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**Zestafoni Municipality**

**Local Economic Development Plan**

**(LEDP)**

Zestafoni Municipality

Georgia

**Deveped economic – step to Europe**

**2018**

**Preface from Mayor**

Establishment of Zestafoni as a city and municipality is relatively new, about 150 years ago, it is related result of the process to the acquisition and realization of manganese ore, ie mainly industrial production.

Despite of this, municipality has a special role and place, both in Imereti and in whole Georgia, not only by Ferro-Alloys or Cables Factory, elso with traditional farming and culture. It can be said that Zestafoni is one of the cultural centers of Imereti region as well, with distinctive achivments in theatrical, musical and artistic fields, with its special character, hospitality, and at the same time - with winemaking, pottery and culinary traditions.

In our deepest belief, Zestafoni municipality can develop its industrial potential and revive and give new impuls to the development of traditional farming and entrepreneurship. In this context it is very important in the initiative of the "Mayors for Economic Growth" (**M4EG**) Zestafoni Municipality involvement. Moreover, participation in this initiative is equally honored and responsible for us, the challenge and the expectation of concrete positive results.

I would like to emphasize that the Zestafoni Municipality's local economic development plan is developed based on the involvement and cooperation of the municipality, city councils, different sectors of the business, **CSO** and the representatives of the education and science spher. We are actively contributing and will do everything in the future to such cooperation to succeed and develop.

The implementation of the local economic development plan should stimulate not only the socio-economic development of the municipality, but also as a precondition for the municipality and the sustainable development of the region and it must become, one of the facts of raising public awareness and getting closer to Europe.

I express my readiness to implement the Zestafoni Municipality Local Economic Development Plan prepared within the framework of the "Mayors Economic Growth" initiative, and I hope that our cooperation with the **EU** will be further strengthened in the future.

**Zestafoni Municipality Mayor: Kakhaber Makhatadze**

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1. **Executive Summary**

 It is possible to revive and give new impetus to the development of traditional farming and entrepreneurship in Zestafoni. In this context it is very important of involvement Zestaponi Municipality in the initiative of the "Mayors for Economic Growth".

Zestafoni is one of the most picturesque and unique municipalities of Imereti, with convenient geographical location, good climatic conditions and sufficient natural resources. Here are the ancient traditions of winemaking, as well as tradition of pottery and ceramic production. The traditions of Imeretian and especially Zestafoni cuisine and culinary / gastronomy are well known. Most importantly, there are enough businesses in all these directions that are established on the domestic market and have successful cases of getting International market. At the same time we have good experience of government, business and **CSO** cooperation and growing trend and good level of engagement in local issues.

However there are some weaknesses: limitation of municipal budget resources, lack of financial sustainability of existing businesses, low level of external relations, lack of position on the foreign market, not enought qualified management and lack of relevant personnel requirements, low knowledge level of modern technologies and electronic equipment. Our vision is: Zestafoni Municipality – industrial and commercial center of upper Imereti is developed by industrial production and traditional winemaking and pottery fields, durable and high quality of service facilities, With good conditions of governance is build high level cooperation between Government business and **CSO**, establishied permanently working relationships for cooperation with international partners of the region, municipality and business circles. Sharing, generating and implementing innovative ideas. Economy increases and produces more income and raise of the number of employees.

Based on this main goals are:

1. Stimulating and developing traditional trends of farming, establishment of local and external markets;
2. Cooperation of business, government and international partners, sharing experience and implementation of joint business projects.
3. Creating opportunities of qualification raising and professional growth, trainings.

The main activities covered by the plan are: Organize annual business forum; Creation of renewable database and catalog on land plots and other real estate in the municipality, as well as on operating enterprises and vacancies; Organizing participation of local entrepreneurs and managers to the field meetings and exhibitions, seminars and business forums, demonstration and advertising of local products; Establishment of Information-Consultation Center; Establishment of "Employment Assistance Center" and others; Financing of the activities is planned with the basic principle for involving as much donor and participants as possible for implementation of this plan.

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**3.2. List of Tables and Figures & Abbreviations**

**M4EG -** "Mayors for Economic Growth"

**LEDP -** Local economic development plan

**LED -** Local economic development

**SWOT -** Strengths and weaknesses, opportunities and dangers analysis

**UNDP -** United Nations Development Program

**AYEG** - Georgian Young Economists Association

**Non-E(Non-C)LE** - Non-entrepreneurial (non-commercial) legal entity

**LEPL** - Legal entity of public law

**PLA** – Person with limited abilities

**CSO**- Civil society organization

1. **Introduction to Plan**

Zestaponi Municipality joined the **EU** initiative "Mayors for Economic Growth" on September 30, 2017 and took over commitments for the implementation of the memorandum.

The Zestafoni Municipality is located in the middle of the central part of Georgia - in the middle of of the Imereti region, from the level of the sea 90 meters (minimum) and 1100 meters (maximum); The total area of the municipality is 423.7 sq.m.

Central auto and railroad is passing through Zestafoni municipality, municipality center - city Zestaponi is a transport unit and has a very effective location. It is 180 km away from the capital - Tbilisi, 55 km away from the nearest airport (Kutaisi). The nearest port (Poti) is 150 km away. From Imereti Regional Center Kutaisi (the third largest city in Georgia) it is 35 km away. Zestafoni borders are with the following municipalities: Chiatura, Kharagauli, Baghdadi, Terjola.

The number of population for 1 January 2018 is 57 628 people. Among them - 28 082 is male, which is 48.73% of the total population, and 29 546 is female, 51.27% of the total population. 64.55% of the population (37 200 people) live in rural areas, 35.45% of the population (20 428 people) live in the city.

By January 1, 2018, workforce in Municipal was 57.8% of the total population (33 309 people). Among them female - 47.9% of the total workforce (15 950 people), males - 52.1% of total workforce (17 359 people). Average age of citizens living in municipality is 70 years (75 years of women, 65 years of men).

The population of the municipality has decreased by 16 372 people compared to 1989, which is 22.12% of the population, and it is the direct result of the migration made by social, economical and political crises of the 90s; Still migration is going, but less. It should also be noted that the largest share of migration comes from those who are leaving country, as for internal migration mainly involves migration to Tbilisi. (Although accurate estimate of the current level of migration is difficult).

Zestafoni self-government is well understanded of the importance of the development of the economy in the municipality. Moreover, it has been described as one of the priority directions. The development of the economy implies financial growth, including increase of budget, as well as the reduction of social challenges and raise life level.

The initiative "Mayors for Economic Growth" for the Zestafoni Municipality is a serious basis for developing substantially and better the local governance system and better partnership with business sectors, **CSO** and with all interested sides.

