



Local Economic Development Plan

**Khoni Municipality
Georgia**

March 2020

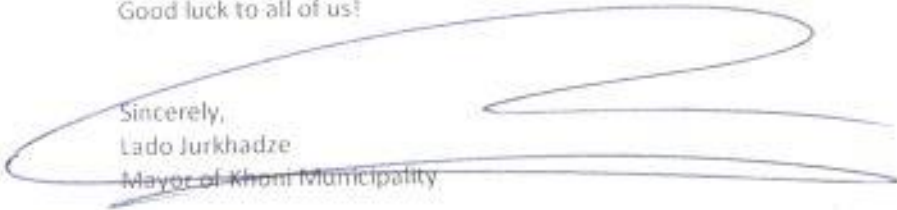
Preface from Mayor

Our municipality development, stability and prosperity of the main challenges of the competitive economic environment, in order to become attractive Khoni investors, entrepreneurs and tourists. Geographical location of the municipality, abundance of natural resources, presence of well-known tourist zones and cultural sites, climatic conditions, terrain and land structure, traditionally developed agricultural directions, investment potential, road infrastructure and existing municipal services provides the basis for economic empowerment and real opportunities for the municipality. The issue requires consistent, measured approaches, study and mastery.

to end the chaotic and unsystematic development in all directions, including economic planning is to be pre-defined and evaluated. We have a vision of what the economic situation of the municipality should be in the near and long term. Systematization of issues in the process of work will make it easier for you to keep up to date with modern achievements and challenges.

By signing the plan, I express my readiness, that within the initiative, in close cooperation with the private and non-governmental sectors, we will implement the actions outlined in the Action Plan, which will also contribute to the local economic growth and the well-being of every member of society, including the social equality and the improvement of living conditions.

During the planning process, we used all the information available to us, local resources and international experience. I think the document clearly demonstrates our potential, directions, plans and will help make Khoni one of the most successful municipalities that can overcome the challenges! Good luck to all of us!



Sincerely,
Lado Jurkhadze
Mayor of Khoni Municipality

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1.Executive Summary

Khoni local economic development plan prepared within the EU initiative "Mayors for economic growth" by local economic development partners, with equal involvement of local authorities, business sector, NGOs. Within which major economic trends were identified.

In the process of developing a plan was carried out in-depth research of development potential. Given the municipality's strategic location, diversity of tourist locations and favorable conditions for revitalizing agriculture, the sectors with the greatest development potential have been identified: Tourism, agriculture and training of professional staff.

Also revealed weaknesses, such as: Overcoming weaknesses such as unemployment, labor migration, insufficient municipal awareness, lack of municipal services to support economic development and more. Was developed a general vision of municipal development.

Good governance, increasing awareness, attracting new investments, promoting agri-production, introducing modern technologies and raising the level of education gives the Khoni municipality the opportunity to become one of the most economically growing municipalities in Georgia with its strengths.

Khoni will be a distinguished municipality with strong agriculture, attractive tourism and investment environment and a significant increase in the number of employees. To achieving economic growth outlined three main object: 1) to increase tourism potential of the country; 2) preparing competitive and demanding staff for the labor market; 3) Promotion of local businesses.

In order to achieve these objectives, the following activities are planned in Khoni Municipality: Popularization of products produced in Khoni; Presenting local products and opportunities at local and international events; Virtualization of tourist sites and places; Enhancing entrepreneurial and working skills of inclusive groups; Retraining of agro-sector specialists; Provide training in the tourism sector; Rehabilitation of irrigation canals; Involment entrepreneurs in the decision-making process; Providing information to startups and current entrepreneurs on funding opportunities in one area; Providing information on standards existing under the Association Agreement obligations; Promotion of berries program recipients.

A total of 6 351,000 GEL (1942142 EUR) will be spent on achieving these objectives. Out of these, 1.33% from the local budget, and 97.65% from the central budget and 1.02% from donor organizations.

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3.2. Abbreviations

- SWOT - Analysis of strengths, weaknesses, opportunities and threats;
- LED - local economic development;
- DMO - Destination Management Organization;

4. Introduction to the Plan

In December 2017, the Municipality of Khoni joined the EU initiative "Mayors for Economic Growth" and expressed its commitment to work closely with business and civil society to develop a long-term and sustainable economic development strategy to promote the acceleration of economic growth, reduce the outflow of young people from the municipality, because the last two census statistics were reduced to 15%.

