical data; - Non-existence of internal public municipal transport; - Shortage of tourism auxiliary services and production; - Non-compliance of qualification of local population with employment and self-employment opportunities; - Non-existence of educational resources in the municipality for acquiring specific occupations and employment skills; - Poor road infrastructure in villages located far from the central highway; - Non-existence of safe pedestrian traffic means along the central highway;

	<ul style="list-style-type: none"> - Tourism is developing unevenly; all villages cannot benefit from tourism; - There are no modern banking services on the spot and no available information about business sport programs; - Low productivity of local agriculture, due to household economy character; - Low activeness and involvement of the population in public life; - Undeveloped small business of consumer services; - Non-existence of a slaughterhouse, as a result of which farm animals are taken to slaughterhouses outside the municipality and then brought back, which increases the price; - Dairy product production fails to satisfy consumer and legal requirements; - There exist no specific services for groups with special needs; - There is no recreational and entertainment infrastructure; - There is no access to the Internet in most settlements; - Non-existence of an advance warning and damage mitigation system in the municipality (natural disasters and emergency situations).
Opportunities	Threats
<ul style="list-style-type: none"> - There exist good opportunities for producing ecologically clean agricultural products in the municipality; - Diverse opportunities for development of (both summer and winter) tourism products: extreme and adventure tourism; agro-tourism; cultural and pilgrimage tourism; ethnic tourism; bicycle and horse riding; hunting; improvement of camping and picnic 	<ul style="list-style-type: none"> - Natural disasters; - Decline of relations with Russia; - World economic crisis, which would affect the tourism sector in Kazbegi; - The municipality being completely dependent upon only one source of income; - Import of pesticides and other chemicals and introduction of their use in agriculture;

<p>spots; winter resorts. There is potential for engaging new segments;</p> <ul style="list-style-type: none"> - Opportunities for production of herbal tea, spices and medicaments; - Production of sea buckthorn and cane berry products; - Water production (i.e. mineral); - Development of manufacturing of folk handicraft souvenirs; - Wool processing; - Development of new tourist routes and services, through engaging remote villages; - Transforming abandoned villages into cultural–ethnic complexes; - Partial replacement of imported agricultural produce with local products; - Development of fish farming and beekeeping; - Holding national and international scale festivals; - Establishing specialized mountain educational centres; - Development of mountain biking; - Development of environmental transport in the municipality – public bicycle trails; 	<ul style="list-style-type: none"> - Destruction of wild plants, due to non-compliance with the standards of their collection; - Decline of environmental situation, as a result of contamination with residential and industrial waste (drinking water, soil).
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Apart from specific challenges, as a result of consultations with the population and work with the Kazbegi LAG, several cross-cutting issues have been identified: environment protection, insufficient institutional capabilities of local (public and private) services, migration of young people and depopulation of villages.

Based on these challenges, 5 priority objectives and 7 priority sectors have been identified in Kazbegi municipality, which will contribute to rural development, as well as attraction of other resources and engaging new partners.

Priority objectives

- Increase of productivity and efficiency of existing directions of agriculture and introduction of new promising directions;
- Support to development of tourism services and establishing of diverse income sources in villages;
- Facilitation of improvement of the quality of life of Kazbegi population;
- Contributing to decrease of migration from Kazbegi;
- Facilitation of introduction of environmental practices.

Priority sectors

- Agriculture
- Tourism and other non-agricultural business
- Public infrastructure
- Education, sport and culture

Cross-cutting priority sectors

- Environment protection
- Support to young people
- Strengthening institutional capacities

This Table includes all priority sectors, target groups and expected results.

Agriculture sector

Priority task 1	Increase efficiency and productivity of agricultural products
Planned result	<ol style="list-style-type: none"> 1. Increased productivity in traditional agricultural branches 2. Improve product quality by implementing innovative technologies and practices 3. Increase of income of local farmers from agriculture 4. Better market access (for locals as well as for Tbilisi residents)
Indicator	<ul style="list-style-type: none"> ➤ Statistic data from local information-consultation center: according to produced agricultural products on per hectare in the municipality ➤ Implement technologies orientated on increase productivity in farming, on Agriculture information and consultation center data basis
Cooperation with other sectors/organizations	<ul style="list-style-type: none"> • Ministry of agriculture and it's sub-agencies • NGO's supporting agricultural sector • Business organizations for agriculture services • Farms and successful farmers in Georgia and in other countries.
Duration	2016-2020

