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LAG Akhalkalaki

Akhalkalaki Local Development Strategy 2018-2020

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AKHALKALAKI LOCAL ACTION GROUP
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Executive Summary

The Local Development Strategy (LDS) of Akhalkalaki Municipality reflects the modern principles of the EU-community-led local development (LEADER) approach, which supports stakeholder networking, appraisal and approval of local initiatives. An LDS is a strong tool for mobilising local resources and in supporting local economic, social, cultural and environmental development projects through a bottom- up approach.

The development of this LDS has been financially support by the European Union under the ENPARD project "*Promoting a New Rural Development Approach in Akhalkalaki*" implemented by Georgian Institute of Public Affairs (GIPA). Technical support was provided by consultants from the West Cork Development Partnership (Ireland), with additional input from the project partners, Mercy Corps and Elva Community Engagement.

The LDS has been developed using a consultative process and broad involvement of local population, communities, organisations and individuals representing different section of the Akhalkalaki municipality. Particular input was made by the members of the Akhalkalaki Local Action Group (LAG), which is comprised of 30 members. The composition of the LAG covers various actors from the public and private sectors operating in different areas such as agriculture, small and medium business, education, culture, sport, environment, protected areas, local government, state agencies and NGOs.

The LDS describes local challenges and focuses on the opportunities for future development via concrete solutions by specific socio-economic, cultural and environmental interventions. The overarching aim of the Akhalkalaki LDS is:

To improve quality of life, diversify local economy, integrate local population and make the municipality a better place to live.

To achieve this aim, the LDS proposes the following main objectives:

- **Extend local income and promote the sustainable deveopment of the local economy**
- **Improve social integration with a major focus on education, culture, youth and gender equality**
- **Extend local tourism potential and support the conservation & appreciation of the local cultural heritage**
- **Improve ecological environment and introduce environmentally friendly practices in the municipality**

This LDS seeks to achieve the stated aims and objectives through support for a variety of economic, social, cultural and environmental initiatives. Under the aforementioned ENPARD project, "*Promoting a New Rural Development Approach in Akhalkalaki*" funds are available to support projects that are in line with the LDS. These grant funds will be overseen by Akhalkalaki LAG, which is a key decision making body for assessing and selecting projects to be funded. Full details about the Local Action Group and the mechanism of the grant component under this ENPARD project are provided within this LDS.

The LDS was approvded by the Akhalakalaki LAG members on February 15, 2018.

1. Methodology - *Participative Planning and its objectives*

The Local Action Group (LAG) as a community-led entity has managed to identify and express community level challenges, visions and ideas for its future development and incorporate these within the Akhalkalaki Local Development Strategy (LDS). This document is based on a bottom-up approach and is in synergy with the vertical and horizontal strategic concepts prepared earlier by different regional, national and international actors. The LDS outlines the following key objectives to be achieved in the process:

1. Improve the quality of information used in identifying key challenges and opportunities in the SWOT analysis and in the design of objectives and strategic actions;
2. Ensure stakeholder engagement (on the local, regional, national and international level), shared ownership and commitment to the LDS and promote inclusivity in planning and implementation;
3. Increase public awareness and appreciation of the role of Akhalkalaki LAG and the EU-ENPARD programme and optimize for follow up and further engagement;
4. Engage communities in the planning process, which is in itself a means of capacity building, strengthening social capital and skills;
5. Facilitate interaction at local and sectoral level to improve the quality of analysis and problem-solving by engaging multiple voices and stimulating creative thinking;
6. Prioritise objectives and actions through extensive consultations in a transparent manner.

According to the Common Provisions Regulation (EC) 1303/2013, the LDS has been developed through integrated and multi-sectoral development strategies[1] and was guided by the *Guidance on Design and Implementation* provided by the European Network for Rural Development, May 2016[2].

The Community-led local development strategy (LDS) development process included the following steps:

1. Conducting a *Baseline Survey for Akhalkalaki LDS Development Study of the Community Problems and Needs* (Appendix 1). The survey was conducted in July 2017. Focus group interviews were conducted with participation of 209 local citizens, covering all local community groups in 22 territorial units of Akhalkalaki municipality.
2. Conducting interviews and consultations at the local level with local business (10 respondents), local government (7 respondents), providers of different services and programs (10 respondents) and Civil Society (5 respondents) sector.
3. Conducting desk research based on the secondary data. A regional and municipality based study was made to familiarize with policy documents, development strategies, research materials, existing and implemented projects/programs, statistical data, etc. In order to make sure that the priorities and objectives of the LDS were in line with regional and national strategies and policies the following documents were used for analysis as primary sources of information for development of the LDS:

- *Strategy for Agricultural Development 2015-2020*
- *Tourism Development Strategy 2014-2025*
- *Rural Development Strategy 2017-2020*
- *National Biodiversity Strategy and Action Plan of Georgia 2014-2020*
- *Samtskhe-Javakheti Regional Development Strategy 2014-2021*

[1] http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2013.347.01.0320.01.ENG

[2] https://enrd.ec.europa.eu/sites/enrd/files/enrd-guidance_lds.pdf

- *The Perspectives of Investment Attraction of Akhalkalaki Municipality, elaborated by governor's administration*

4. Conducting 14 thematic studies on priority topics and elaborating 4 strategic directions by the LAG members (October 2017) Appendix 2.
5. Undertaking SWOT analysis in 4 strategic directions (November 3-4, 2017).
6. Undertaking a strategic intervention workshop on 4 strategic directions, which provided results for the LDS aims, objectives, outcomes and indicators (November 5, 2017).
7. LAG's study tour to Ireland (November 18-25, 2017).
8. Conceptualizing the LDS (January 2018);
9. Approval of the LDS by the LAG members (February 15, 2018).

2. Local Action Group – LAG

The Akhalkalaki Local Action Group - the LAG is a civic platform composed of representatives of private, civil and public sector representatives and is based on voluntary membership. The LAG is based on the seven main principles of LEADER[3] approach: The development of the development strategy adjusted to the local context; Bottom up decisions; Involvement of private owners in the processes; Introduction of innovative oriented ideas; Integrated, multi-sectoral activities; Networking; and the Promotion of cooperation.

The LAG fulfills following tasks and duties:
a) Determines the priorities of rural development based on the analysis of the municipality's capabilities and challenges. As a result of consultation with communities, it reveals local needs and uses the current information and the national strategy for the development of community-led Local Development Strategy (LDS);
b) Provides full and comprehensive information to the Akhalkalaki community on the local development strategy and broadly disseminates information in the society on all procedures of submitting the grant applications and explains these procedures;
c) Creates transparent and non-discriminatory procedures of evaluation and selection for review and selection of sub-projects;
d) Accepts and evaluates the sub-projects in accordance with the priorities and criteria of the LDS;
e) Chooses strong sub-projects, defines the amount of financing and submits to the accountable body[4] for financing;
f) Carries out LDS, monitors selected sub-projects and evaluates their effectiveness and benefits to the municipality.

LAG Membership, Composition (Organizational Structure), Selection process, Rotation Policy and other institutional issues are regulated by the LAG charter (Appendix 3). According to the charter the LAG is administered by the LAG Chairman, who oversees the LAG's activities and assisted by two Vice-chairpersons. The Chairperson and vice chairpersons are selected by the LAG members. The chairperson is a private or civil sector representative, one vice-chairperson is from a private or civil sector, and another vice-chairperson from the public sector. The chairperson represents LAG in relations with third parties and in his absence vice chairperson from the private or civil sector represents LAG.

[3] *European LEADER (French acronym) approach means that solutions on rural development issues will be done more efficient with the participation of local private, public and civil sector*

[4] *Georgian Institute of Public Affairs and Mercy Corps are Accountable Bodies for project financing during 15/11/2016-15/07/2020*

A key body within the LAG is the Project Assessment Committee (PAC), which is responsible for assessing and providing recommendations to the rest of the LAG members on the project applications for funding. The members of the PAC are elected by the members of the LAG from its members. The composition and competency of the PAC is regulated by the LAG charter (Appendix 3). The PAC does not make a final decision on the project approval, rejection or financing. For each submitted project PAC provides evaluations and recommendations of the eligible projects and the final decision is made by the LAG with the majority of votes. Based on the project needs, the LAG may invite the external experts during the project evaluation and assessment process. LEADER grants: calls for proposal, selection of sub-projects (project assessment and approval) or rejection, financing, monitoring and evaluation procedures are regulated by the Grant Manual (Appendix 4).

Each LAG member signs the Declaration of Conflict of Interest (Appendix 5), which ensures that each LAG member's personal interest does not affect the sub-project evaluation and selection process and decision making by their functions and duties as a LAG member.