"Mayors for Economic Growth" is a real opportunity for the municipality to achieve the sustainable local economic development.

"Mayors for Economic Growth" Initiative provided the municipality with the opportunity to discuss with all stakeholders the needs to develop the local economy and outline the right action plan, partially funded by the local budget. Khoni municipality economic activities to increase the prospect of the proximity of the center of the city of Kutaisi, Imereti region of 25 km. (30 minutes drive), from the international airport 22 km (25 minutes drive), from the nearest railway station 19 km (20 minutes), from the nearest port 100 km. (1 hour drive).

The current climate is conducive to the development of agriculture, and tourist attractions and convenient locations create the potential for development of various economic sectors (tourism, agrotourism, etc.). Khoni is also affiliated with the four European cities of Tukums (Latvia 2019), Izium (Ukraine 2018), Andrikhov (Poland 2017) and Bosniak of Santa Ana Commune (Italy, Verona 2008), which gives the municipality increased awareness.

This plan is in line with the strategic objectives outlined in the National Strategy of Georgia, including: Agriculture Development Strategy of Georgia 2015-2020 years, Georgian Tourism Strategy 2025 year, Georgian Social Economic Development Strategy 2020 year and will promote their implementation. The plan was developed in full compliance with the standards for "Mayors for Economic Growth", one of the main principles of which is of business, civil society, educational institutions active engagement in the working process.

Measures to achieve the objectives are set out in the attached two-year Action Plan. Mechanisms for implementation, monitoring and evaluation of the action plan are also provided. Active communication with the private sector and their participation will continue throughout the implementation and monitoring of the plan.

Funds needed to finance part of the activities envisaged by the plan in Khoni Municipality were considered municipal budget of 2020-2021 years, while the remaining activities will continue to external resources.

5. Process of Local Economic Development Plan Development

The process of developing the local economic development plan was carried out in accordance with methodology of "Mayors Initiative for economic growth".

The mayor's order created a 4-person plan working group and an 11-person partnership, comprised of representatives from the local government, NGOs and business sectors. The working group was led by a local officer LED. The working group meeting representatives of business, young people and of the agriculture, listened to their proposals, reflected in the LED plan and submitted to the partnership for consideration.

Working meetings were held with stakeholders including various vulnerable groups (gender, eco-migrants, youth, representatives of small and medium-sized enterprises, educational institutions, the private sector and civil society).

Shortcomings have also been identified in this regard, with some in the business sector having a limited position of representatives and communication with them was mainly limited to personal relationships. The meetings made it possible to unite farmers, in particular the Association of Beekeepers, which made communication relatively easy, established close links and coordinated approach to certain issues or problems.

Based on these meetings, the working group analyzed various sectors of the economy and considered the feasibility of the activities to be included in the action plan.

All of this created the basis to develop a local economic development action plan based on the interests and visions of stakeholders, what was most important and useful for the local partnership.

6. Local Economic Analysis

6.1 Analysis of Local Economic Structure: The local economy of the Khoni municipality is mainly represented / growing and the major part of the population is employed in agriculture, tourism, processing industry, services and trade. According to the National Statistics Office of Georgia, the number of enterprises operating in Khoni municipality increased by 51% from 2014 to 2019 and their total number is 736. The average annual number of employees in Khoni Municipality's business sector was 1151 in 2016, this rate has increased up from 1273 in 2017. Only small enterprises operate in the territory of Khoni municipality. Tourism is well developed compared to other sectors and the number of employees in this field is increasing year by year. Tourists are attracted to the natural, cultural and historical heritage sites in the municipality. The growth of existing sectors is a good indicator of the economy, though the analysis shows a lack of qualified staff and a lack of skills development on the ground. The field of trade is relatively well developed in small enterprises, where 202 enterprises are represented, of which 4 are wholesale and 198 retail enterprises. This increase has been particularly noticeable over the last 3 years. The state project 'Enterprise Georgia' had had a special impact on this. Tourism is well developed compared to other sectors. Tourists are attracted by natural, cultural and historical heritage sites in the municipality.

The growth of the economic sector in the municipality is observed in the following areas: 'Trade', 'Hotels and Restaurants', 'Processing Industry, Fruits and Vegetables' and 'Agriculture'. Industrial development is directly related to agriculture, so agriculture is an important economic sector of the municipality.