Potential directions	<ul style="list-style-type: none"> • Implement new experience, methodology and equipment in Kazbegi (For example: implement drip systems and so on). • Support to open vet service and plant growing centre • Facilitation of implementing food safety standards • Establishing and developing cooperatives • Support to agricultural products diversification • Support to production, packaging ,branding and market accessibility • To strengthen opportunities of existing or start up agricultural services (private or public) • Support to promote new, effective agricultural businesses for Kazbegi (pig growing, poultry and so on) • Support to improve accessibility to qualified potatoes seed material • Contribute to energy-efficient and eco/bio practices • Cooperation with environment protection sector
Priority task 2	Contributing to the reduction of migration
Planned result	<ol style="list-style-type: none"> 1. Youth involvement in agriculture sector 2. Increase employment opportunities in agriculture sector 3. Attracting professional staff in agriculture sector
Indicator	<ul style="list-style-type: none"> ➤ Statistic data from local agriculture information and consultation center: youth involvement in farming. ➤ Demand for professional and non-professional education in agriculture sector ➤ Youth interesting by involving them in agricultural projects
Cooperation with other sectors/organizations	<ul style="list-style-type: none"> • Cooperation with professional and high educational institutions • Coparation with governmental and non-governmental orgazniations orientated on education
Duration	2016-2020
Potential project directions	<ul style="list-style-type: none"> • Encourage youth projects in agriculture sector • Support those initiatives, that will return permanent residents • Support education initiatives in agriculture sector
Priority task 3	Contribute to ecologically safe practice in agriculture sector
Planned result	<ol style="list-style-type: none"> 1. Eco/bio practice promotion and implementation 2. Accessibility to information about eco/bio practice and medicines (For example. Organic fertilizers)
Indicator	<ul style="list-style-type: none"> ➤ Number of farms, that will implement eco/bio production methods

	<ul style="list-style-type: none"> ➤ Accessibility to information about eco/bio practice and medicines for local farmers (For example. Organic fertilizers)
Cooperation with other sectors/ organizations	<ul style="list-style-type: none"> • Organizations supporting eco/bio productions • Private sector-organizations engaged in delivering medicines and service
Duration	2016-2020
Potential project directions	<ul style="list-style-type: none"> • Eco/bio production promotion and support • Accessibility on eco/bio means • Support to eco/bio production standardization and branding

Tourism and other non-agricultural businesses

Priority task 1	Contribution to touristic services development and income diversification in the villages
Planned results	<ol style="list-style-type: none"> 1. More residents of remote villages have benefit from tourism sector 2. More services developed connected to a tourism 3. Youth more involvement in tourism 4. Strengthened cooperation between farmers and touristic service providers 5. Improving business service quality 6. Different and innovative products and services developed in Kazbegi
Indicator	<ul style="list-style-type: none"> ➤ New registered touristic and service providers number in villages ➤ Increase the share of local production in the services sector raw materials ➤ Number of new service and production (after 2016) ➤ Number of businesses ,which will implement standards for service improving ➤ Tourism and non –agricultural sector initiative number, which comes from youth
Cooperation with other sectors/organizations	<ul style="list-style-type: none"> • Governmental structures, which support tourism development • Different sector structures supporting tourism (For exapmle. culture, monument protection and so on • Private sector, which will have initiative to implement new service in Kazbegi • Educational institutions and organizations
Duration	2016-2020
Potential direction	<ul style="list-style-type: none"> • Night stay and innovative food service offer support in villages far from the center • Sthrengthen those public and private institutions, which support tourism and business development in Kazbegi • Touristic service providers and potential eployers capacity building • Initiatives in income diversification (agro-tourism and so on) • Cooperation between sectors (agriculture and tourism)

	<ul style="list-style-type: none"> • Arranging touristic infrastructure (velo-tracks, ski slope, ice squares) • Tourism related products production. For example souvenir producing • Tourism related services: <ul style="list-style-type: none"> - Developing extreme tourism - Supporting competition and festival arranging - Rehabilitation tourism development - Culinary, crafts workshop arranging - Photo-hunting development • Other innovative products/services development for Kazbegi Municipality • Support different household services • To produce production that is required locally but nowadays is delivered in Kazbegi from other regions.
Priority task 2	Contributing to decrease migration
Planned result	<ol style="list-style-type: none"> 4. Increasing number of permanent residents 5. Migration decrease by developing small and medium size business
Indicator	<ul style="list-style-type: none"> ➤ Increasing number of permanent residents employed and self-employed in local population ➤ Demand on professional and nonprofessional education ➤ Youth interesting by involving them in business projects
Cooperation with other sectors/ organizations	<ul style="list-style-type: none"> • Cooperation with professional and high educational institutions • Cooperation with governmental and non-governmental organizations oriented on educational activities • Cooperation with business develop supporting organizations (business associations and so on)
Duration	2016-2020
Potential project directions	<ul style="list-style-type: none"> • Support of household business service • Improving existing touristic service and production • Providing new touristic and non-touristic service production • Service development oriented on existing business sector demands • Energy efficient practice in tourism and other business • Creating accessible information about local sightseings, culture and historical monuments, services