3. LDS Area Profile of the Akhalkalaki Municipality

3.1 Description of the region

Region Samtskhe-Javakheti

Samtskhe-Javakheti is a region in the South-East of Georgia. It includes three historical provinces – Samtskhe, Javakheti and Tori. The region borders with the following five regions of Georgia: Adjara, Guria, Imereti, Shida Kartli and Kvemo Kartli. The regions' area is 6,421 km2.

The region has a favorable geopolitical location. It is bordered by Turkey and Armenia, which creates promising conditions for trade, economic and cultural relationships with these neighboring countries. The Baku-Tbilisi-Ceyhan oil pipeline, the Trans-Caspian Gas Pipeline, and the Marabda-Akhalkalaki-Karsi railway pass through the region[5].

There are six municipalities in the region – Akhaltsikhe, Adigeni, Aspindza, Borjomi, Ninotsminda and Akhalkalaki municipalities. The regional centre is the city of Akhaltsikhe, which is the seat of the Governor's administration. The region comprises 353 settlements including five towns: Akhalkalaki, Akhaltsikhe, Borjomi, Vale, Ninotsminda; and seven townlets: Bakuriani, Bakuriani Andezit, Tsagveri, Akhaldaba, Adigeni, Abastumani, Aspindza; and 254 villages.

[5] *Samtskhe-Javakheti Regional Development Strategy 2014-2021*

Municipality of Akhalkalaki

The municipality of Akhalkalaki is situated in part of the Javakheti volcanic plateau at an altitude of 1500-3300 m above sea level. It neighbours four municipalities: Aspindza on the west, Ninotsiminda on the East, Borjomi on the North-west and Tsalka on the Central-east parts of the region. The southern part of the municipality borders Turkey. The Akhalkalaki-Kartsakhi customs border crossing is in 30km proximity from the city centre. The territory of the Akhalkalaki Municipality is 1,234.8 sq.km. that is 1.8% of the territory of entire country and 23.5% of the Southern region of Georgia. A large part of the region is a mountainous range of Akhalkalaki. Its surface is relatively homogeneous, ranging average 1600 meter above sea to the North-West and 2100 meter to the South-West.

The shortest road from Tbilisi to Akhalkalaki runs through the south-west via Kodjori and Tsalka (distance is 182km), enabling travel from Tbilisi to the the center of municipality in 2.5–3 hours, but due to the road conditions and winter climate factors it is rarely used. There are other routes from Tbilisi to the region via Borjomi, Akhaltsikhe and Aspindza (distance is 271km), travel time from five to six hours. Access to the Armenian customs border crossing is available from Ninotsminda municipality, village Jdanovka, 42km from Akhalkalaki. In addition to that this road is used for transit to the Russian Federation.

The municipality of Akhalkalaki consists of 22 administrative territorial units, which includes 64 villages and town Akhalkalaki - the administrative centre of the municipality, founded by the Georgian King Bagrat III (X-XI c).

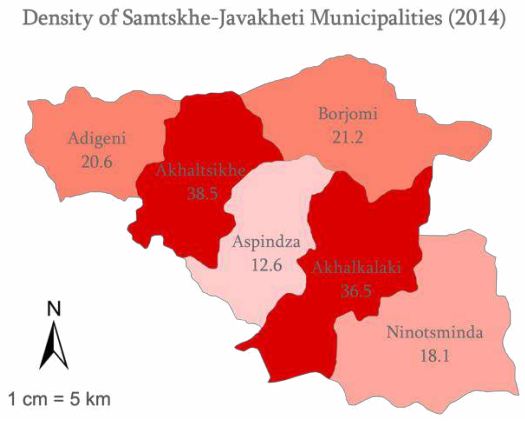
3.2 Socio-Economic Profile

3.2.1 Demographics

According to the GeoStat 2014 the population of the municipality comprised 45 070 people out of which urban population in town Akhalkalaki is 8 295 (18.4%) people and rural population is 36 775 people (81.6%)[6]. The majority of the population is ethnic Armenian (93,8%), while ethnic Georgians consist 5,7% of the whole populations and 0.5% include other ethnic groups like Russians, Greeks and others. Most of the population – ethnic Armenians practice Gregorian Christianity, others belong to Orthodox Christian church. In 2002, population density was 49.4 people/km2, which was greater than the national

[6] http://www.geostat.ge/index.php?action=page&p_id=2153&lang=eng

average but according to new data, the density of the population has decreased and decreased to 36.5 people/km2.



Seasonal migration creates a fluctuation and transience in the regular population. Approximately 20% of the working population leaves the municipality in the spring, returning home in late autumn - wintertime. The exact figure of the labour migrants of the municipality is not available. The intensity of the migration is determined by different factors such as limited employment opportunities, poor intensification of the agriculture and an undeveloped infrastructure. As per estimates of the community members, 80% of migrants are manual labour workers. The majority of the migrants are in the youth to middle age range with secondary education. There is no occupational opportunity for youth other than within the agriculture sector. Older adults complain that the youth are not engaged in other socio-economic activities in the community and are prone to gambling, wasting their time online or remaining idle.

Despite the fact that number of the permanent residents in the municipality fluctuates due to seasonal migration there is another threat to the population number. According to the statistical data provided by GeoStat in 2012, the population of Akhalkalaki municipality comprised 64 900 people[7] while in 2014 population this figure has changed to 45 070 people; a 30% decrease of population. As per *Baseline Survey for Akhalkalaki LDS Development Study of the Community Problems and Needs* (Appendix 1) communities say that the number of families have decreased compared to the previous years. According to their estimates approximately 20% of the homesteads are abandoned and the population has decreased by 40%. This may be accounted for by the fact that emigrants who go abroad (mostly to Russian with fewer to Armenia) to work acquire residency or citizenship and do not return to Georgia. According to the *Assessment of Rural Agricultural Investment Capacities and Corresponding Extension Needs in Georgia,* conducted by FAO in 2017 average size of households comprise 4.7 people (2.4 men and 2.3 women). It was found that 64% of household members involved in agricultural production are working age (on average 3 people in the family are working age - 1.6 men and 1.4 women).

3.2.2 Town and Rural Villages

The municipality includes 22 administrative territorial units: Azavreti, Alastani, Aragva, Baraleti, Vachiani, Gogasheni, Kumurdo, Diliski, Zakvi, Kartsakhi, Kartikam, Kotelia, Kochio, Okami, Prtena, Sulda, Turckhi, Khaveti, Khando, Khospio, Chunchkha, merged in 15 rural communities and 6 large

[7] http://www.geostat.ge/index.php?action=page&p_id=473&lang=eng

villages and an administrative centre –Akhalkalaki. Due to the poor level of urbanization and insufficient spaces appropriate for settlements villages are small, compact and spread across the municipality. According to the data retrieved from Geostat it can be seen that one-third of villages have more than 200 and less than 500 and another third of the villages have more than 500 and less than 1000 inhabitants. There is only one village with its maximum population ranging 2001 to 3000 people. Details on Akhalkalaki municipality population, ethnicity and gender distribution by administrative-territorial units as per 2014 could be found in Appendix 6.

Most of the villages (approx. 94%) of the municipality were established in 1830, when Armenians immigrated from Erzurum (Turkey) villages. There are 8 villages where the ethnic Georgians represent the majority population in the settlements. These villages are Chunchkha, Ptena, Khospio, Kothelia, Okami, Azmana, Apnia and Gogasheni. Villages where the ethnic Georgians represent half of the population are Baraleti and Murjakheti.

3.2.3 Healthcare

The following healthcare facilities are represented in the municipality: Central medical hospital – EVEX; Diagnostic/outpatient clinic – HEMA; 45 primary healthcare centers in the villages (functioning only 6); 25 dental facilities and 2 emergency crew. Disease prevalence in the majority of cases in the municipality is greater than the national average, with a relatively higher prevalence found in case of oncology, nephrology, cardiovascular and endocrinology diseases. The state healthcare programs and vaccination are available in the municipality, but patients seldom visit the local clinics if no noticeable clinical signs are observed. According to the information provided by National Center for Disease Control and Public Health, patient numbers attending healthcare facilities are much less than the national average. According to the information of local healthcare center, medical clinics in the communities do not function at an optimal level and the infrastructure of the local clinics in terms of furniture and equipment is deficient. Existing ones require rehabilitation and renovation. In the municipality there is a lack of doctors and nurses - 2.1 medical personnel per 1000 person (country average is 3.6p/p). In many cases there is a lack of highly experienced/professional doctors available in the municipality.