The development of tea culture, which was one of the leading fields in agriculture in the early period, has a high potential. Up to 140 hectares have been rehabilitated and up to 100 hectares are planned to be rehabilitated over the next two years. Currently, there are 4 tea primary processing plants, 1 of which is operating at full capacity, and the tea rehabilitation program is equipped with machine equipment for 3 primary tea processing plants.

In order to develop beekeeping, a beekeeping association has been established in the municipality, in which 70 beekeepers are members. This association promotes the development of the field. The problem that remains in this field is the low rate of product sales.

6.2 Local Cooperation and Networking: Meetings with business representatives in the Khoni municipality have shown that companies do not actively cooperate with each other, and the connection between them is limited to personal relationships. There is no institution or union in the municipality, within which business representatives will be able to exchange information and experience. As far as agriculture is concerned, the situation is relatively better. There is also the experience of structural cooperation, which is reflected in the existence of agricultural cooperatives. With the support of legislative changes, the state initiatives and international organizations implemented over the last five years, the development of agricultural cooperatives and the encouragement of this type of cooperation have been actively promoted. Currently there are 5 cooperatives and one beekeepers' association in the municipality, where communication and cooperation are relatively frequent and easy. As for cooperation between business companies and the municipal administration - there is no specific communication mechanism in place, though there is experience in the relationship. Meetings with business representatives are held once every three months at the mayor's initiative. The meetings are mainly concerned with providing information on possible sources of funding and discussing local-level problems and making recommendations. However, there is less interest and business activity from the meetings. We believe that we will gradually improve our cooperation, establish friendly partnerships, which in itself will undermine the existing business capability and contribute to the growth of the local private sector through joint

actions. (Annex 4).

6.3 Business-friendly, Transparent and Corruption-Free Administration: In the City Hall the case management operates on the principle of "one window", the documents received by mail or over hand be registered in the electronic system of business of the City Hall, document turnover time is reduced. Through the electronic case management system, the municipality is affiliated with all government agencies and other public agencies. The administration of the City Hall publishes the information electronically. The City Hall website is in operation and the newspaper "Khoni" is published twice a month, Where there is the information about the activities and the state programs implemented with the involvement of the local government. There is no special department in the City Hall that will focus directly on the business sector. For business representatives, especially startup entrepreneurs, often difficult to find information on existing laws and regulations. The Agricultural Information and Consultation Service of Georgia operates in the municipality and department of agriculture at the department of economics. Whose work supports agriculture and livestock, beekeepers, where entrepreneurs are consulted and provided with information on state and non-state business support programs. To help start-up entrepreneurs who want to get involved in the government programs, the Khoni Municipality administration seeks to promote the development of the business sector through various activities. Meetings are held regularly in administrative units and with representatives of cooperatives to share and share information. There is the different types of information: information on the state programs, food safety, compliance with international standards, saving time and resources by using modern technologies and equipment, and more. Municipal council meetings are open to citizens. They can present notes and initiatives. However, the number of referrals from business representatives is quite small. There are also mayor, social and gender councils, where are preliminarily discussed important issues. Active work is also being done to improve communication and awareness of government and donor organizations' business support programs.

6.4 Access to Finance: During the working meetings business sector representatives unanimously mentioned the difficulty of accessing financial resources, which in itself is a hindrance to business expansion and strengthening. The main source of access to financial resources in Khoni municipality is the loans issued by financial institutions, co-financing programs for state-supported production projects and international donor grant projects (However, the practice of accessing the latter is less common for local businesses). In the case of bank loans, the main problem remains the high interest rate. Also, the problem is the low cost of the property needed to secure the loan, which many do not have access to or are reluctant to borrow for fear of loss. The problem remains that banks do not issue loans to startups, business companies need to have at least 6 months of turnover. Positive steps have been taken by the government preferential loans and increase the availability of financing for entrepreneurs to ensure, for example: "Agriculture and Rural Development Agency", which has preferential agro-credit and co-financing projects; Agency "Enterprise Georgia", which is supported as an extension of existing business, also, starting a new business. However, here too, they cite some of the hindrances associated with bureaucratic issues. Procedures for using public programs are often time-consuming and the private sector chooses to pursue its own limited resources. We think it is necessary to create a structured unit in the municipality, which will give detailed information on the business sector on finding and accessing financial resources and will help in resolving bureaucratic issues.