Education, culture, sport, community infrastructure and environment protection

Priority task 1 -Education	Formal and non-formal education development- increase accessibility
Planning results	<ol style="list-style-type: none"> 1. Youth and adult education opportunities in Kazbegi 2. Increasing income and employment by receiving professional and non-formal education 3. Infrastructure and service quality increase of education service provider

	<ol style="list-style-type: none"> 4. Migration reduction because of education service accessibility 5. Life quality increase by increasing accessibility to educational services
Indicators	<ul style="list-style-type: none"> ➤ Number of educational service providers ➤ Number of population interested in educational service ➤ Number of increasing educational initiatives/projects
Cooperation with other sectors/ organizations	<ul style="list-style-type: none"> • Providers of formal and non-formal education providers- in Kazbegi as well as in other places • Professional and high institutions • Different organizations and funds who work on education accessibility • International partners
Duration	2016-2020
Potential directions	<ul style="list-style-type: none"> • Support of digital libraries/self-education opportunities • Support of strengthening local institutions, educational capacity/service delivery for local residents • Popularisation of professional education • Practice based education popularisation (promoting existing business by implementing training programmes)
Priority task 2 – Community infrastructure	Improving life quality of Kazbegi residents - accessibility on services
Planned result	<ol style="list-style-type: none"> 1. Increasing accessibility of public/community infrastructure for different groups 2. Migration reduce in remote villages 3. Decreasing development and life quality level difference between Stephantsminda and villages
Indicator	<ul style="list-style-type: none"> ➤ Population satisfaction index ➤ Permanent resident number increase ➤ Community infrastructure improving initiative number increase
Cooperation with other sectors/organizations	<ul style="list-style-type: none"> • Cooperation with local, regional and central governmental structures • Private sector organizations oriented on service improving
Duration	2016-2020
Potential project directions	<ul style="list-style-type: none"> • Support for local transport system improving • Community infrastructure for different groups (Women, youth, children, elders and so on) • Light equipment for communal services and cataclysms harm reduction

	<ul style="list-style-type: none"> • Rehabilitation and conservation of cultural and historical heritage • Greening • Community infrastructure – education, sport, culture • Initiatives for improving mobile and internet coverage
Priority task 3 -culture	Popularization of Kazbegi Cultural heritage and culture
Planned result	<ol style="list-style-type: none"> 3. Enlarged cultural life and social involvement on municipality and village level 4. To list cultural monuments and provide better protection 5. Improve capacity opportunities for local culture and art sector representatives 6. Increased cooperation between sectors-culture and tourism sectors 7. Variety of cultural life will support migration reduction
Indicator	<ul style="list-style-type: none"> ➤ Monument protection activities ➤ Number of cultural activities ➤ Number of multi sectorial projects/activities
Cooperation with other sectors/organizations	<ul style="list-style-type: none"> • Governmental and non-governmental organizations for culture and monument protection • Art and traditional craft supporting organizations • Local, regional and central government structures • International partners
Duration	2016-2020
Potential project directions	<ul style="list-style-type: none"> • Cultural events and activities • Organizing cultural innovations and activities • Popularisation of local art and craftsmen • Support of youth initiatives in culture sectors • Innovative ideas in culture • Initiatives of monument protection
Priority task 4 – Sport	Support of professional sport and healthy lifestyle
Planned result	<ol style="list-style-type: none"> 1. Improve access to professional sport for youth and adults 2. Community infrastructure for healthy lifestyle popularization
Indicator	<ul style="list-style-type: none"> ➤ Support activities for professional sport teams/athletes ➤ Number of sport activities ➤ Community initiatives for developing sport infrastructure
Cooperation with other sectors/organizations	<ul style="list-style-type: none"> • Governmental and non-governmental organizations supporting sport • Sport associations/federations • Local, regional and central government structures