3.2.4 Employment and Income

As of August 2017, there are 34,100 people of working age and 7256 pensioners in the municipality[8]. Household income in the municipalities rely heavily on the social transfers/benefits from the central budget (*Food Security and Nutrition Challenges in the High Mountains of Georgia, Tbilisi, 2016, OXFAM*)[9]. According to the law on the Development of High Mountainous Regions, the entire territory of the municipality has the status of mountainous region[10], which considers certain tax reliefs and other social benefits. On average, only 27% of the working age adults are active income earners for the households, out of which men are 39% and women are 12%[11]. This information accounts only those households involved in agriculture production excluding incomes from pensions, welfare, etc.

Almost 90% of labour migrants have family members and relatives who remain in Akhalkalaki, of which many receive remittances from their family members abroad. Remittances are now the second largest source of income in the municipality with an estimated 23.9% of the families in Akhalkalaki receiving financial support from emigrants or seasonal migrants working abroad. Pensions rank as the third most significant income source in the municipality with 33.6% of the families receiving a small pension.

[8] http://ssa.gov.ge/index.php?lang_id=GEO&sec_id=1237

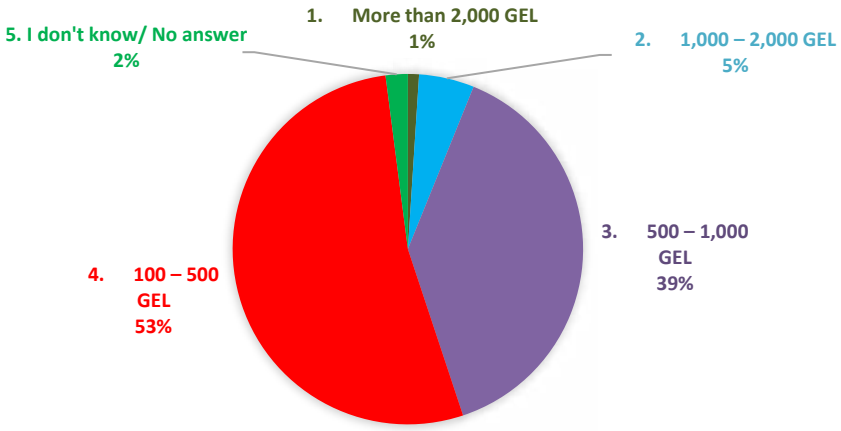
[9] http://foodsecuritysc.com/wp-content/uploads/2016/05/Kveba_Mtebshi_en.pdf

[10] *Ministry of Regional Development and Infrastructure of Georgia*

[11] *Assessment of Rural Agricultural Investment Capacities and Corresponding Extension Needs in Georgia, FAO, Tbilisi 2017*

Employment by the government provides income for 17.8% of the municipality families with the remaining income generated through small-scale agriculture activities and by private sector employment. The rate of unemployment in Samtskhe-Javakheti, together with Guria and Mtskheta-Mtianeti in 2016 stands at 4.1%[12], which is much lower than the country's rate (11.8%)[13]. The reason is that a large number of the region's population is occupied in agriculture and according to Georgian regulation are considered as "self-employed".

According to the research conducted by FAO[14] at village level within the households involved in agriculture, it was found that 53% of households estimated 100 to 500 GEL of monthly income from all sources, which is less than average national rural household income of 669.9 GEL/month[15] (Geostat 2016). Only 6% of the households have income higher than the average national rural household income. These figures are visualized in the foolowing chart below.



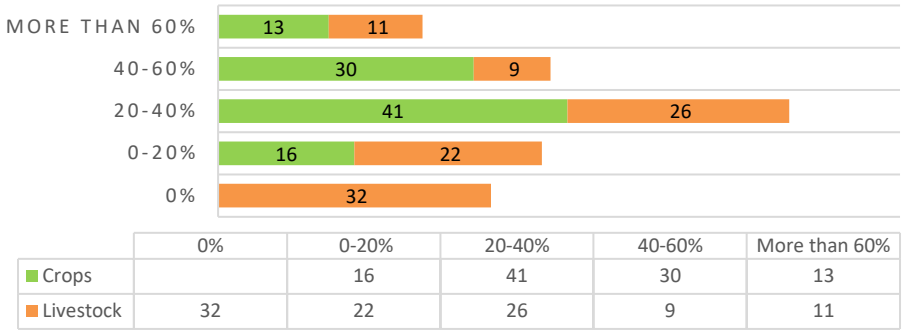
According to the same research in terms of the share (%) of the household income 32% of the respondents do not have any income from the livestock activity. 60% of their total income is generated from crop production within 13% of the households and from livestock activities within 11% of the households; 40 to 60% of their total income is generated from crop production within 30% of the households and from livestock activities within 9% of the households; 20 to 40% of their total income is generated from crop production within 41% of the households and from livestock activities within 26% of the households; 0 to 20% of their total income is generated from crop production within 16% of the households and from livestock activities within 22% of the households. These figures are visualized in the following chart below.

[12] http://geostat.ge/regions/regionseng/5/employment%20and%20unemployment/employment%20and%20unemployment.xlsx

[13] http://geostat.ge/index.php?action=page&p_id=146&lang=eng

[14] *Assessment of Rural Agricultural Investment Capacities and Corresponding Extension Needs in Georgia, FAO, Tbilisi 2017*

[15] http://geostat.ge/index.php?action=page&p_id=182&lang=eng



	0%	0-20%	20-40%	40-60%	More than 60%
Crops		16	41	30	13
Livestock	32	22	26	9	11

3.3 Local Government and Self Government

Local government in the Akhalkalaki Municipality is chaired by the Mayor[16] who is directly elected by the local population. On a local level the population of the municipality elect members of the Board of Comissioners (Sakrebulo), which is a local representative body of the municipality. Sakrebulo members are proportionally and directly elected. Members of the Sakrebulo affirm the structure of an executive body – the Mayor's office.

In each village/community of the municipality, the Mayor assigns local government representative (Rtsmunebuli).

According to the Baseline Survey for Akhalkalaki LDS Development Study of the Community Problems and Needs (Appendix 1), there is a big opportunity to improve public private partnership and to improve collaboration with local government to effectively address the rural development issues in the municipality.

3.4 Key Services & Programs in Akhalkalaki Municipality

In Akhalkalaki municipality there are different types of services and programs provided by the local government through the municipal services, national programs and services and the donor funded programs and NGO supported activities.

Municipal Services include: develop special education institutions, monitoring and reporting on agricultural issues, sewage and waste management and social support to the local population.

Detailed information about the key Services and programs in Akhalkalaki municipality can be found in the Appendix 9.

3.5 Education, Culture and Social Inclusion

3.5.1 Education and qualification/skills development

There are 65 public schools in the municipality education system, 50 of them are secondary and 15 are primary schools. In the last decade 6 new schools were built and 5 schools were fully rebuilt, only one school does not have its own building. The new and restored schools are equipped with new school items. 60 acting schools in the region were partly restored. The remaining schools require repair. Out of the 65 schools in Akhalkalaki municipality 33% are appropriate and fit to teaching conditions, which include sports halls, necessary classrooms, office rooms and laboratories. Those schools were built in 1970-1980 and 2004-2005. 67 percent of schools built in 1897-1960 do not fit teaching standards. There are some villages without school buildings hence, alternative community clubs and buildings have been allocated

[16] *Administration of the Akhalkalaki Municipality*

and reconstructed for school education purposes. Problems persist with electricity, heating, water supply, toilets and other infrastructure.

It has to be noted that during the years the number of pupils have dramatically decreased and number of teachers increased (in 2017 there were 1414 teachers employed in public schools and in 2016 there were 7232 pupils, while in 2001 there were 1200 teachers and 12360 pupils). Nearly 80% of the pupils graduate from high school. School teachers need to be trained in pedagogy and requalified in order to increase proficiency. Knowledge of languages of the graduates, particularly Georgian and English is very poor. There is a pressing need to improve the quality and hours of classes in the Georgian and English languages. STEM academic disciplines are poorly delivered, particularly physics, chemistry, mathematics, etc. This arises due to the lack of teachers or poor level of their qualifications. Schools require libraries and educational training equipment. The Ministry of Education provides funds for the transportation of school children to and from the schools to their different villages. However, quality and safety standards has to be improved. Educational programs provided in the Armenian language do not accord with the Georgian language national program thus creating problems during the application at national examination.

There are higher education institutions – Samtskhe-Javakheti State University in the region with one branch in Akhalkalaki and another in Akhaltsikhe. The university has the following faculties: The Faculty of Education, Humanities and Social Sciences; The Faculty of Business Administration; The Law Faculty; The Faculty of Engineering, Agrarian and Natural Sciences. Students of different nationalities are studying economics, philology, pedagogy and foreign languages. According to the estimates by the local population 40%[17] of secondary school graduates apply for higher education. Students go to study in Akhalkalaki, Erevan and Tbilisi universities. Trends are changing and there is a progress in terms of applying to the Georgian language universities. In 2017 number of the applicants for the higher education tripled – 500 applied to the Georgian universities and 100 applied abroad.