6.5 Land and Infrastructure: Along with business development and growth, demand for land and real estate is on the rise. Currently the municipality has 20 thousand hectares of forest resources and 18041,5 hectares of agricultural land. Demand is mainly observed in the micro-trading companies for the right job in isolated areas, which are not a municipality. Office spaces are mainly housed in private buildings, but prices for rent and lease are high, and in many cases small businesses do not have enough funds to rent existing spaces. Procedures for the privatization and transfer of ownership of municipal property, land and infrastructure are expired over time, which poses some obstacles to private business. There are many free state-owned land and buildings in the municipality. Upon a substantiated request, certain property is transferred to the municipality. The Economic Department

of the City Hall identifies the land on the territory of the municipality, the registration of the ownership of the unregistered land, the inventory of the buildings on the property. However, the municipality does not have investment packages and a list of land and real estate for investors. It is noteworthy that the municipality is small in size and existing agricultural land is low yielding for some crops. Agro sector development, rational use of land and proper crop selection is important to conduct a soil laboratory studies. Irregularities in the irrigation system and lack of processing facilities also create a barrier. Infrastructure is being gradually refurbished at the tourist locations in the municipality. That's from the tourism potential of the locations adjacent to the current real estate prices and the demand is increasing. There is no business incubator, business industrial park and science and technology park in the municipality, which will help stakeholders start and grow innovative businesses. However, the municipality actively cooperates with government agencies and non-governmental organizations, who are willing to invest in municipal property (Annex 4).

6.6 Regulatory and Institutional Framework: Business representatives say that some bureaucratic barriers While there are still a number of administrative rules and regulations. All this is due to the fact that there is no effective communication mechanism with the business sector. There is no coordination between agencies in this area, and different agencies require the same information to be provided. There are some obstacles in preparing and issuing the required documentation for registration of land and property. Business representatives say there is a need for a business ombudsman operating locally or regionally, which protection of the interests and rights of entrepreneurs. No programs and strategies developed for agricultural and tourism development in the municipality. Marketing strategy and startup support programs should be developed and approved. The chancellery of the City Hall of Khoni has implemented the "One Window Principle" service, which makes easier for citizens and businesses to access municipal services.

6.7 Skills and Human Capital, Inclusiveness: One of the problems of the municipality is the lack of skills and human capital. Business sector representatives find it difficult to find qualified staff. There is no professional education, though there is a need for this. There are qualified staff, though not up to modern standards. With the growing trend of tourism in the municipality, the demand for the service workforce has increased. Entrepreneurs find it difficult to hire good managers, Guides who know foreign languages, restaurant / hotel staff, accountants, mechanics and welders. In addition, representatives of agriculture say that there is a shortage of qualified specialists and relevant staff in the field of agricultural products care, modern approaches and technologies, food safety, veterinary and modern standards. There is in fact a demand for skilled workers in almost all sectors, but due to the low remuneration in the local market, skilled labor from the municipality is draining into the region's center and large urban cities. Sentenced to solve the above problem in the municipality planned construction of Adult Training Center and Vocational College, where the main focus will be on the short-term adult training courses and programs.

6.8 External Positioning and Marketing: Khoni Municipality is considered an attractive place in terms of tourism and tourism development perspective, which clearly indicates the increase of tourists every year (Annex 5). There are a variety of tourist locations on the site, where visitors can access historic sites, adventure and agri-tourism nearby locations. The Khoni municipality provides access to all the essential services needed for modern living. There are parks, squares, playgrounds in towns and villages. The increasing trend of tourist flow every year has caused a high interest in business. The municipal administration organizes a variety of cultural and sporting events each year.

There are several mid-sized and relatively small family-run hotels in Khoni municipality. The food industry is also very diverse and attractive. Almost all financial institutions in the country are represented in the municipality, there are two medical facilities and more than 20 medical ambulatories. A community center and vocational college are being built. Despite the aforementioned advantages, the scarcity of jobs has a negative impact on the attractiveness of the municipality, however, the municipality administration and tourism department are working to raise awareness, publishing tourist booklets. In order to raise awareness, work is underway to reach out to cities in the different European countries and engage youth and folk groups in the exchange programs. However,

the municipal administration does not have a marketing strategy in terms of the promotion of tourism and investment increase.