	<ul style="list-style-type: none"> • International partners
Duration	2016-2020
Potential project directions	<ul style="list-style-type: none"> • Support of sport teams and clubs • Community infrastructure • Support of youth initiatives in sport sector
Priority task 5- Environment protection	Environment protection and education support
Planned result	<ol style="list-style-type: none"> 1. Environmental capacity building 2. Environment protection practice implementing 3. Nature resource protection and sustainable use 4. Life quality improvement
Indicator	<ul style="list-style-type: none"> ➤ Number of environment protection events ➤ Implement environment protection technologies and practices
Cooperation with other sectors/organizations	<ul style="list-style-type: none"> • Governmental and non- governmental organizations for environment protection • Kazbegi National Park • Local, regional and central government structures • International partners
Duration	2016-2020
Potential project directions	<ul style="list-style-type: none"> • Alternative energy working equipment popularization • Soil and natural resources management improvement initiatives • Waste diversification improved systems • Greening activities – squares, parks , forste coverage expansion support • Capacity building in energy efficient and resource sustainable use • Environment protection technologies and practice implementing in different business sectors

Development opportunities

While taking into account the situation in the sphere of business and agriculture in Kazbegi municipality, as well as disconnectedness between sectors, municipality development is possible only through economic diversification. It is necessary to increase efficiency of existing directions and to establish sustainable mechanisms of cooperation between them, as well as to introduce new technologies and approaches and facilitation of creation of new services (including utilities). At the same time, thinking about development is not possible in conditions of considerable rates of migration of local population, especially young people. Main priorities of development of Kazbegi municipality are tourism and agriculture.

It is necessary to improve quality of utility services and create a diversity. Apart from improvement of employment and business opportunities, it is necessary to promote development of social-cultural services.

The Law on Development of High-mountainous Regions, which came into force in January 2016, is likely to stimulate citizens in creation of new businesses in Kazbegi municipality.

Municipality communities and, in frequent cases, separate villages differ in terms of development opportunities. While tourism is more developed in Stepantsminda and some villages, there are communities and villages, which have more potential in terms of agricultural development. In a comparatively long-term perspective, all villages of the municipality have some prospects in the direction of development of agro-tourism.

Agriculture

In those villages, where there are opportunities for development of farms, it is necessary both to increase efficiency of traditional branches and to support development of new promising directions, as well as to facilitate creation of product value chains.

Increase of efficiency and development of traditional activity - meat production, is impossible without legalization of this business.

In order to give momentum to development of meat producing animal farming at this stage it is necessary to overcome the most serious obstacles: 1) a slaughterhouse organized in compliance with requirements of Georgian legislation - in order to deliver meat to consumers legally and according to relevant standards and 2) establishing veterinary services and introducing new effective approaches in animal farming. In such case, animal farming may turn into an effective business direction.

Another traditional direction - potato growing, due to scarcity of land in Kazbegi municipality is unlikely to compete with the regions which produce potatoes, but for internal consumption it is necessary to introduce modern approaches in this sphere, in order to increase efficiency of this branch.

Dairy animal farming - based on information provided by the municipality gamgeoba, the number of heads of cattle in the whole municipality is 3581. In conditions of this number of cows with low milk yields, establishing an enterprise is not cost-effective. Development of dairy products is possible only through introduction of standards in small household farms.

Introduction of new effective crops

Strawberry and lettuce production began in the municipality during recent years, within the frames of the USAID NEO Project. In case of resolution of marketing issues, this direction has quite an interesting potential for development.

Tourism

One of the main priorities of Kazbegi municipality development is tourism. Development of both winter and summer touristic services is possible here.

One of the issues which are comparatively easy to resolve could be installation of traffic and street name signs in Stepantsminda or installation of detailed information boards at significant touristic locations.

It is important to develop digital bases and maps for identification of tourism service providers. In terms of socio-economic development, it is necessary to work with tour companies in the direction of dissemination of information about lesser known or equipped touristic sights and routes. This will contribute to redistribution of the benefits, received from tourism, not just in Stepantsminda but also among residents of other settlements of the municipality. This initiative may also turn out to be interesting for tourists. According to the results of research of touristic potential of Kazbegi, three main versions of development of lesser known routes or sights have been identified. However, there may be considerably more opportunities in the region, increase of the level of information about which needs certain facilitation. Initial suggestions are listed below:

In Kazbegi municipality there used to exist several small skiing slopes. It is possible to create an infrastructure in this direction –small skiing lifts. This will be quite attractive during winter seasons, especially for development of small-scale family tourism.