Farmers, especially youth, have poor understanding about the agribusiness management and modern agriculture; knowledge generally being gained through self-education and practical experience. There is a need for vocational educational and training programs mostly related to agronomy, animal breeding, mechanization, accounting, veterinary, welding, carpentry, and agro-business management, accounting, sales and marketing, etc.; however, this is not provided locally. There is no awareness nor a clear understanding of the benefits of cooperation amongst farmers and producers, which means they need more practical approaches and training to demonstrate the methods, structures, mechanisms, tools, advantages and necessity of cooperation. Farmers lack the experience, skills and knowledge in cooperation and management, such as accounting, sales, organizing etc.

Overall, there is a scarcity of competences in different fields and sectors but that is mostly determined by the job market and the poor economic performance of the region and municipality.

3.5.2 Civic engagement, Gender Equality and Social Inclusion

In the Akhalkalaki municipality there are several NGOs working in Business development, economic and agricultural development, community of Greeks; media organizations; female and youth organizations; tourism and vocational skills development organizations, etc. In their view, they lack information about the available programmes and donor funded opportunities in the municipality. There is little effective coordination locally among them. Interaction and cooperation with the local government is ineffective. Their capacities and sustainability mechanisms are poor as they are in the highly competitive environment

[17] *Baseline Survey for Akhalkalaki LDS Development Study of the Community Problems and Needs (Annex 1)*

with the leading NGOs and due to that fact most of them cannot afford office space, equipment and to implement regular activities. In addition to that there are some professions, for instance, accountancy and financing that are urgently required. Despite the fact that there are several opportunities to access Georgian language courses still there is significant problem in terms of the Georgian language knowledge within the population, yet the situation is improving. There is a problem of social integration, which is partly a crosscutting problem with education as earlier mentioned. Certainly, the language problem creates communication barriers. Thus a need for Georgian language training exists for facilitation of the social integration of the ethnic minorities.

Domestic affairs - care for the house/yard, food preparation, washing, etc. are performed by women, while outside the home activities are considered to be the prerogative of men. Although physical hard work is mostly performed by men, women's works on crop harvesting and animal farming requires great physical effort. Important decisions are mostly made by men: women tend to deal with everyday decisions such as food preparation and child care women are the most important decision makers for the family. In addition to that, family budget to buy basic goods is managed by women. However, the title of "head of the family" still belongs to men. Finally, it was revealed that gender imbalance exists in the process of different values chains and there is a potential to increase the role of women.

3.5.3 Social and Cultural Environment (facilities, activities and cultural heritage)

Akhalkalaki municipality is the site of numerous monuments from ancient culture (II millennium B.C), which include medieval temples, settlement-sites, and pre-Christian cyclopean buildings such as the Abuli fortress and settlement-site, the Samsari rock hewn domed church and monastery complex, Kumurdo domed temple and others such as Kvarsha and Kilda settlement-sites and temples, the Toki Monastery, the Vardistsikhe settlement-site, Baraleti Church, the Sirgo Church, Meghreki Monastery ruins and Cyclopean Gateway, the Ghrtila Church, the villages of Kachio, Azavreti, Burnasheti, Gria settlement-site, and the ruins of a cyclopean fortress.

The town has house of culture and central library of Akhalkalaki municipality, which is a two-story building with total area of 4398 m2, it has a large hall, 25 rooms, and 8 office rooms. Rehabilitation of central heating system of the the building was completed in 2017. The cinema no longer operates. The local museum is financed by municipal funding and needs sponsorship. Demand on entertainment increases along with the increasing income of the population. The School of Art and Painting is a one storey building with total area of 384m2. It has 5 class rooms and one office room. The School of Music is a one-storey building with total area of 501m2. It has 15 class rooms and 2 office rooms. In Akhalkalaki there is an old central stadium and 3 modern mini-stadiums in which sports games are regularly held.

In the villages there are 34 clubs and 16 library branches. The objects of the listed cultural, as well as public centers built in 1970-80, require maintenance and care. Most of the libraries in the villages are in the houses of librarians because libraries no longer have their own buildings. In the school premises of village Alastan there is a museum created by local initiative group. Almost every village has place for social events, which is mainly built or renovated by the cost sharing and participation of the communities, thus used free of charge.

3.6 Energy and Environment

3.6.1 Geographic and Climate Conditions

This area is located on a high plateau and is almost surrounded by ridges, which are significant climatic barriers (especially Erusheti Massif and Samsari Ridge). Forms of relief contribute retention of air masses. As a result, winter is dry and colder, summer is short, and warmer compared to other

mountainous regions located at the same height in the Caucasus. Despite seasonal unsteadiness of temperature, frustration of day and night temperature is noticeable here. This makes the essential character of the continental climate in Samtskhe-Javakheti region. It is surrounded by Trialeti, Abuli-Samsari, Javakheti and Nialis Kuri gorges and Upper Mtkvari gorge (highest peak mountain is Didi Abuli - 3304 m). Most villages are located in the heights of 1700-2000 meters above the sea level. The lower plains support the growth of agricultural products such as potatoes and crops. Higher plains are used as alpine meadows and pastures for domestic animals. There are not any natural forests and high trees/plants. However, there are small arrays of artificial coniferous forests (laid out in 1950-1960).

The impact of atmospheric processes, which is very active in whole Georgia, is weakened in Javakheti. Invasion of air masses from west or from east does not give a significant change here. Due to this the amount of sediment (average annual 550 millimeters) in Javakheti are noticeably lower than at the same height in other parts of Georgia. Average annual temperature is 2.8 C^0. It should be noted due to high radiation in summer, average temperature sometimes reaches 14 C^0. In the central and open parts of the region average temperature amplitude reaches 24 C^0. Duration of the sunshine is higher here and exceeds 2500 hours in the main part of territory. In the winter time absolute minimal temperature drops down to -41C^0 (especially in the southern part), this is one of the lowest indexes in Georgia. An average number of days without frost are 100-130 per year. Generally South-East and North-West winds dominate in the municipality. In winter prevails South-West winds and in summer North-West winds. In winter an average wind speed is 3-4 meter per second, which is very high. In summer wind speed is 2-3 meter per second, which is a positive factor for producing nectar (beekeeping).

According to climate data, 160 days require heating and 55 days require cooling[18]. This is expected to increase because of the impact of climate change. Energy needs are almost entirely satisfied by imports (97%). Only 3% of the need is met with local firewood utilization. Akhalkalaki municipality is characterized by strong winds, heavy rain and hail. The area of the municipality is especially in the high risk of hail[19]. In the last decade natural disasters have created a threat to both habitats and agricultural territories. Strong rain and hail has damaged the agricultural lands and residential properties. 10,000 hectares of land and 150 households have been damaged during the past ten years. According to the information provided by the local government, the amount of damage inflicted by natural disasters approximately 5 million GEL[20].

3.6.2 Renewable Energy and Climate Adaptation

On May 16, 2014, Georgian Co-investment Fund acquired 100% ownership of Mktvari HPP project, a Georgian hydro power plant project located in Akhaltsikhe Municipality of Samtskhe-Javakheti Region, on the river Mtkvari, from JSC Caucasus Energy and Infrastructure ('CEI'). The project's total investment value is US$ 131 M and its objective is to develop a hydro power plant with 53 MW of total installed capacity and 251.5 GWh annual energy generation. The total power generated from Mtkvari HPP will be utilized domestically[21].

The awareness level of climate adaptation issues in the municipality is generally insufficient. Although at the local level climate change risks are perceived to be important, but there is no discussion about the potential results and impact of climate change on the economy and welfare of the population. There is no specific structure to deal with the issues and no preventive measures are carried out for natural disaster

[18] *Degree Days Net: http://www.degreedays.net*

[19] *http://drm.cenn.org/index.php/en/community-profile*

[20] *http://nala.ge/uploads/axalqalaqi.pdf*

[21] *http://qcfund.ge/energyandinfrastructure/5/*

mitigation. The measures are usually taken only in response to a disaster[22].

3.6.3 Flora and Fauna

The municipality is distinguished for its specific geographical features. Most part of the region is without forest, it is covered with mountain and meadow plants. Diverse herbaceous – grain species are dominant in meadows of mountains. Around lakes and wetlands water and marsh plants are spread. Subalpine and alpine meadows begin above 2200 meters.

Subalpine belt (2050-2400 m) is characterized with plants of high herbaceous, bushes and subalpine poly-dominant grass. Subnival plants are well presented on high mountains at the height of 2600-2800 meters above sea level, where along subnival plants we can find alpine spots. 62 species of plans are registered in subnival zone of Samsari Range, amongst 3 local and 14 causasus endemic species, other species are spread in South Caucasus and in Asia Minor.