7. SWOT Analysis

| Strengths | Weaknesses |
|---|---|
| <ol style="list-style-type: none"> 1. Proximity of the Municipality to Kutaisi International Airport, Poti Port and Railway Station; 2. Diversity of tourist locations; 3. Favorable climatic conditions; 4. Positive practice in the development of livestock and crop production; 5. Agricultural production practices; 6. Experience in fisheries, animal husbandry and cattle breeding; 7. Rich forest resources; 8. Free land resources; 9. Minerals: Limestone, barite, clay, inert materials; 10. The provision of electricity supply to the entire population; 11. Arranged major road arteries; 12. orderly cultural infrastructure; 13. Full coverage of the municipality with mobile telecommunication systems; 14. Diversity of historical monuments and cultural traditions; | <ol style="list-style-type: none"> 1. Municipal low awareness; 2. Low quality of tourist services; 3. Limited access to the Internet; 4. faulty outdoor lighting network; 5. Absence of gasification network in tourist zones; 6. Less developed sports infrastructure; 7. faulty irrigation system; 8. chaotically developed commercial and business infrastructure; 9. High rate of unemployment and poverty of the population; 10. Heavy demographics, the aging population, a high rate of internal migration; 11. Diversity of vulnerable groups (IDPs, eco-migrants); 12. Poorly developed municipal services in villages; 13. Ineffective waste management system; 14. Large quantities of degraded tea areas and agricultural lands; 15. Deficiency of veterinary services; 16. Lack of agricultural processing enterprises; 17. Low level of knowledge of farmers' biotechnologies; 18. Complicated land privatization process; 19. Lack of communication between the public and private sectors; |
| Opportunities | Threats |
| <ol style="list-style-type: none"> 1. The potential to increase municipal awareness; 2. Potential for new tourist locations and downstream tourist flow; 3. Investors' interest in developing tourism and vocational education; 4. Full Internet access; 5. Opportunity to revive traditional fields; 6. Prospects for growth in vocational training; 7. Informing entrepreneurs and farmers about using existing state programs; 8. Possibility to rehabilitate internal district infrastructure of the municipality; 9. Prospect of gasification of tourist zones; 10. Compliance with outdoor lighting network standards; 11. Support the introduction of a waste management and sorting system; 12. Possibility of rehabilitation and irrigation systems; 13. Use of free land resources; | <ol style="list-style-type: none"> 1. Damage to existing infrastructure due to natural and natural disasters; 2. Adverse impacts of climate change; 3. Reduce private investment; 4. Increase in migration (outflow of qualified staff); 5. Ineffective insurance environment for agriculture; |

The SWOT analysis of the Khoni municipality's economy was developed by the working group as a result of active consultations. This analysis provides an opportunity to develop an effective action plan. Based on the analysis, the measures taken under the plan were developed and identified weaknesses that adversely affect economic growth. For example: disorderly infrastructure, poor quality of service, inadequate human resources, marketing, external positioning, gaps in the relationship between the municipal administration and the private sector, etc. The action plan must address the existing challenges accordingly and the actions planned should be effective in resolving the problems. Finally, the analysis of the specific areas of the local economy and the SWOT analysis made it possible to develop a vision and objectives for the municipality of Khoni.

8. Vision and Objectives

Khoni Municipality will be a municipality with strong agriculture, attractive tourism, investment and business supportive environment.

Objectives:

1. Promoting tourism potential growth;
2. Preparing competitive and demanding staff for the labor market;
3. Promote local businesses

9. Action Plan

The Local Economic Development Action Plan is developed with the active involvement of the partnership and all stakeholders. The Action Plan will be implemented within 2 years (2020-2021). The action plan outlines specific measures. The main accountable and responsible structure for the implementation of the plan is the Khoni Municipality City Hall, which will implement the major part of the plan with the financial support of the Central Government of Georgia and various donor organizations.