 **In addition,** the local partnership attains importance to the **EU** initiative to assist the municipality**.** Such initiatives from the European Union are getting Georgia closer to Europe. This initiative will establish European values in Georgia, this is more important for the country with such situations as we are, where more than 20% of the territories are occupied by neighboring country, which significantly holds economical progress.

Our local economic development plan (**LEDP**) has been developed specifically for initiation of "Mayors for Economic Growth". It should be noted that the **LEDP** plan is in principle compatible with Georgia's Social-Economic Development Strategy - "Georgia 2020", also it is compatible with already existing Zestafoni municipality's medium-term development document, which was developed by the **UNDP** contractor organization of the Association of Young Economists of Georgia (**AYEG**) in 2017. Also it is compatible with local budget parameters for 2018 developed by Zestafoni municipality.

In turn, the Economic Development Plan (**LEDP**), unlike the above mentioned documents, is not a comprehensive document and is focused only on the development of private entrepreneurship and municipality economy, and is oriented supporting activities in order to improve social and economic situation and citizens employment.

The Zestafoni municipality's **LEDP** plan was elaborated on the basis of the requirements, principles and objectives, which are the basis for the initiative "Mayors for Economic Growth”. The most important of them is active involvement of business, civil society, educational institutions and citizens work process, which will continue permanently in the course of preparation of the plan but during its implementation and monitoring period. At the same time, this direction will be priority for the municipality during its further activity.

 The municipality fully agrees with the content of the local economic development plan and is ready for co-funding with other partners and donors, within the scope of the plan. At the same time, this funding will be taken into consideration in the budget of 2019-2020, according to the relevant procedures.

1. **Process of Local Economic Development Plan Development**

The development of the local economic development plan in the Zestafoni municipality held on accordance with the requirements, recommendations and provided textbooks for the "Mayors Economic Growth" initiative.

This process was based on the engagement, mutual respect, equality of participants and equality of rights, professionalism and the priority of the argument. At the same time, all participants sought to reach a consensus, and most of the issues were decided on the basis of this principle.

Local Partnership was established on **November 5, 2017**; Meetings were held every month. The name of the organizations and entities involved in the Partnership can be seen in Annex - 1, a.

On December 15, 2017, in order to elaborate a plan in Zestafoni municipality working group was organized by the Mayor of Zestafoni Municipality, which was staffed by public servants of business, non-governmental sector (civil society), City Hall and City Council officials (group consisted of O. Chankvetadze, B. Chichinadze, K. Sharvadze and S. /Malkhaz/ Kochiashvili). The working group was led by the local **LED** Officer. O. Chankvetadze. For more information see Annex – 1,a.

* Local partner meetings (monthly meetings / at least once a month);
* Working group meetings (at least once every two weeks / or often depends on needs);
* Open meetings and discussions were arranged twice, information can bee seen in the Annex - 1, a.
1. **Local Economic Analysis**

**6.1. Analysis of Local Economic Structure**

In 1991 when Georgia gained independence, Zestafoni economy was mainly based on industry and agriculture. Absolute majority of citizens were employed in these areas. After the breakdown of existing economic ties, it has been significantly reduced, Or completely stopped production of plant-factories, as well as significantly reduced functionality of agriculture. As a result, the number of unemployed people in the municipality has grown critically. Because of that the central government could not develop the right economic model, people were forced to abandon their homes and were forced to search minimum living conditions in other countries. Later the situation has improved, but the problem of employment is still on top.

By January 1, 2018 total number of companies operating in Zestafoni municipality is 2084. From these enterprises small are 1820 (87.33%), medium are 247 (11.85%) and large enterprises are 17% (0.82%).

**Table # 1 Classification of enterprises according to their measures**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Number of companies** | **Total:** | **Small enterprise** | **Medium enterprise** | **Large enterprise** |
| ***Acting companies*** | ***2084*** | ***1820*** | ***247*** | ***17*** |
| Industry | 46 | 0 | 38 | 8 |
| Agriculture | 145 | 0 | 145 | 0 |
| Retail and wholesale trade | 1550 | 1517 | 25 | 8 |
| Construction and development | 39 | 33 | 5 | 1 |
| Transport | 154 | 150 | 4 | 0 |
| Other | 150 | 120 | 30 | 0 |

By January 1, 2018, the Zestafoni municipality has the following structure on the employment of citizens.

The most successful sector in the Zestafoni municipality is due to its growing trend in the industry sector, mainly metallurgical industries, which is mainly ferro-alloys. By 2017 the total amount of products produced in this sector amounted to 550 million GEL. For now, the most growing companies in the municipality are “Georgian-Manganese” LLC, “J-T-M group” Ltd, “Metalolom” Ltd, whose main products are ferrosilicankan.

**Chart # 1 Structure of Citizens Employment in Zestaponi Municipality**

Majority of companies operating in this field mainly use manganese manganese, which is located 30 km from Zestafoni municipality in neighbor municipality in Chiatura. The products produced in this field are exported to foreign countries, namely: Great Britain, Spain, Japan, the United States, Turkey, Iran and others. But at the same time it should be said that there is no greater chance of growth in the production, also must be said influence of these enterprises on the environment and problems in this case.

Zestaponi municipality unique local product is electric wires production as wel, JSC "Sakakabeli" is producing them, the products are successfully sold in Armenia and Azerbaijan, company is actively working to make their products to be sold in European countries as well.

The large agricultural market is also functioning in the municipality, which is constructed with private patriotic investments and serves not only Municipality, but also Zestafoni neighboring regions and transit citizens.

Zestafoni Municipality based on its location is supporting district for retail and distribution companies. Due to the fact that the refrigerator and warehouse are not sufficiently developed, the current situation does not fully meet the growing demand for the market.

**As a result of surveys and discussions have been identified, the priority areas of growth:**

Traditional and unique product in Zestafoni municipality is wine, In Municipality this product is especially notable to be produced in next villages – Lower Sazano, First Sviri, Second Sviri, Argveta, Kvaliti and etc.

It is also well known traditional pottery and ceramics production (especially in the village of Shrosha).

It is necessary to note that in the recent years increases development of hotel business and nutrition (including fast food) facilities. Their services are available for local and other municipalities as well as for foreign nationals. By January 1, 2018 in municipality there are seven units of the hotel, 15 units of family type hotel / hospitality, and more then hundred places to eat (restaurants, café bars, fast food, etc.).

Also, the main factors that hinder the development of local business export potential were revealed:

1. Lack of information on export markets and insufficient analysis;
2. Low awareness of local produce;
3. Improper Qualification of Employees;
4. Improperly developed connections and relevant services;

Particularly important is that most of the workingforces are employed in the above mentioned small and medium-sized enterprises, retail and wholesale merchants. As well as in aesthetic services, individual sewage, auto technical service, public nutrition and other areas.