In the municipality of Akhalkalaki flora and plants are diverse and characterized with different species; the following type of plants creates of landscape of the territory:

- Steppes (grain-divers herbaceous steppes, as well as Festuca valesiaca, Stipa tirsa, Andropogon ischaemum, Carex humilis steppes);
- Bunchgrass steppe; subalpine and alpine meadows;
- Fragments of alpine spots and petrophyte of subnival belt;
- Wetland plants with the species of boreal flora, which coincide the quaternary of ice age;
- Derivatives of Betula pine and of betula-decnar.

In Javakheti subalpine forests are located in the 1800-2100 m above the sea level, on the east shore of the lake Kartsakhi, on the north slope of Childi Ridge, which is the remnant of the old forest. Birch (Populus tremula) and asp (Betula litwinowii) create forests. Asp occupies larger area than birch. Areas nearby the lakes are wide spread summer pastures, covered with dominant and subdominant grain diverse-herbaceous plants.

3.7 Natural Resources

Land

Development potential depends significantly on the municipalitie's topography, natural resources and attendant land use capability. Agriculture is the most important activity affecting biodiversity and other aspects of environmental quality, having both positive and negative effects as 77%[23] of the total land area in the municipality of Akhalkalaki is used for agriculture activities. This indicates that the land is relatively intensively used, which leads to pressures on the environment's natural restorative ability. Approximately 0.7% of the municipal lands are household plots. See detailed agricultural land distribution in Appendix 7.

Non-agricultural lands comprise 27,792ha, which is 23% of the total territory of the municipality. The forest resource is scarce and covers only 5.6% (6900ha) of the municipal teritory. Entire territory of the protected areas within the Akhalkalaki municipality comprise 13,474[24] hectares, which is 10.9% of the total municipal territory. All areas are designated to carry restrictions and limitations in terms of their use for farming, planning and development, amenity and recreation with a view to protecting and encouraging greater biodiversity.

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[22] OXFAM, *Food Security and Nutrition Challenges in the High Mountains of Georgia, Tbilisi, 2016*

[23] *Information provided by the Information-consultation Center of Ministry of Agriculture of Georgia at Akhalkalaki Municipality*

[24] *Information provided by the Javakheti Protected Areas Administration*

Forest resources
The forest occupies 6 970 ha of the municipality out of which 840 ha are deciduous forests and 6 130 hectares - coniferous. Most of the Akhalkalaki municipality is deforested and covered with mountain and meadow vegetation. The mountain valleys are predominantly spread with nitrogenous-granular plants. Water plants are mostly common around the areas of lakes and wetlands. The subalpine and alpine meadows are to be found at 2200 meters above sea level. The subalpine belt (2050-2400m) is characterized by high grasslands vegetation, bushes and subalpine grasses. Subnival vegetation is well represented on the mountain of Didi Abuli and Samsari range, where 62 species of plants are registered.
There are no areas under forest production in Akhalkalaki. Existing areas are clasified as conservation and recreation forests.

Water resources
Akhalkalaki municipality has sufficient potable and irrigation water resources but the main issue is inneficient distribution of the resources, which cause lack of water supply in the villages. Akhalkalaki municipality across 18 km on its West side borders the river Mtkvari while part of the northern side borders with the river Paravani. It flows through the central part of the municipality and near the village of Khertvisi (Aspindza region) joins river Paravani. In the southern part of the river Paravani flows Murjakheti water. From the lakes it is worth mentioning the Zresk, the Khozapini (Kartsakhi). River Paravani is sourced from the lake Paravani in the Ninotsminda municipality. In the municipality there are following rivers - Paravani, Chobareti and Baraleti and the lakes – Abuli, Vachiani, Levani, Paskia (Zreski), Tabatskuri, Khozapini (Kartsakhi), Sulda. Rivers and lakes are used for energy and irrigation purposes as well as for cattle farming. The region has an important supply of drinking water, which is represented by Ablar, Bezhano, Ikhtila, Okami and Dilipi spring water sources as well as large and small lakes.

There are swamps in Baraleti plain, as well as villages of Vachiani, Okami, Sulda, Kartsakhi, Abuli, etc. There are many fish in the lakes and rivers.

Mineral Resources
Akhalkalaki municipality is rich in diverse fossils. Basalt rocks are worth mentioning from the minerals. There is a sufficient amount of building materials for production: in Azavreti ore - limestone (existing resource is about 554 thousand m3); in the village of Zakvi - volcanic slag; Village Sulda and Okami – pumice; in the Chobarite massive – marble, perlite and Tuff.

3.8 Local Infrastructure

Electric power supply
Energo-Pro Georgia is an electricity provider in the Aklalkalaki municipality. There are nearly 16 000 registered users in the municipality. There is no problem supplying electricity in the municipality. Communities living in the high mountainous area are subsidized in electricity consumption. Certainly, the households are subsidized by 50% of the fees up to 100 kwt of electricity consumption.

Natural gas
In Akhalkalaki municipality only one natural gas provider company operates - “SGGas Company”, the company has 10 729 registered customers. It supplies natural gas to the town of Akhalkalaki and part of the communities. Outside the town, 42 villages are supplied with the natural gas, which is 66% out of the total villages (64).

Potable water

The United Water Supply Company of Georgia serves 38 villages and town Akhalkalaki. As of 2017 water is supplied to the 90% of users. 70% of the water pipes needs to be rehabilitated. Water pipeline rehabilitation is related to the road infrastructure development process. In 2016 14 streets were replaced with the new pipelines. Utility fees for the water supply is 0.25GEL per month per family member and for the legal persons the fee is 4.31GEL per 1m3. The water supply system includes 24 main water pipes - the total length of 216 km. The water pipes are mainly made of steel, cast iron and asbestos. In addition to the mentioned water sources the following villages: Modegami, Burnasheti, Azavreti, Gokio, Alastani, Zaki, Balkho, Merenia, Didi Samsari and Patara Samsari are supplied with potable water with their own sources of springs. The city water supply system consists of 4 lines of 11 km long water pipeline. The pipes are mainly cast iron and steel. Drinking water is not delivered to the families in some of the villages (e.g. Sulda and Dadeshi). Water supply decreases during the summer time, farmers use drinking water for irrigation purposes on their holdings. Water reservoirs for public consumption are not filtered and require proper filtration systems as people consume dirty and polluted water.

Sewage system and waste collection

The local sanitary service is owned by the local government, which is financed by the local budget. Part of the budget is filled from the local service fees but the amount is not significant. The municipality owned company has shortage of the garbage trucks and the waste bins. Roads are extremely damaged and cost of the maintenance of the trucks is high. Due to the bad roads entry to the communities by the trucks are difficult. Garbage dumpsite is located near Nino Tsminda municipality; however, the waste is not segregated. Currently farmers dump the agro-chemical wastage in the farm sites. Unfortunately, company does not have special vehicle for the chemical and hazardous waste. This waste is also mixed in the same landfill site. Villages do not have sewage system and waste collection points, which creates sanitary and environmental problems.

Roads

The length of the road network in the Akhalkalaki municipality is approximately 410 km. This includes 42 km Akhalkalaki to Armenia border road and 34km of Akhalkalaki-Kartsakhi to Turkey border road which is of international importance. The roads are covered with asphalt. It worth to mention that Akhalkalaki-Bakuriani road which is about 30 km is currently under rehabilitation. The main artery of the roads is the Akhalkalaki-Akhaltsikhe road, which is completely covered with asphalt-concrete. Also, Marabda-Tsalka-Akhalkalaki main road is fully rehabilitated. The total length of the local roads is 220km. Road length connecting villages is 90 km and is mainly earthern (non-asphalt/non-concrete). According to the existing situation in 2017 20% of the local roads were rehabilitated which includes roads to the villages from the municipal center namely Kumurdo, Kartsakhi, Bavra, Diliska, Kotelia and Baraketi. There is ongoing process of road construction and enhancement in some parts of municipality.

Local transportation

In the Akhalkalaki municipality the bus station is served by the LTD "Autotrans Kulda", which serves the organization of passengers inside both the city and outside of the municipality and the republic. All vehicles belong to the private sector. There is no public transport in the municipality. The bus station is located in the outskirts of Akhalkalaki. There are buses, mini-buses and private taxis in the villages of the region. Transport works on such route: Akhalkalaki-Tbilisi, Akhalkalaki-Batumi, Akhalkalaki Akhaltsikhe and Akhalkalaki-Yerevan. Transport to the villages works seasonally because climatic conditions do not allow travel in winter times. The Marabda-Akhalkalaki Railway (state owned) is important because it has capacity to transport the mineral resources from the region and to promote the socio-economic development process of the region. Nowadays this road is not loaded (closed during winter). In summer time few number of the passengers and part of the cargo is transported. Bako-Tbilisi-Kars railway crosses Akhalkalaki municipality.