Table 1: ACTION PLAN

| Building blocks | Key Objectives | Actions / Projects ideas | Duration (start/finish) | Partners Involved | Estimated costs (national currency & EUR equivalent) | Output (Product) indicators and targets | Outcome (Result) Indicators and targets |
|---------------------------------------|--|---|-------------------------|--|--|--|---|
| 1. External Positioning and Marketing | 1. Promoting tourism potential growth; | 1.1. Popularization of products produced in Khoni | 1/2020-12/2021 | City Hall of Khoni Municipality, Ministry of Environment Protection and Agriculture of Georgia, National Tourism Administration, | 30000 Gel 9018 Euro | conducted 2 local and 2 international festivals. | Increased awareness of the municipality 20-25 % , increased popularity of manufactured products, Increase revenues for local producers, Increased number of invitees and participants in festivals and public holidays, increase in sales of products, increase in sales, increase in producers' income |
| | | 1.2. Presenting local products and opportunities at local and international events. | 1/2020-12/2021 | City Hall of Khoni Municipality, Beekeepers Association, Friend Towns | 45000 Gel 13526 Euro | Events are selected where local products are exhibited in Khoni Municipality. Visits to friend cities, Participation in fairs and exhibitions, visits to friend cities | Increased awareness of the municipality, Large masses are informed about local production products and investment opportunities, Investors are interested, The number of friend cities and international partners has increased, |

| | | | | | | | | |
|---|-------------------------------|--|-----------------|--|--|-----------------------------|---|--|
| 3. Land and infrastructure 4. Financial availability | 3. Promoting local businesses | | | | Employers' Association) | 3005 Euro | Trainings have been held, agro tours have been organized with the participation of agro-sector representatives. Amount of trained specialists, number of trainings, agrotourists. | Increased qualification for beekeepers, livestock and viticulturists increased access to specialist services. The representatives of the agro sector have increased awareness. New technologies and approaches are introduced, increased incomes of farmers / services provided by specialists; Income in Dynamics. Awareness of the increased number of persons. The amount of new technologies and approaches used, revenue growth in dynamics |
| | | 2.3. Provide trainings for the tourism sector | 3/20120-12/2021 | | City Hall of Khoni Municipality, DMO, | 10 000 Gel 3 005 Euro | Trainings, trainings and work meeting are held. Amount of training and work meeting | Entrepreneurial skills of staff working in the tourism sector, improved service quality, increased tourist satisfaction, It is easier to attract tourists, Tourist flows have increased, Increased awareness of the number of participants; |
| | | 3.1. Involvement of entrepreneurs in decision making | 1/20120-12/2021 | | City Hall of Khoni Municipality, Local entrepreneurs | 1000 Gel 301Euro | Created Association of Entrepreneurs | The role of entrepreneurs in decision-making at the local level has increased 20 % |
| | | 3.2. Providing startups and current entrepreneurs with opportunities to invest in one space. | 1/20120-12/2021 | | City Hall of Khoni Municipality. | 203 000 Gel 62077,6 Euro | There is a staff assigned to the City Hall to provide stakeholders with information on | Increased access to financial information for all, increased funding for entrepreneurs / farmers, |

| | | | | | | | | |
|--|---|-----------------|---|---------------------------|--|--|---|---|
| | | | | | | | <p>current programs and funding opportunities. The amount of funded projects is 10 entrepreneurs</p> <p>Municipal agro-farming program developed. The number of informed entrepreneurs has increased.</p> <p>Increased number of applicants. Funded laboratory research for farmers. The amount of funded surveys is 10 farmers</p> | <p>increased employment, the amount of sponsored entrepreneurs, Income Dynamics, Amount of jobs in Dynamics</p> <p>The municipal agro-farm program has been developed, increased income of agro-producers and quality / healthy products; New key markets. The number of services offered has increased. Capacity of program beneficiaries and produced products in dynamics;</p> <p>The farmers cultivate and harvest the land on the basis of the conclusions and recommendations issued by the laboratory; Amount of recommendations made: increased crop.</p> |
| | 3.3. Providing information on standards within the framework of the Association Agreement obligations | 1/20120-12/2021 | City Hall of Khoni Municipality. | 3 000 Gel 502 Euro | | | <p>current programs and funding opportunities. The amount of funded projects is 10 entrepreneurs</p> <p>Municipal agro-farming program developed. The number of informed entrepreneurs has increased.</p> <p>Increased number of applicants. Funded laboratory research for farmers. The amount of funded surveys is 10 farmers</p> | <p>increased employment, the amount of sponsored entrepreneurs, Income Dynamics, Amount of jobs in Dynamics</p> <p>The municipal agro-farm program has been developed, increased income of agro-producers and quality / healthy products; New key markets. The number of services offered has increased. Capacity of program beneficiaries and produced products in dynamics;</p> <p>The farmers cultivate and harvest the land on the basis of the conclusions and recommendations issued by the laboratory; Amount of recommendations made: increased crop.</p> |
| | 3.4. Supporting those who want to join the Berries program | 1/20120-12/2021 | City Hall of Khoni Municipality. Ministry of Environment Protection and Agriculture of Georgia. | 12 000 Gel 3669,9 Euro | | | <p>current programs and funding opportunities. The amount of funded projects is 10 entrepreneurs</p> <p>Municipal agro-farming program developed. The number of informed entrepreneurs has increased.</p> <p>Increased number of applicants. Funded laboratory research for farmers. The amount of funded surveys is 10 farmers</p> | <p>increased employment, the amount of sponsored entrepreneurs, Income Dynamics, Amount of jobs in Dynamics</p> <p>The municipal agro-farm program has been developed, increased income of agro-producers and quality / healthy products; New key markets. The number of services offered has increased. Capacity of program beneficiaries and produced products in dynamics;</p> <p>The farmers cultivate and harvest the land on the basis of the conclusions and recommendations issued by the laboratory; Amount of recommendations made: increased crop.</p> |