In the development of the municipality economy it is important to carry out socio-economic direction projects under the local budget. However, due to the current legislation, the Municipality's own revenues amount to only 35% of the budget, while the rest - 65% comes from different types of transfers. According to this, municipality's budget is not enough for the development of the local economy.

Revealed that development of small and medium business is going slowly, there are many facts when new enterprises closes soon. This is often caused with not adequate knowledge and awareness of beginner enterprises. There is no systematic retraining of private sector employers, both within the country and outside the Republic, there are few cases of implementation of highly developed technologies at the municipality level and sharing successful experiences; There is no search for new markets, lower quality of cooperation of domestic and foreign companies, enterprises, even then when on municipal level there is agreement.

State and local finances are not enough to deal with these problems independently. Therefore, it is necessary to see the joint efforts of stakeholders to overcome existing challenges.

**6.2. Local Cooperation and Networking**

In the recent years important steps have been taken by the Municipality to improve the relationship with the private sector. Example of this is even the process of preparing this plan.

Local cooperation was traditionally carried out by sectoral spheres (Metallurgical production with each other, automotive products and relevant service operators with each other, wine producers with each other and so on). Moreover, these relationships did not have the kind of systematic and purposeful relationships, more often it happened because of the different types of necessities or critical circumstances. It should also be noted that from 2013 agricultural information-consulting centers established by municipalities (initiated by the Ministry of Agriculture), Which have made positive changes in the systematic nature - including the convergence of farming industries, the training of their employees and the establishment of cooperatives; This process itself is based on the development of cooperation and business relationships, but we believe that the situation need to be improved. Must be developed high quality and efficient network connection.

Taking into consideration this, we believe that it is necessary to build modern, technological and efficient communication networks and ensure their functioning (promotion) for the different sectorsBuilding such a network will facilitate the establishment of a healthy and successful partnership, as well as understanding of the need for cooperation, also creating bank of important information, business proposals and business ideas which will be available for all interested sides.

As a positive phenomenon in this direction is that while the meetings held within the framework of Local Partnership, the idea was identified and by large part of partners the initiative group “Zestafoni Municipality Development Fund” was established. One of the main functions of **ZMDF** will be the development of business communication network.

In addition, **the municipality will be involved in all these processes** as one of the most interested parties and local self-governance promotes development of public-private partnership (PPP) in Zestafoni municipality.

**6.3 Business-friendly, Transparent and Corruption Free Administration**

The Zestafoni City Hall is maximally protected by transparency, openness and ready to follow good governance principle, which ensures maximum guarantees of involvement in decision making, promotes trust to self-government and maintain it.

It is important that in the Zestafoni municipality already for several years have been implemented electronic service recordings (electrical conducting), which encourages interested parties to promptly obtain the necessary information, such as Decisions made by the Administration. The municipal web site www.zestaphoni.com operates. There is also Facebook page - Zestafoni Municipality City Hall, which is systematicly posting accepted or relevant information about projects and can be seen by everybody, but both of these services can be improved.

The Zestafoni Municipality has created and operates: **"Civil Council"**, **"Gender Council"**;Also, “Zestafoni municipality development fund” is in the process of establishing by the representatives of local business who at the same time will be partners of organisation.

In Zestafoni municipality we have a public monitoring of the budget, but it is good to implement these practices regularly.

The listed structures are a good base and an example of friendly, transparent and non-corrupt governance, and we consider it necessary to establish an **"Anti-Corruption Council"**, or it can be held on the basis of the **"Monitoring Committee"**.

The Agricultural Consulting-Information Center should be noted separately which informs the farmers and cooperatives on their basis, counseling. According to the last 5 years of experience in the agricultural sector, there are some practices of relations and mutual trust between the authorities and entrepreneurs, which gives positive results but in a narrow cut. In spite of a better situation, we also think it is needed to increase professional knowledge and skills in the agrarian field; The need more information about innovations and modern technologies; Legal, tax and financial issues, as well as issues related to market research, evaluation of export opportunities that require deep and expanded activities in this direction.

**6.4. Access to Finance**

In Zestafoni municipality operates several major bank branches and up to ten microfinance institutions that provide business and private entrepreneurs with various types of banking products, including financing of expanding existing business, as well as starting a new business. At the same time, one of the major problems faced by private sector representatives, which they constantly state, are low availability of funds, which is mainly caused by **high interest rates on banking services (at the same time is not a grace period)**. Finally, the services provided by them can not properly help to develop local business

As an alternative to banks, in some cases local entrepreneurs are using various projects produced by the Government, which are providing affordable finance, these projects are: "Produce in Georgia", "Startup Georgia" and others, though availability is limited to these resources.

There is a possibility to get loans and grants from various international donors but this direction is not known for many entrepreneurs. For entrepreneurs it is difficult to find other alternative sources.

At this time the additional support could be local municipality, but due to lack of resources and faulty legislation, it can not provide alternative opportunities for the private sector. Depending on this condition, it may be possible to provide entrepreneurs and interested persons with consolidated information and help to search various types of grants and other funding mechanisms / grants of the banking and microfinance institutions, national level enterprise support and / or other types of grants.

For more efficiency, it is possible to create a database of international donors and potential investors, Mechanisms / tools for building and managing relationships with them and other relevant resources.

Also, we could think of some actions by the municipality in this direction (Eg: on the basis of competition, supporting the municipality economic development with 3-5 innovative and effective business projects). In this scheme, in the future may be involved - ,, Municipality Development Fund ". Also, the municipality can take measures to create prerequisites (investment and other type of attractiveness), that will facilitate attracting financial resources to Zestafoni municipality.

**6.5. Land and Infrastructure**

Zestafoni Municipality includes 19 administrative units including the city.

One of the hindering factors of urban development and attracting investments is the absence of a land use and development plan.

It is necessary to note that still there is no plan for the purpose of attracting investments on property in the central and local level , to creat jobs. In case of developing municipality land use and general plan will significantly interest investors and support urban development.

For now Zestafoni is actually provided with utility infrastructure. Specifically: 100% of the electrification, 98% of gasification, 70% of drinking water supply and 65% Internet access.

60% of the villages in the municipality are operated by local water supply systems, up to 70% of the population have gasification. Works are going to repair local roads.

However, in the municipality there is still a lot to be done in infrastructure, including the city Zestafoni and villages.

In the process of development of the plan, the idea of creating **"Investment Catalog"** has been identified in which the land plots and real estate would be totally identified, which are owned by the state or municipality and may be used for their investment purposes. In the same catalog will ve indicated important parameters of land and real estate.