Communications (TV and Radio, broadband, mobile phone)

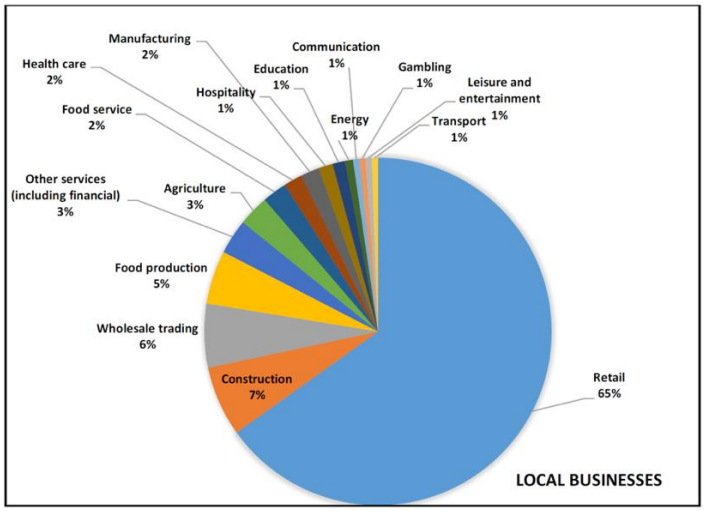
There are three operators of cellular connections in the municipality: MagtiCom, Geocell LLC and Beeline. In Akhalkalaki town SilkNet and MagtiCom which are cable TV and internet providers via optical cable has started to operate. All these providers are private companies. Municipality has online news portal "J-News". There are local TV stations covering Akhalkalaki vilages: "ATV 12" and "Paravani" and radio stations. All programs are broadgacted in Armenian languages.

It is also apparent that there is poor terrestrial coverage and use of national channels in local villages.

3.9 Economic Development

3.9.1 Economic Activity Profile

There are 523 companies in Akhalkalaki municipality registered in following areas: Retail; Construction; Wholesale trading; Food production; Financial services; Agriculture; Food service; Health care (including pharmacies and stomatology); Other services such as beauty salons and cosmetics; Notary service; Car service (including repair, wash, etc); Handset repair service and IT support; Accounts consultancy; Manufacturing; Hospitality - hotels; Education; Energy; Communication; Gambling; Leisure and entertainment; Transport; Construction and refurbishment services, etc. The chart below shows that the greater proportion – 65% (340 business entities) represents retail, most of which are small scale enterprises. Agriculture comprises 3% (15 business entities) of registered enterprises in the municipality. However, this figure accounts only registered companies and not self-employed farmers who are not yet included in the public registry database but they are significant actors in the local economic activity.



Appendix 1_Baseline Survey for Akhalkalaki LDS Development Study of the Community Problems and Needs

Retail, Commerce and Trade

Most of the retail space in the villages was built in Soviet times and is now privately owned. About 70% of the available space is in good condition and is being used by small shops. On average there is one small kiosk or shop in each village. A total of 70% of the existing shops, particularly small kiosks, are not legally registered with the tax department, making it very difficult to receive information from the owners about their turnover. Shops with legal status are registered as limited liability companies or sole traders. Barbers, shoemakers, tailors, auto services, pharmacy and other non-agricultural business or services do not exist in most of the Akhalkalaki communities.

There are small shops in every village, mostly involves essential commodities, i.e. flour, sugar, soap, cigarettes, drinks, sweets, etc. Most other goods are purchased in shops or at the open agricultural market

in Akhalkalaki town. Small local traders often purchase these goods in Akhalkalaki and sell them in their villages. Most of the food, beverage and other consumable products are supplied locally by the distribution companies, however about 10% of these traders (traders from larger villages) periodically purchase some goods in Tbilisi. In the town of Akhalkalaki there are markets, shops and kiosks yet small shops do not offer big variety of products due to the poor customer demand.

3.9.2 Agriculture

The greater proportion of the population living in the municipality is involved in agricultural activities, with agriculture contributing crucial economic value to the municipality. However, in rural areas 100% of families own arable land and are involved in agricultural production, even at the most basic subsistence level. The leading agricultural activities are vegetable growing – crop production (mainly potato growing), followed by livestock farming - mostly cattle breeding but with some sheep breeding, bee keeping and fisheries. Climatic conditions in the area do not provide an opportunity for the growing of various agricultural products however the land yields fruits such as apple, pear, cherry, also wild rose, different berries and walnut. With regard to horticulture and vegetable production, there is potential to grow beet, garlic, onions, cabbage, beans, turnip and carrots. Farmers also produce barley, oat and wheat crops, although production volumes are relatively modest.

Agricultural productivity remains low. Yield for most crops have shown only modest growth in recent years. The reasons include: small-scale farming; poor experience of co-operatives and negative perceptions about cooperation and joint activities in agricultural production, processing and marketing; inadequate use of improved crop varieties and new technologies necessary for intensifying and diversifying production; the poor quality of agricultural inputs such as fertilizers; inadequate irrigation and low rate of machinery use. Agricultural research, extension service and public expenditures that help strengthen linkages between farmers and markets remain under funded.

Outlined Opportunities for Development - Residents of the local communities outlined the importance of developing the following agribusinesses: In terms of primary production, apart from potato growing, there exists the possibility to develop energy efficient greenhouses for horticulture and crop production. Some communities also have potential for trout farming due to the unique water and environmental quality. Beekeeping also offers good potential for alpine honey production.

In terms of secondary production and the development of the value chain there is potential for developing a sugar production facility based on the beet production; a starch and spirit factory based on the by-products from potato production; an animal food production plant and also an abattoir/slaughter house built in compliance with regulatory standards. In addition to that respondents mentioned the need for processing and storage facilities for the grading and packaging of potato produce.

3.9.3 Tourism and recreation

The municipality of Akhalkalaki is situated in the alpine zone on the volcanic plateau of the Caucasus mountain range (heights range from 1500 to 3300 meters above sea level). The surface of the plateau is represented by undulating plains on the eastern part of which resides Samsari ridge (the highest point is the mountain Great Abuli – 3301m). Mountainous slopes at the average altitude of 2200-2600m are covered with sub-alpine vegetation, which are used as summer pastures. This zone is sunny and a suitable location for resort development.

Tourism infrastructure within the region is deficient with few accommodation facilities or products – camping places, guesthouses, family hotels or hotels - available. There are no tour-operators in the town including routs, signs, destinations and maps. Provision of touristic information for the visitor is severely limited. There are no defined touring routes, destinations, route maps or signage as well as informational sources for visitors to the municipality. While the municipality has some potential, the development of its

tourism products, attractions, services and infrastructure will also require the marketing and promotion of the municipality directly to tour operators as well as to the visitor directly. The tourist season starts from April to November.

The Municipality also includes the Javakheti national park and the national reserves of Kartsakhi, Sulda, Tetrobi and Ktsia-Tabatskuri. National park hosts local and international tourists, hikers, fishers and ornithologists, which has visitors center, conference room, equipment, professional rangers and some guesthouses. In Javakheti protected area visitors can get the following fee based service: bird watching (including equipment); fishing; horse riding, picnic space up to 15 people, with fireplace and litter box. Parking is free for visitors. There are several routes proposed by the Agency of Protected Areas: Khanchali lake; Madatapa lake; Bughdasheni lake; Sulda wetlands sanctuary; Kartsakhi wetlands sanctuary; Madatapa mountain; Tiger canyon. Full information is available on http://www.apa.gov.ge/en/eco-tourism/servisebi-da-tarifebi/djavaxetis-daculi-teritoriebi and http://mygeorgia.ge/Default.aspx?map=Apa_Geoland_Physycal.
There are guidebooks in Georgian and English languages: https://issuu.com/lelakhartishvili/docs/javakheti_guidebook_geo_for_web__1_/42 and https://issuu.com/lelakhartishvili/docs/javakheti_guidebook_eng_for_web_bceb54cbfbd434/75.

The municipality boasts a cultural heritage that includes such historic antiquities and attractions as Akhalkalaki castle, Abuli castle, Kumurdo domed church, Samsari caves, Chunchkha ancient settlement and houses, Vank temple, Alastani church, Azavreti church, Burnashet church, Kochio church, etc.