10. Financing Scheme

A total of 351,000 GEL (107,336 Euro) will be spent on the activities outlined in the Action Plan. From here, from the local budget provides for 84,500 GEL (23,848 Euro), high-level budget 202,000 GEL (61,771 Euro), business involvement is relatively small, totaling 500 GEL (152 Euro), 49,000 GEL (14,985 Euro) projects will be implemented in cooperation with donor organizations, while 15,000 GEL (4,587 Euro) activities needed to find donor organizations.

Table 2. Financing Scheme

| Actions | Estimated costs | Source of financing | | | | Funding gaps | Remarks |
|--|-----------------------------|---------------------------|----------------------------|---------------------|---------------------------|--------------------------|---------|
| | | Local budget | Upper level budgets | Business | Donors | | |
| 1.1. Popularization of products produced in Khoni | 30 000 Gel 9 175 Euro | 30 000 Gel 9 175 Euro | | | | | |
| 1.2. Presenting local products and opportunities at local and international events | 45 000 Gel 13 763 Euro | 15 000 Gel 4 587 Euro | | | 30 000 Gel 9 175 Euro | | |
| 1.3. Virtualization of tourist sites and facilities | 18 000 Gel 5 504 Euro | 3 000 Gel 920 Euro | | | | 15 000 Gel 4 587 Euro | |
| 2.1. Enhancing entrepreneurial and working skills of inclusive groups; | 19 000 Gel 5 810 Euro | 10 000 Gel 1058 Euro | | | 9000 Gel 2752 Euro | | |
| 2.2. Retraining of agro-sector specialists; | 10 000 Gel 3 058 Euro | 5000 Gel 1529 Euro | | | 5 000 Gel 1529 Euro | | |
| 2.3. Provide trainings for the tourism sector | 10 000 Gel 3 058 Euro | 5 000 Gel 1 529 Euro | | | 5 000 Gel 1 529 Euro | | |
| 3.1. Involvement of entrepreneurs in decision making | 1000 Gel 305.81 Euro | 500 Gel 152 Euro | | 500 Gel 152 Euro | | | |
| 3.2. Providing startups and current entrepreneurs with opportunities to invest in one space; | 203 000 Gel 62077.6 Euro | 3 000 Gel 920 Euro | 200 000 Gel 61 160 Euro | | | | |
| 3.3. Providing information on standards within the framework of the Association Agreement obligations; | 3 000 Gel | 3 000 Gel | | | | | |
| 3.4. Supporting those who want to join the Berries program | 920 Euro | 920 Euro | | | | | |
| | 12 000 Gel 3659.9 Euro | 10 000 Gel 3 058 Euro | 2000 Gel 611.6 Euro | | | | |
| total | 351 000 Gel 107 336 Euro | 84 500 Gel 23 848 Euro | 202 000 Gel 61 771 Euro | 500 Gel 152 Euro | 49 000 Gel 14 985 Euro | 15 000 Gel 4 587 Euro | |