It is desirable that each land plot and real estate had attached specific attractive proposals to interest investors / different types of privileges, low prices and etc). At the same time, the municipality must make initiative to state (Ministry of Economy) in order to provide investors with the simplified procedures in case of lease or under certain conditions to the lands and real estate.

**6.6. Regulatory and Institutional Framework**

There are good conditions to to start a business in Georgia, the registration procedures are quite simplified, and even one day is enough for it.

On the other hand, there is no big tax pressure on business operators, which is an additional positive condition, namely 6 taxes (income, profit, VAT, excise, import and property), from which only the property taxes are transferred to the local municipal budget. This tax rate is compliance with the appropriate conditions, by the municipal representative / elective authority - City Council and is capable of establishing certain benefits for the promotion of local business and attracting investments. The issue of local fees is also important, in the Zestafoni municipality there are following charges: Ad placement, gambling business, construction permit and cleaning. Naturally, considering the reduction of these fees are another motivating factors. The Municipality City Hall seeks maximally within the framework of the legislation to improve tax and fees for local entrepreneurs and subjects.

However, it is must be noted that during the meetings with the businessmen / entrepreneurs more attention paid to the simplification of various regulations and the need for reduction of other administrative barriers, the more often the were obtaining to the construction permit. The complexity and duration to get real estate (land, building-building) in ownership or lease.

It was also noted that some entrepreneurs are less protecting rulsand the necessary, which decrease quality of the product and service same time, also degrades / strikes the honest businessmen and general business prestige. In this direction it will be good if successful and honest entrepreneurs will be encouraged. **(A suggestion was made to identify best brands / companies / products and according to this set up promotion system for them).**

**6.7. Skills and Human Capital, Inclusiveness**

In the process of transition to the market economy, as a result of improper economic approaches where damaged professional training centres in country and in Zestafoni. In these professional training centres were prepared large part of the employed people in the local economy sector.

Currently there is only **one professional training centre**, but because of training prise young people can’t afford it.

At the same time, in Zestafoni Municipality does not function branchs of any higher education institution. The nearest higher education institutions are located in the city of Kutaisi (distance 35 km). This is a serious problem for socially vulnerable and for people with disabilities, which requires some reaction.

**During the meetings (**with current / potential employers, schools univesities supervisors**,** students, young people and other applicants who are seeking to be employed) revealed in municipality **(as in other municipalities) many unemployed individuals who can be divided into two major groups;**

- Low-skilled work force.

- Unemployed individuals with separate specialties; Teachers, engineers with different specialties and doctors, (More middle and high age people); the surplus of economists and business administration (or similar) specialties (among young people);

**On the other hand we have a request:**

**- For professionals with specific skills and abilities, but it is difficult to separate one (large groups);** This situation puts us in the face of the need for **professional retraining** and the necessarity to create **skills development center or other mechanism.**

**Relatively there is high demand for the following specialities and specialized personnel:** Accountants (with the knowledge of accounting with computer skills); Foreign languages / first English and Russian, Turkish / knowledge office managers and administrators; High qualified engineer-electrician and mechanical engineers; Worker who performs high-quality construction-installation and repair works; Agronomists and mechanisers; High quality **winemakers**; Zoologists;

**It is noteworthy that representatives of agro industries focus needs on qualified engineers who can involve new technologies, innovative directions / trends and standards.**

Due to the difficulty of the issue, on the local level must be done:

1. proffesional training and retraining center for people with disabilities;
2. Establish effective mechanism for proffesional training and retraining;
3. Periodic registration and renewal offers and requests of local employers, as well as employment opportunities;
4. Periodic meetings and communication between employers and job seekers;

**6.8. External Positioning and Marketing**

The Zestafoni Municipality is located on the highway connecting Europe and Asia (Baku-Batumi), which makes the municipality more attractive. Proximity to Poti Port and Kutaisi Airport creates favorable conditions for improvement of local investment climate.

It is important that the Zestafoni municipality has a memorandum on mutual cooperation with various municipalities of **foreign** countries: Kiryat Bialik municipality (Israel); Tchevi municipality (Poland); Tauragese municipality (Lithuania). Within the frames of the memorandum, many activities and other important projects have already been implemented at the municipality level, which had positive impacted on the socio-economic situation of the municipality.

**On the basis of the conclusions held at the polls and meetings**, it is clear that the main directions of economic development of Zestafoni municipality are based on the integrity of traditional farming and cultural values. Therefore, the target area of the plan should be: **Winemaking; Clay crafting and Ceramics; Culinary / gastronomy and places to eat (restaurants, cafes and others).**

It was underlined that Zestafoni is not only remarkable in terms of size and efficiency of its industrial enterprises, also with its cultural traditions and achievements (Specific facts: music, singing culture, theatrical traditions and actors; Annual festival "Suliko" and others). According this were identified themes and trends for Zestafoni municipality: melody (festival "Suliko");

- Tradition and Culture of Hospitality; „Kvevri” wine (wine is saved in big clay pot) and Imeretian grape varieties, Tsitska, Tsolikauri and Otskhanuri sapari; Georgian and namely Imeretian culinary; Clay crafts and ceramic items made in the village Shrosha; Theatrical tradition and cultural life; Historical monuments (Shorapani castle and others);

The Zestafoni municipality has a great potential to awareness its name with unique wines. For the first stage, we can make active preparation and marketing works in the friendly cities (in the respective countries). We can organize and take part in festivals (such can be “Varinkoba”/”Suliko” on spring/may and traditional festival “Zestafoni” in autumn/octobre).

It will be helpful if the business-forum will be held for potential investors and interested entrepreneurs in the above-mentioned days (maybe separate), can be organasied business meetings and presentation of various business projects. Also competitions will be held to identify the best local products and honor to carry the name / coat of the Zestafoni municipality ("branding").