For safety of tourists ascending Mount Kazbegi it is necessary to establish at least simple rules/regulations. Introduction of such significant changes, as, for example, special fees and a mandatory guide seems unrealistic at the moment. However, in cooperation with the government, it is possible to install direction and safety signs, as is common practice for mountain peaks.

Other directions

Apart from agriculture and tourism, Kazbegi municipality's potential provides opportunities for development also in other directions.

Drinking and mineral water resources provide opportunities for opening several enterprises in the municipality.

It is possible to produce both medicinal and other products from the wild plants.

8. Stakeholders interested in the strategy, potential partners and beneficiaries (target groups)

Stakeholders interested in Kazbegi strategic development plan can be divided into four groups:

At the local level these are local self-government and government and their subordinate agencies, business sector, NGOs, local services of the Ministries of education and healthcare, administration of Kazbegi National Park, rescue service, municipality population.

At the regional level: the Administration of State Representative governor in Mtskheta-Mtianeti region; regional structures and business sector.

At the national level: Ministry of Agriculture, Ministry of Labour, Health and Social Affairs, Ministry of Education and Science, Ministry of Economy and Sustainable Development, Department of Tourism, Local Action Groups established in Borjomi and Lagodekhi municipalities, mountain sport and hiking unions, all the private or public structures working in the direction of socio-economic development.

At the international level: ENPARD, NNLAG, international state and non-governmental structures, international business associations, population which has emigrated from the region and country.

Kazbegi development strategy beneficiaries are both the population and public and private structures functioning in the municipality.

9. Legislative basis existing at the time of strategy development

The Law of Georgia on Development of High-mountainous Regions entered into force from January 1, 2016 and it completely covers Kazbegi municipality.

This law envisages both tax privileges for local business and certain economic stimulation of the population. These approaches should contribute to decrease of migration and emergence of new business activities in the municipality.

10. Cooperation between sectors

Cooperation between sectors means cooperation between various agencies (governmental, non-governmental, international, business. etc.). This cooperation also involves implementation of joint projects between the private sector and government institutions, which, in the final run, simplifies relations between people and contributes to general development of Kazbegi municipality. This also contributes to more communication between villages of Kazbegi municipality and, to a certain extent, removes isolation. One of the main goals of Kazbegi LAG is involvement in cooperation between these sectors and coordination with them, during implementation of various projects. Kazbegi LAG also unites local municipal, community and business groups, as well as groups of interest in Tbilisi and outside Georgia, which are interested in development of Kazbegi (Khevi).

11. Cooperation at international, state, regional and local levels

Kazbegi LAG carries out coordinated and targeted cooperation with all sectors, in compliance with this strategy. In cooperation with the NNLAG, various joint initiatives will be developed for deepening cooperation.

- **International projects and organizations in Kazbegi municipality:** Project supported by KFW and aimed at expansion and development of Kazbegi National Park; several business-projects, funded by USAID-NEO during recent years; several infrastructural projects, planned by the EBRD and World Bank, to be implemented in the future.
- **Cooperation at the national level:** Ministry of Environment Protection and Natural Resources, Agency of Protected Territories, Kazbegi National Park (cooperation with KFW). Project "Produce In Georgia" of the Entrepreneurship Development Agency of the Ministry of Economy and Sustainable Development. Ministry of Healthcare - first aid centres have been established together with the local municipality. Social Services' Agency; Ministry of Economy and Sustainable Development; Gudauri Development Fund.
- **Business projects at the national level:** Large touristic business - hotels of the winter resort Gudauri and adjacent infrastructure; Rooms hotel in Kazbegi. Hydro-electric plants (Dariali valley), company - Dariali Energy; company SOCAR-GEORGIA - natural gas supply; company Energo Pro Georgia - electricity supply.
- **Cooperation at the regional level:** Regional administration - Governor's Office of Mtskheta-Mtianeti. Regional administration coordinates and monitors cooperation between municipal and central governments.
- **Cooperation at the local level:** Kazbegi municipality Sakrebulo and Gamgeoba; small and medium business; Kazbegi municipal government, private sector and small and medium business. Medium business cooperates with all of the abovementioned sectors.

- **Small and medium business** is represented in the municipality as tourism business and agriculture. Tourism business includes small family hotels, touristic excursions and several popular routes. Agriculture - small animal farming and vegetable gardens, at the local consumption level.

Annexes:

- Grant competition management manual.