11. Monitoring Indicators and Mechanisms

In order to successfully implement the plan, will be established a monitoring mechanism, in particular, will be created the commission, which will be staffed by local non-governmental organizations, entrepreneurs and representatives of the partnership, the operation of which will be coordinated by the Economic Development Officer. Persons responsible for the activities described in the plan (mainly municipal employees) report to the officer once a quarter. In turn, the officer will prepare a general report, which will be submitted first to the Monitoring Committee and eventually to the local partnership. The partnership will evaluate the progress made, develop and implement appropriate interventions in case of certain obstacles and unforeseen circumstances. A special form will be developed and used for effective monitoring, which clearly shows ongoing progress in line with the activities, indicators and criteria set out in the plan. Once every 6 months, the municipality reports on the activities to the secretariat of "Mayors for Economic Growth".

TABLE 3: IMPLEMENTATION SCHEDULE / MONITORING PLAN

| Actions | Start date – end date | Expected results Months 1-6 | Expected results Months 6-12 | Expected results – Months 12-18 | Expected results Months 18-24 |
|---|-----------------------|---|---|---|--|
| 1.1 Popularization of products produced in Khomi | 2/2020-11/2021 | An action plan has been developed with the involvement of representatives of different spheres of society | will be organized festival of local production and public holiday; involve in festivals around the country in partnership with the private sector | 3. Entrepreneurs and Tourism Department of Municipality to participate in 2 Local and 2 International Festivals | Festival of local production of and public holiday was organized. Involve in festivals around the country in partnership with the private sector |
| 1.2. Presenting local products and opportunities at local and international events. | 1/2020-12/2021 | A friendly town was selected, the time of the delegation's visit was planned; Memorandum of Cooperation was prepared. | Exhibition of local produce will be held in the friendly city; In order to deepen cooperation, a friendly city delegation has been adopted; | A friendly town was selected, the time of the delegation's visit was planned; Memorandum of Cooperation was prepared. | Exhibition of local produce will be held in the friendly city; In order to deepen cooperation, a friendly city delegation has been adopted. |
| 1.3. Virtualization of tourist sites and facilities | 2/2019-12/2021 | A DMO working group has been set up, and various research have been conducted | identified priorities. An action plan has been developed; | Created an image clip. The Google map shows the appropriate locations; | designed for smartphones and Android Application |
| 2.1. Enhancing entrepreneurial and working skills of inclusive groups; | 2/2020-2/2021 | A research has been conducted and a database has been retrieved | Training topics and programs are defined as needed; | Trainers are trained | 50 beneficiaries are trained and have the necessary skills |
| 2.2. Retraining of agro-sector specialists. | 02/2020-12/2020 | Training topic and target groups are selected; | Work meeting have been held, 15 persons have been retrained | Training topic and target groups are selected; | Work meeting have been held, 15 persons have been |

| | | training program is completed | training program is completed | training program is retrained |
|---|-----------------|---|--|---|
| 2.3. Provide trainings for the tourism sector | 2/2020-11/2020 | Training topic and target groups are selected, training program is completed | Work meeting have been held, 15 persons have been retrained | Work meeting have been held, 15 persons have been retrained |
| 3.1. Involvement of entrepreneurs in decision making | 2/2020-9/2021 | Entrepreneurial database reorganized and action plan agreed | Created Association of Entrepreneurs | The role of entrepreneurs in the implementation of local government has increased |
| 3.2. Providing startups and current entrepreneurs with opportunities to invest in one space | 2/2020-9/2021 | City Hall has a structured unit and a person is appointed to provide current entrepreneurs with information on funding opportunities and access to finance; The information was provided by 300 persons | City Hall staff served 350 people, on the issue of financial access | The information was provided by 300 persons, opportunities for funding entrepreneurs in the field |
| 3.3. Providing information on standards within the framework of the Association Agreement obligations | 02/2020-12/2021 | Information meeting was held in 6 administrative units, 400 local residents were informed | Information meeting was held in 6 administrative units, 400 local residents were informed | Information meeting was held in 6 administrative units, 400 local residents were informed |
| 3.4. Supporting those who want to join the Berries program | 2/2020-10/2020 | Information meetings are held throughout the municipality; Information on the state program is provided and recommendations are issued | For those who want to join the program, enacted by the laboratory research program is free | For those who want to join the program, enacted by the laboratory research program is free |
| % Of total budget spent (benchmark) | | 13.17% | 20.54% | 26.34% |