The above mentioned activities will promote the awareness of the city, which will significantly increase the number of tourists and make Zestafoni municipality competitive to others. On the other hand, **we should support Zestafoni as one of the main areas of Imereti region and to establish the image of the main economic and cultural center of Upper Imereti.**

**7. Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis**

|  |  |
| --- | --- |
| **Strong sides** | **Weaknesses** |
| - One of the most picturesque, unique and recognizable municipalities of Imereti;- Convenient geographic location / internationaly important auto and railway roads, airport /;- Strong hub winemaking traditions, one of the three wine making tradition, sufficient number of experienced staff involved in this process;- Traditions of clay crafting and ceramic production, a large number of skilled and experienced persons engaged in the manufacturing process;- Imeretian and Zestafoni cuisine / culinary traditions and skilled staff;- There is a sufficient number of successful businesses, mostly small business, and positive image across Georgia;- Each business is established on the domestic market and some has successful experience on international market;- Enough resources for business development (raw materials, cargo, human resources and other / except finance);- Experience of municipality governance, business and CSO cooperation and increasing trends; A good level of community involvement in local issues.- Transparent, simplified procedures and minimum bureaucratic barriers;- Municipality Infrastructure can be said is in satisfying condition (Mainly Road); | - Insufficient level of decentralization; Limitation of budgetary resources of the municipality, lack of own revenue;- Low level of business communication with foreign friends and other partners, lack of position on the foreign market;- The vast majority of small businesses and their financial sustainability is under question and resources are insufficient;- Theoretical knowledge and qualification of management is not enough, as well as the number of highly qualified and contemporary staff;- The level of modern technologies (according to the sectors) and the utilization / implementation of electronic resources;- Quality of business cooperation is fragmented in the cases of foreign business policy implementation; - High interest rates and low level of investment / insufficient access to finances; - Separate, different types of municipal infrastructure faults; - Not adapted environment for people with disabilities;- Inadequate development of tourism sector in the municipality / despite existing resources /;- Low level of introduction of business insurance and relevant knowledge;- Non-compliance with local products and services to the international standards. |
| **Opportunities** | **Threats** |
| - Support of international donor organizations for business, including small and medium enterprises, development programs and projects; - State privileged credits and co-financing projects available for small and medium businesses across the country;- Develop and implement joint business projects together with foreign friends in the same countries to find more partners;- Increase the municipality's recognition in neighboring countries and Europe; - Increasing number of tourist in the region and municipality;- Retraining of persons employed in the field of business and preparing specialists with high qualification;- Support to the local business in search of investments and key markets; - Implementing privileges for entrepreneurs; - Implementation of co-financing program in the targeted fields of business by Municipality;- The ability to use technological innovations and the use of electronic means;- Available of human resources; | - The possibility of climate change, natural disasters and natural disasters;- Soil erosion, spread of epidemics and pests in agriculture;- Risks of environmental pollution;- Difficult geopolitical environment, economic and political fluctuations and unpredictable changes;- Increase of migration processes and reduce of population, including qualified personnel;- Reduction of the annual subsidy of the municipality from the state budget, as well as reduction of direct revenue; - Worsening socio-political background and criminal situation;- Mistrust and nihilism in society, including in business (in some parts);- Increase in inflation level;- Reduce of investments in the country.  |

SWOT Text accompanying analysis

To take into account geographical location of Zestafoni Municipality with auto and railway highways and airport, as well as development of metallurgical enterprises and JSC "Cables Factory" success and the business reputation and relationships of these enterprises, it is a good prerequisite for regular business meetings and business meetings in Zestafoni. Even more, Zestafoni should turn into the main location for these meetings in the region (with Kutaisi), where it will be possible to organize business meetings with the representatives business of upper Imereti and the entire region. Here will be possible to introduce them to each other-closer, share experience and find new ways to extend. Also can be organized their meetings with businessmens from neighbors and other countries, with international donors and investors;

It is also important to find new business directions; For example, in recent years tourism is developing in Georgia but in Zestaponi and its neighboring municipalities it is still not functioning, despite the abundance of existing natural and historical-cultural monuments. Obviously, we should not leave this segment carelessly and take into account specifications of Imereti and it’s resources we should prepare the ground for serious progress in this direction.

It should be noted that the development of large industrial enterprises for Zestafoni may still remain a serious factor. At the same time, on the basis of discussions held within the framework of the partnership, the idea was that the development of the municipality should be based primarily on the integrity of traditional farming and cultural values. Based on these discussions and conclusions, three priority directions were identified; Winemaking; Pottery and ceramics; Culinary and catering services.

We have all major components to development in all three directions: Natural environment and climatic conditions, traditional and highly known grape varieties and all other raw materials, Qualified, experienced staff or just interested and motivated people / specialists and workers, market trends and incentives, more opportunities for growth and development, and more area / space for engagement and cooperation.

For successful implementation of these objectives, it will be necessary for maximum mobilization and use of internal and external resources and opportunities:

- Apply a part of the limited financial resources of the municipality to the implementation of this plan;

- Establishing business and perspective relationships with friend Cities / Municipalities of Zestafoni;

- Support to the local business in finding financial resources;

- Supporting in retraining of high level managers and specialists;

- Promote modern technologies and introduction of electronic services;

- Promoting business relationships, supporting implementation to the internal and external markets;

All above mentioned should be a prerequisite that after several years Zestafoni municipality will become the center “hub” of economic and business development of Upper Imereti, Where regularly will be held business meetings. Here will be shared knowledge, ideas, experiences and successes; This will develop economy and increase income and number of employed people.

 **8. Vision and Objectives (including expected results)**

The vision of the local economic development of the municipality and the strategic goals adopted by active involvement of all Partnership Participants, which were formed so:

**view:**

Zestafoni Municipality - Industrial, Commercial, Commercial and Cultural **Center** of Upper Imereti ("Hub"), developed with industrial production and traditional winemaking and pottery / ceramics, excellent service quality culinary, gastronomy and catering facilities. Where high culture of cooperation is established between business and CSOs; Establishing permanent mechanisms for cooperation with international partners of the region, municipality and business circles. Innovative ideas here are Shared, generating and becomes implemented. The good economy increases number of employees and the income, which increases the quality and level of living. Rational and effective use of existing resources is implemented and sustainable development of the municipality is achieved. The tradition is the formation of joint and optimal solutions and effective system of monitoring their implementation. In the society quality of trust in the government and business is increased. Municipality gives equal development opportunities for all and is attractive for living, working and doing business.

**Main Objectives:**

1. 1. Stimulate and develop traditional trends of farming, establishment on local and external markets;
2. 2. Cooperation of business circles, government and international partners, sharing experiences and implementation of joint business projects;
3. Development of skilled human resourses, creating trainig centres in order to get qualified and professional staff for further development.