3.9.4 Manufacturing and Processing

The main industry of manufacturing in the municipality is a mineral stone processing and production. They produce different type of bars, tiles and plates from basalt mostly used for pavements and exterior cladding. The basalt stone manufacturers are mainly small scale enterprises. Much bigger companies manufacture gravel, sand and pumice for construction purposes.
There are some mini-factories of soft drinks production for local market. In Akhalkalaki operates one butter and confectionary company – "Alpenmilk" which sells products nationwide as well as exports products outside Georgia. Local beer company – "Ballis" was closed several years ago. There is a potential of production the bottled mineral water but investment is required. In general, there is potential possibility of re-commencing the production and manufacture speciality products of food and beverage (i.e. beer, confectionary, cheese, meat, bakery, preserves, value added and prepared foods, etc.) with a distinct local tradition, ethnography or recipe.
In terms of the information regarding the agri/food related manufacturing please refer to an Appendix 7.

4. Sectoral Summaries and Challenges for Development

A comprehensive SWOT analysis of the triple bottom line (economic, social and environmental) was conducted as part of the consultation process and is presented as follows:

Economy	
S	**W**
- Geographical location with neighboring countries Armenia and Turkey; International road conectivity - Alpine climatic conditions for cultivation of crops (potatoes, carrots, beets, etc.); Alpine meadows for beekeeping and animal husbandry - The cold climate prevents development of many agricultural diseases and viruses	- Severe and long winter period - Poor village infrastructure - Poor quality control on products in the local market – particularly food safety - Lack of business innovations - Poor youth activity in business - Absence of qualified specialists/cadres

- Natural resources: fertile land, basalt, pumice, limestone, marble, gravel, water resources (mineral water, rivers and lakes) - Entrepreneurial population - Agricultural insurance provided by the banks - State support for preferential agrocredit - Prior experience of agricultural cooperation - Extensive support of international donors - Preferential taxation according to the law for mountainous regions	- Poor competitiveness, marketing and sales in agriculture - Poor collaboration between economic actors in business - Small, unregistered and fragmented land plots - Lack of agricultural infrastructure (irrigation, warehouse, machinery, etc.) technologies - Poor tele-communications infrastructure - Poor pasture management - Lack of diversification of jobs in different sectors - Lack of forest belts and orchards - Limited access to agro-credit
O	**T**
- Links with export markets and growth in turnover - Development of industrial production and manufacturing - Development of processing of agricultural products (including medical herbs) - Development of meat, dairy, fish and honey production including breed improvement - The use of renewable energy - International connectivity (from/to China and Europe) - Agro-tourism and tourism development - Rational use of land resources - Attraction of investors and support innovations - Access to innovative and modern technologies	- Financial (currency) instability - Political and frequent legislative changes - Severe climatic conditions (frost, hail, snowfall and drought) - New diseases, insects and rodents - Soil erosion - Water pollution - Global warming - Natural disasters - Ageing population

Social	
S	**W**
- Access to the educational program 4 + 1 - Invited teachers in schools - Rehabilitated hospital and public medical insurance - Most teachers and medical staff are women - Infrastructure projects are implemented annually (roads, kindergartens, schools, etc.) - Free public education - Material and technical base in the educational sphere - Dynamic growth of financing in the educational sphere - Free medical insurance - Existence of a central hospital - The existence of an ambulance (3 crew) - Ongoing reforms in local self-government - Existence of certain property of the municipality - Dynamic growth of the local self-government budget - Implementation of new municipal projects - The existence and recognition of local NGOs - Professionals working in the NGOs	- Poor social integration and wellbeing - Insufficient medical personnel, equipment and clinics - Poor community awareness about the services and social benefits - Women are poorly active and represented in local self-government - Ignorance of the state language (Georgian) by the minorities - Poor local NGO development in terms of cooperation and financial support - The local population does not participate (attend) in the municipal budget planning and distribution process due to the poor motivation - The shortage of qualified teachers - Poor infrastructure in the educational system - Lack of modern vocational and non-formal education - Gender equality, youth and women involvement - Undeveloped sport and leisure activities - Noncompetitiveness of young people with higher education - Insufficient knowledge of farmers to use of new technologies
O	**T**
- Social integration of the population	- Migration of population, especially youth

- Vocational and informal education - Knowledge of state and international languages - Improving healthcare services - Developing sports and leisure infrastructure - Increasing gender and youth involvement in local democratic activities - Finding additional sources of finance and attraction of investments - Community led local development - Increasing cultural appreciation - Development of the civic spaces - Strengthening local media - Developing of the local NGOs - Creation of youth clubs	- Early, remature marriage - Ignorance of the state language - Political instability

Tourism, culture, entertainment and recreation	
S	**W**
- Geographical location - Natural resources (rivers, lakes, alpine meadows and mountains) - Georgian and Armenian cultural diversity and heritage - Number and diversity of cultural objects, sights (monuments, historical treasures and legacies) - Alpine flora and fauna - National park and nature reserves, recreation in the wild - Variety of national cuisines and ethnic cultures - Safe and secure place for visitors	- Insufficient experience and skills (personnel) in the field of tourism and services - Limited number of tourists and visitors - Undeveloped infrastructure in tourism and related services - Lack of serviced facilities, recreational facilities, culture and events (hotels, cafes, restaurants, etc.) - Absence of internal - inbound tourism - Lack of communication with travel agencies - Lack of tour guides - Poor popularization, advertising and information data (maps, places of rest, routes, etc.) - Lack of youth programs - Lack of exchange of experience with other regions nationally and countries internationally
O	**T**
- Creation of tourist information base - Advertising and marketing (banners, booklets, videos, etc.) - Creation of tourist routes, places of recreation, culture and events - Increasing cultural appreciation - Improving rural infrastructure - Improving tourism infrastructure and the quality of services - Eco and experiential tourism development - Education in the field of tourism and services - Developing winter tourism - Participating in national and international events - Advocating restoration of the cultural heritage	- Competition in tourism with other regions of Georgia - Environmental pollution - Climate change - Natural hazards and disasters

Ecology and environmental protection

S	W
- Geographical location and beautiful nature - Unique mountainous climate - Rich natural resources of soil, rivers and lakes - Rich flora and fauna - Protected Areas of Javakheti (1 national park and 6 reserves)	- Poor education, studies and awareness of population in environmental issues - Non-compliance with standards of head basins and a poor quality of drinking water - Insufficient coordinated partnership of local self-government with the administration of protected areas - Erosion (wind, water, worms) - Lack of sufficient recreational areas and forests - Pollution of nature by various wastes and spontaneous dumps - Weak (not toughened) legislation against environmental offenses and poaching - Suboptimal use of land resources - Misuse of substandard fertilizers and pesticides - Absence of waste management
O	**T**
- Construction of sewer and cleaning facilities - Improving waste management and recycling - Developing green landscape and ecotourism - Effective use of fertilizers, pesticides and herbicides - Promotion of the environmental management	- Environmental pollution - Climate change and extreme weather events - Natural and biological hazards (diseases) and disasters - The railroad and hydropower plants operation creates ecological problems as well as threatens fauna

The Akhalkalaki LAG having the full regard to the economic and demographic situation and noting the needs arising from the consultation process concluded the following four ***priority sectors*** as follows:

1. Economy
2. Social
3. Tourism, culture, entertainment and recreation
4. Ecology and environmental protection

During the workshops and group discussions it was found that some topics were repeated in all sectors which were identified as cross-cutting areas for all sectors and for LDS in general.

Cross-cutting areas

1. Ecology and environmental protection
2. Gender and youth
3. Minorities and integration
4. Innovation
5. Popularisation of the national language

Outline of the key challenges from the SWOT analysis could be presented as follows:

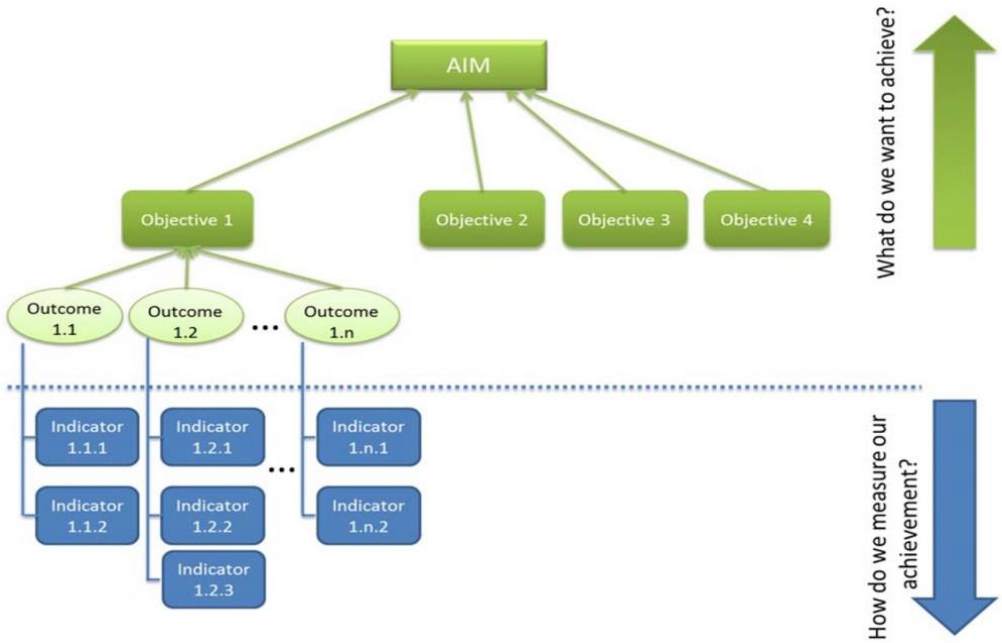
- Increase of productivity and efficiency in horticulture, livestock and dairy farming, apiculture and fishery; Introduce new directions for diversification agriculture;
- Support development of value chain of producers, processors and market linkages in agriculture;
- Support development of diversified economy including services and related infrastructure;
- Support tourism through developing services, zones of recreation, preserving flora and fauna and improving related infrastructure;
- Facilitate protection of cultural heritage and revival of traditional activities;
- Support improvement quality of life and contribute decreasing migration;
- Improve quality of education and knowledge of state language;

- Improve integration of the minorities;
- Improve gender and youth involvement in socio-economic and cultural life, local decision making and environmental protection;
- Increase awareness of environmental protection, ecology and related practices.