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| ***9.* Action Plan** |
| ***Thematic******Blocks*** | ***Maen******goals*** | ***Actions and project******Ideas*** | ***Duration (start -******Finish)*** | ***Participant Partners*** | ***Orientation Cost in National Currency (equivalent to Euro)*** | ***Monitoring indicators / instant results indicators******(Output (Product) indicators and targets)*** | ***Results / final results indicators(Outcome (Result) Indicators and targets)*** |
| Local Cooperation and business communication networkexternal positioning and marketing;friendly, transparent and corrupt free administration to business | Increase awareness of Zestafoni municipality and business sector outside the country, offering the best products; Existence of communication system | 1. Develop awareness and communication1.1 Create web site;1.2 Creating an information-image clip | 12.01.2019 -30.04.201912.01.2019 - 27.09.2019 | Zestafoni Municipality City Hall, City Council, local business representatives;Representatives of educational, academic and experts circles;As well as other partners, interested persons, population  | **Total:15 000 Gel (5 000 Euro)**from:1.1 9 000 Gel(3 000 Euro)1.2 6 000 Gel(2 000 Euro) | **Instant Result:**1) Providing of information to local and international partners, investors and donors;2) The communication system would be created;**Monitoring Indicators:**1) Capacity of information posted on the web site;2) Clip duration | **საბოლოო შედეგი:**1) Increased awareness and information level;2) Motivation and activity has been increased;3) Successfully development and build relationships**Indicators of the final outcome:**1) Number of users and viewers of the Web site;2) Number of viewers of the clip; |
| Local cooperation and communication networkfriendly, transparent and corrupt free administration to business | Creating deeper relations between Zestafoni municipality and business sector,as well as developing relationships between business representatives and identifying common interests, develop cooperation with neighboring and regional business representatives, share new ideas and successful experiences | 2. On local level holding of annual business meetings2.1 Conducting seminars and business meetings;2 2 Exhibition and demonstration of local products / products within the meetings, demonstration of local business web-site | 10.05.2019-12.05.2019 and10.05.2020-12.05.2020Benchmark date is likely to coincide with the annual celebration of the "Sulikoba" festival  | Zestafoni Municipality City Hall, City Council, local business representatives; Representatives of neighboring municipalities;Banking and other financial institutions;Representatives of educational, academic and experts circles;As well as other partners, interested persons, population | **სულ:54 000 Gel (18 000 Euro)**From:2.1 24 000 Gel(8 000 Euro)2.2 30 000 Gel(10 000 Euro) | **Instant Result:**1) Introducing participants, creating closer and deeper relationships;2) Identify common views and interests; Sharing experiences and successful practices;  sharing interestind ideas and Initiate.3) Business representatives will get familiar with the situation in the sector, success, results and achieved by each other**Monitoring Indicators:**1) Number of organized events;2) Number of participants in seminars and meetings, participats in the event;3) Number of products presented;4) Capacity of information posted on the web site and number of visitors; | **Final result:**1) Increased awareness of business resources and opportunities of Zestafoni municipality;2) Increased level of relationships and trust to local business; 3) Increased level interested of individuals on business news; 4) Have been identified common vision and ideas on joint projects;5) Has been increased area of experiences and ideas 6) Visions and suggestions for business forum have been developed **Indicators of the final outcome:**1) How many new business ideas and projects are identified;2) How much cooperation was involved;3) How many enterprises and entrepreneurs are engaged in these processes |
| Land and infrastructure;Local Cooperation and Business Communication NetworkForeign positioning and marketing | Supportingand promote business development and launch, attract investments, get more easy access to municipal and state-owned real estate | 4. Promote Investment4.1 Creation of renewable databases and catalogs of land plots and other real estate;4.2 Creation of renewable database and catalog of enterprises registered and operating in municipality; | 03.01.2019-01.12. 201903.01.2019-01.12. 2019 | Zestafoni Municipality City Hall, City Council, local business representatives; Representatives of neighboring municipalities;Banking and other financial institutions;Representatives of educational, academic and experts circles;As well as other partners, interested persons, population | **Total:42 000 Gel (14 000 Euro)**from:4.1 18 000 Gel(6 000 Euro)4.2 24 000 Gel(8 000 Euro) | **Instant Result:**1) There is a renewable base and catalog of municipal and state owned land plots and real estate;2) There is a renewable base and catalog of entrepreneurs, enterprises and possible vacancies data;**Monitoring Indicators:**1) Volume of information available in databases; 2) The number of data users; | **Final result:**1) The volume of investment and the number of start-ups has increased.2) Has been increased efficiency and operationality of solutions;3) The number of purchased property is increased**Indicators of the final outcome:**1) Volume of investment;2) Number of start-ups;3) The number of purchased property from state |
| External positioning and marketing;Local Cooperation and Business Communication NetworkSkills and human capital | Start and develop business and partnership relations with friendly towns and business circles of Zestafoni;As well as finding other potential partners and key markets in the same countries | 6. Organizing business meetings, exhibitions and workshops of local entrepreneurs and managers. Participation in business forums, demonstration and advertising of local products.As well as special targeted to increase qualification and train specialists.  | 01.01.2019-30.12.2020once a year specialists should be sent to friend cities/counties for training and on target course(A total of three trip a year and 5-5 persons a day from 5 to 10 days) In order to improve the qualification | Zestafoni Municipality City Hall, City Council, local business representatives; Representatives of neighboring municipalities;Banking and other financial institutions;Representatives of educational, academic and experts circles;As well as other partners, interested persons, population | **90 000 Gel(30 000 Euro)** | **Instant Result:**1) New business relations have been established;2) Finding partners and investors;3) Study of the potential key market;4) Increased qualification**Monitoring Indicators:**1) Number of persons involved in outdoor activities;2) Number of people on business trip:3) Number of days spent on business trip; | **Final result:**1) Increased awareness interest and confidence of foreign partners to the business opportunities in the municipality. 2) The level of awareness of interested individuals on European experience and business activity has increased; 3) Established business relationships;**Indicators of the final outcome:**1) The number of contracts and developed relationships;2) Investments made by foreign partners; |
| Skills and human capital, inclusive;Local cooperation and business communication network | Consulting services for business with necessary and important information, modern technologies, innovations and new knowledge. | 7. Establishment of "Information-Consultation Center"; **Directions:** a) Legal rules: b) Economic and financial analysis;c) Organizing of getting financing and small grants;d) Marketing advertising and PR;e) Administrating Web site;f) Database management;g) Publishing of booklets and brochures;h) Polls of community Opinion  | 01.01.2019 30.08.2019 | Zestafoni Municipality City Hall, City Council, local business representatives; Representatives of neighboring municipalities;Banking and other financial institutions;Representatives of educational, academic and experts circles;As well as other partners, interested persons, population | **96 000 Gel(32 000 Euro)** | **Instant Result:**1) Information-consultation center is created;2) Business representatives and other stakeholders are using Center's resources;3) The center carries out multi-profile services**Monitoring Indicators:**1) The total number of services rendered and the number of services according to individual thematic directions;2) The volume of information available in the databases and their frequency usage;3) Number of web site approvals; | **Final result:**1) Quality of access to important information is elevated;2) Evaluation, analysis and decision-making process has got easier;3) Business efficiency got better**Indicators of the final outcome:**1) Businessmen activity and feedback;2) Number of successful projects;3) Number of new businesses;4) Volume of investments made; |
| Skills and Human resourses, Inclusive:Local cooperation and business communication network | Organizing and support to unemployed and employed persons with disabilities in trainings, retraining professional skills and getting employed | 8. Establishment of "Employment Assistance Center" Directions:a) Renewable database of enterprises and vacancies;b) Organize and maintaining teaching and retraining system; | 01.01.2019 30.08.2019  | Zestafoni Municipality City Hall, City Council, local business representatives; Representatives of neighboring municipalities;Banking and other financial institutions;Representatives of educational, academic and experts circles;As well as other partners, interested persons, population | **75 000 Gel(25 000 Euro)** | **Instant Result:**1) Created employment center;2) Created renewable database of enterprises and vacancies;2) Business representatives, people with disabilities and other stakeholders are using services;3) The center carries out multi-profile teaching**Monitoring Indicators:**1) The number of people involved in the teaching process2) Number of pupils according to the thematic direction;3) The volume of information available in the database and its frequency usage; | **Final result:**1) The level of qualification and professionalism is elevated; 2) The possibility and choice of empliment have been increased;3) Business efficiency got better.**Indicators of the final outcome:**1) Activity and responding to employment opportunities;2) Number of new employees;3) Facts of promotion of qualified individuals in the business involved in program. |
| Access to finance;Local Cooperation and Business Communication Network;External positioning and marketing; | Promotion and promotion of financing of business projects, creation of financing and co-financing mechanism (through competition) and esteblishing |  9. Municipality City Hall and City Council, as well as the newly created **Information Advisory Center** will held competition of municipal (or regional) business ideas and projects. | 01.10.2019-30.12.2020Once a year, open competition will be held to identify best project, program, Business plan / plans (1 - first, 2 - second and third - to identify third placeholders) with their future financing or co-financing. | Zestafoni Municipality City Hall, City Council, local business representatives; Representatives of neighboring municipalities;Banking and other financial institutions;Representatives of educational, academic and experts circles;As well as other partners, interested persons, population | **270 000 Gel(90 000 Euro)** | **Instant Result:**1) Motivating entrepreneurs, stimulating existing business development and initiating new business ideas;2) Will be preparation and presentation of business projects, programs;3) The winner business projects were identified.**Monitoring Indicators:**1) Number of subjects participating in the competition;2) Number of projects participating in the competition;3) The number of winning projects; | **Final result:**1) Promoted and developed business specific directions;2) New employees;3) The level of qualification and professionalism is elevated;4) Increased possibility and choice of employier;5) Business efficiency got better.**Indicators of the final outcome:**1) Number of start-ups;2) Number of new employees;3) Number of successful business projects and implemented;4) The amount of financing;5) Volume of income received |
| Business-friendly, transparent and corruption-free administration;Local Cooperation and Business Communication NetworkExternal positioning and marketing | Arrangement of high-level trading infrastructure on several pre-selected locations in Zestafoni and on the highway  | 10. Municipality City Hall and City Council, as well as interested entrepreneurs are involved in organizing 5 or 6 trade infrastructures | 01.01.2019-30.12.2020Throughout the whole period. | Zestafoni Municipality City Hall, City Council, local business representatives; Donors and investors  | **300 000 Gel(100 000 Euro)** | **Instant Result:**1) Attractive and convenient trading space for local and foreign tourists has been established; **Monitoring Indicators:**1) Number of trade objects arranged;2) Number of entrepreneurial entities placed in the objects; | **Final result:**1) Awareness and interest from foreign tourists and potential investors have been increased about Municipal business; 2) The number of trade and commercial transactions has increased**Indicators of the final outcome:**1) Number of operations carried out at merchants; 2) Common income |