5. Local Development Strategy - LDS

The LDS developed by the Akhalkalaki LAG serves to improve quality of life, diversify local economy, integrate local minorities and make municipality a better place to live through support the economic, social, cultural and environment development. The LDS defines the framework of actions and outlines its main aim including four strategic directions of intervention that are considered and strategic objectives of the LDS. Each objective provides desired outcomes and clearly defines the expected results to be achieved. Along with that outcome can be observed by the indicators stated below.

For illustrative purposes the intervention logic defining the aim, objectives, outcomes and indicators is graphically illustrated below.



The Main Aim of Akhalkalaki LAG is to:

Improve quality of life, diversify local economy, integrate local population and make municipality a better place to live.

6. LDS Action Plan – Intervention Matrix

	Objective #1: Extend local income and promote sustainable development of local economy		
#	**Development Priorities - Outcomes**	**Potential Project Directions – Activities**	**Indicator**
1	Increased diversification, productivity and efficiency of the agricultural sector including facilitation of environmentally safe practices	Introducing innovative practices and technologies aiming to increase agricultural productivity	#of established practices and technologies;
		Supporting development of the agriculture cooperatives and other farmers unions	#of interventions
		Supporting implementation of food safety standards	#of supported initiatives
		Strengthening agricultural service providers (private and public)	#of supported public and private agricultural service providers
		Introducing eco/bio agriculture practices	#of new practices introduced
		Supporting introduction of energy efficient, environmentally friendly practices amongst farmers	# Of supported initiatives
		Supporting value chain production, processing and marketing	# Of supported initiatives
		Supporting women and youth small and medium business projects in agriculture	#of projects supported #of women and youth supported #of jobs created
2	Supported diversification of local economy (small and medium businesses) and improvement of business infrastructure	Supporting business diversification of innovative/non-agricultural businesses and manufacturing	#of non agricultural businesses established; #job places created in non-agricultural business
		Supporting women and youth small and medium business projects in innovative non-agriculture businesses	#of projects supported #of women and #of youth supported #of jobs created

Target groups/Stakeholders: Farmers; cooperatives; service providers; individuals; private sector; state agencies; NGOs.
Expected Results: - Increased productivity of existing agricultural directions - Better competitiveness and market access - Improved quality of products - Increased the opportunities for employment in agricultural and non-agricultural businesses - Increased of income of local population from agricultural and non-agricultural activities - Increased involvement of youth and women - Diversified local economy including agriculture - Improved awareness and access to information of agriculture and business domain - Improved business infrastructure and local service provision - Introduced new technologies, practices and environmental friendly approaches

#	**Objective #2: Improve social integration with major focus of education, culture, youth and gender equality**		
	Development Priorities - Outcomes	**Potential Project Directions – Activities**	**Indicator**
1	Improved quality of life, education, sport, culture and social integration	Supporting public and social infrastructure and amenities	#of initiatives supported
		Supporting social services for the communities	# initiatives supported
		Rehabilitation of education, cultural and sports facilities	#of initiatives supported
		Supporting cultural events and initiatives for integration	# events
		Supporting accessibility and improvement of cellular and national TV translation coverage and internet connectivity	#of supported initiatives
		Promoting and supporting social entrepreneurship development	#social enterprises supported
2	Supported local gender and youth	Supporting social activities with gender and youth involvement	#of supported activities
Target groups/Stakeholders: Local population, Women, Youth, Children, Elderly people, People with limited capabilities, artists, craftsmen and athletes, Public and private companies, State agencies and Municipal service providers, Healthcare services, Educational institutions, Local government and self-government, NGOs			
Expected Results: - Local healthcare and social services are improved and accessible			

- Community infrastructure and access to amenities for various groups has improved
- Access to education for all groups has improved
- Youth infrastructure – education, sports and culture has improved
- Involvement of the population in local decision making has improved
- Women are more empowered and active
- Minorities are more integrated
- Better public and private cross sectorial partnership
- Stronger local NGO sector
- Better media outreach and improved awareness and access to information about projects, programs, additional finances, scholarships and grants, etc.

#	**Objective #3: Extend local tourism potential and support conservation** and appreciation of the local cultural heritage		
	Development Priorities - Outcomes	**Potential Project Directions – Activities**	**Indicator**
1	Developed tourism services and infrastructure in the communities and the town in line with the environmentally safe practices	Supporting tourism related services including food and accommodation in the communities	#of tourism related services including food and accommodation funded
		supporting cross-sectoral tourism businesses such as agro-tourism, eco-tourism, extreme tourism, etc.	#of cross-sectoral tourism related businesses funded
		Supporting production of tourism-related products; authentic products restoring traditions and ethno-cultural heritage	#of tourism related products producers supported
		Mapping tourism places	#catalogue elaborated and printed
		Supporting to increase skills, standards and profitability of tourism service providers	#of supported initiatives
		Rehabilitation and conservation of cultural and historical heritage	#of initiatives supported
		Organizing cultural events, local art and handicraft such as exhibitions, festivals, fairs, competitions, etc.	#of events, activities supported
2	Develop leisure, entertainment and recreation destinations for tourists and visitors	Popularization of services at Javakheti protected area	placement of Javakheti Protected Areas in catalogues and printed materials
		Development of areas/places for tourists and visitors	#of initiatives supported
		Improving access to the information related to the tourism, leisure activities, entertainment and recreation	#of printing materials elaborated and distributed, maps, signs, web site, reaches

Target groups/Stakeholders:
Local population, Artists, Craftsmen, existing or emerging businesses living/operating in the vicinity of tourism areas/routs with potential to deliver or expand services or products to the tourists and visitors;

Women and Youth; Public and private (profit making and non-profit) sector organizations supporting to tourism development; State agencies and municipal service providers.
Expected Results: - Local population and businesses receive benefits from tourism - More tourism-related services and products developed - Number of visitors increased - More youth and women involved in tourism - Local economy become more diversified from agriculture sector - More people are employed in the tourism sector - Quality of services and skills of the business operators has improved - Capacities of organizations supporting tourism business have increased - Increased number of tourists - New destinations, routes and places of culture, leisure and recreation developed - Infrastructure of tourism, culture, entertainment, leisure and recreation has improved

#	**Objective #4: Improve ecological environment and introduce environmentally friendly practices in the municipality**		
	Development Priorities - Outcomes	**Potential Project Directions – Activities**	**Indicator**
1	Facilitate environmentally friendly and energy efficient practices	Applying renewable energy consumption and energy efficient practice and its popularization	#of supported projects
		Applying environmentally friendly practice and its popularization	#of supported projects
		Rehabilitation of brownfield places and supporting greenfield activities	#of supported initiatives
2	Improve waste management practices and recycling	Apply waste management system improvement including collection facility and dumpsites	#of meetings, attendance, workshop, letters, petition
		Apply agricultural and bio waste management system and its popularization	#of initiatives supported
3	Preserve environment and local flora and fauna	Rehabilitate recreation areas and forestation	#of initiatives supported
		Improvement of public parks, paths, lawns etc.	#of initiatives supported
Target groups/Stakeholders: Farmers, cooperatives, agro-service providers, local population, private companies, state agencies and municipal service providers, Javakheti Protected Areas, Local women and youth.			
Expected Results: - Improved effective waste management - Improved environment protection practices in local population, different public and private institutions - Better protected flora and fauna			

- More recreation areas and forest zones

7. Grant Application Process

Please see detailed information on grant application process in Appendix 4. Grant Manual.