Note: Main directions of the "Employment Assistance Center" are as follows at this stage. In the future we can make some changes:

a) Maintaining a renewable database of enterprises operating in the municipality and existing vacancies;

b) Organizing teaching and retraining system with the following priority directions: Viticulture and winemaking. Clay crafting and Ceramics, Gastronomy and Culinary, Catering Services:

- Development trends of specific segment and specific topic of the field
- Management and Marketing;
- Computer programs and electronic communication;
- Accounting and tax code;
- English (Business English) Language Learning.

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| **10. Financing Scheme** |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***events*** | ***nearby value*** | ***Source of funding*** | ***Funding terminated***  | ***Notes*** |
| ***Local budget*** | ***High level budget*** | ***business*** | ***Donors*** |
| 1.1 Create web-site | 6 000 Gel(2 000 Euro) | 6 000 Gel(2 000 Euro) |   |   |   |    |  |
| 1.2 Creating an information-image clip | 9 000 Gel(3 000 Euro) | 9 000 Gel(3 000 Euro) |  |  |  |  |  |
| 2.1 Conducting seminars and business meetings; | 24 000 Gel(8 000 Euro) | 12 000 Gel(4 000 Euro) |   |   | 12 000 Gel(4 000 Euro) |   |   |
| 2.2 Exhibition and demonstration of local products within the meetings, demonstration of local business web-site | 30 000 Gel(10 000 Euro) | 15 000 Gel(5 000 Euro) |   |   | 15 000 Gel(5 000 Euro) |   |   |
| 3.1 In frame of the business forum arrainging conference and / or seminars. | 45 000 Gel(15000 Euro) | 27 000 Gel(9 000 Euro) |   |   | 18 000 Gel(6 000 Euro |   |   |
| 3.2 In frame of forum make exhibition and demonstration of local products and producers.  | 36 000 Gel(12 000 Euro) | 15 000 Gel(5 000 Euro) |   | 6 000 Gel(2 000 Euro) | 15 000 Gel(5 000 Euro) |   |   |
| 3.3 Final Summary and Demonstration of Information-Imaging Video about Municipality, awarding winners | 9 000 Gel(3000 Euro) |    |   | 9 000 Gel(3 000 Euro) |    |   |   |
| 4.1 Establishment of investment renewable database and catalog on land plots and other real estate in Municipality;  | 18000 Gel(6 000 Euro) |    |   |   | 18 000 Gel(6 000 Euro) |    |   |
| 4.2 Creation of renewable database and catalog on enterprises and entrepreneurs registered in the municipality; | 24 000 Gel(8 000 Euro) |    |   |   | 24 000 Gel(8 000 Euro) |     |   |
|  |  |  |  |  |  |  |
| 5. Organize for the best local entrepreneurs and managers field meetings, participate in exhibitions, seminars and business forums, advertise local products. | 90 000 Gel(30 000 Euro) | 30 000 Gel(10 000 Euro) |    | 30 000 Gel(10 000 Euro Euro) | 30 000 Gel(10 000 Euro) |  |    |
| 6. Establishment and functioning of Information-Consultation Center | 96 000 Gel(32 00 Euro) | 36 000 Gel(12 000 Euro) | 36 000 Gel (12 000 Euro) |    | 24000 Gel (8 000 Euro)  |    |    |
| 7. Establishment and functioning of "Employment Assistance Center" | 75 000 Gel (25 00 Euro) | 18 000 Gel(6 000 Euro Euro) |    | 21 000 Gel (7 000 Euro) | 36 000 Gel (12 000 Euro) |    |    |
| 8. Creation and working of the Anti-Corruption Council | 12 000 Gel(4000 Euro) | 12 000 Gel(4 000 Euro) |  |    |    |    |    |
|  9. The Municipality City Hall and City Council, as well as the newly created Information Consulting Center will conduct business ideas / projects | 270 000 Gel(90 000 Euro) | 60 000 Gel(20 000 Euro) | 60 000 Gel(20 000 Euro) | 60 000 Gel(20 000 Euro) | 90 000 Gel(30 000 Euro) |    |    |
| 10. Municipality City Hall and City Council, as well as interested entrepreneurs are involved in 5 or 6 trade infrastructures | 300 000 Gel(100 000 Euro) | 90 000 Gel(30 000 Euro) | 60 000 Gel(20 000 Euro) | 60 000 Gel(20 000 Euro) | 90 000 Gel(30 000 Euro) |    |    |
| ***Total*** | **1044 000 Gel** | **330 000 Gel** | **156 000 Gel**  | **186 000 Gel** | **372 000 Gel**  | **0 Gel** |  |
| **348 000 Euro** | **110 000 Euro** | **52 000 Euro** | **62 000 Euro** | **124 000 Euro** | **0 Euro** |  |

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| **11. Monitoring Indicators and Mechanisms** |  |  |  |
|  |  |  |  |  |  |
| ***action*** | ***Duration (Start / Finish)*** | ***Expected Results*** ***1-6 month*** | ***Expected Results******7-12 Month*** | ***Expected Results******13-18 Month*** | ***Expected Results*** ***19-24 Month*** |
| 1.1 Create web site | 12.01.2019 - 30.04.2019 | Zestafoni municipality business website is created | Zestafoni municipality business web site is updated and free access to it | Zestafoni municipality business web site is updated and free access to it | Zestafoni municipality business web site is updated and free access to it |
| 1.2 Creating an information-image clip | 12.01.2019 - 27.09.2019 | Created by Zestafoni Municipal Information-Image Clip (3-5 min) | The video was demonstrated and distributed via the Internet | The video was demonstrated and distributed via the Internet | The video was demonstrated and distributed via the Internet |
| 2. Annual business meetings and set up and hold | 10.05.2019-12.05.2019 და10.05.2020-12.05.2020 | The first stage of business meetings is held, and the planned events were held | Analyzes and dissemination are going; Decisions taken in the process of preparation and implementation | The first stage of business meetings is held, and the planned events were held | Analyzes and dissemination are going; Decisions taken in the process of preparation and implementation |
| 2.1 Arranging seminars and business meetings; | 10.05.2019 - 11.05.2020 | Representatives of local government and business circles shared views on various issues and business projects | Analyzes and dissemination are going; Decisions taken in the process of preparation and implementation | Representatives of local government and business circles shared views on various issues and business projects | Analyzes and dissemination are going; Decisions taken in the process of preparation and implementation |
| 2.2 In frame of forum make exhibition and demonstration of local products and producers. | 12.05.2019 - 12.05.2020 | Exhibition and demonstration of local products was a demonstration of local business web-site | Analyzes and dissemination are going; | Exhibition and demonstration of local products / products, demonstration of local business websites | Analyzes and dissemination are going; |
| 3. Establish and organize annual business forum | 20.10.2019-27.10.2019 and 20.10.2020-27.10.2020 | Preparatory works are going | The first business forum was held |   | The second business forum was held |
| 3.1 Convention and / or seminars, as well as business meetings within the forum; | 21.10.2019-24.10.2019 და 21.10.2020-24.10.2020 |   | The conference was held, business meetings were held, sharing experiences, and future meetings were planned | The dissemination and analysis of the results of the business forum is conducted, and scheduled meetings are held | The conference was held, business meetings were held, sharing experiences, and future meetings were planned |
| 3.2 Exhibition and demonstration of local products / products within the forum, to identify the best products  | 25.10.2019-26.10.2019 და 25.10.2020-26.10.2020 |   | Exhibition and demonstration of local products was held, revealing the best products | Analyzes and disseminates results | Exhibition and demonstration of local products was held, revealing the best products |
| 3.3 Final Summary and Demonstration of Information-Imaging Video about Municipality, awarding winners | 27.10.2019 - 27.10.2020 |   | Final meeting was held, demonstration of information-image clip prepared about municipality, awarding winners | Analyzes and disseminates results | Final meeting was held, demonstration of information-image clip prepared about municipality, awarding winners |
| 4.1 Establishment of Investment Renewable Database and Catalog on Land Plots and Other Real Estate in Municipality;  | 03.01.2019-01.12. 2020 | Preparatory works are ongoing | Created renewable databases and catalogs about land plots, investment and other real estate in the Municipality; | Updating and using investment databases about land plots and other real estate in the municipality | renewed databases and catalogs about land plots, investment and other real estate in the Municipality; |
| 4.2 Creation of renewable database and catalog on enterprises and entrepreneurs registered in the municipality; | 01.02.2019-01.12.2020 | Preparatory works are ongoing | Renewable database and catalog of enterprises and entrepreneurs registered in the municipality; | Upgraded database of registered and active enterprises and businessmen in municipality | Upgraded database of registered and active enterprises and businessmen in municipality |
| 5. Organize the best local entrepreneurs, managing field meetings, participation in exhibitions, seminars and business forums, demonstration and promotion of local products.As well as the targeted business trip | 01.01.2019-30.12.2020 | Preparatory works are ongoing | The field meeting was arraigned for best local entrepreneurs and specialists.; Demonstrated their products, business relationships were arranged, etc. | Analyzes and disseminates results | Analyzing and dissemination of results has been carried out by the best local entrepreneurs and specialist field meetings; Demonstrated their products, business relationships were arranged, etc. |
| 6. Establishment and activities of the Information-Consulting Center | 01.01.2019 - 30.08.2019 | Preparatory works are ongoing | The information-consulting center is available and service delivery is started | Service delivery is on | Service delivery is on |
| 7. Establishment of "Employment Assistance Center" and working | 01.01.2019 წ - 30.08.2019 წ. | Preparatory works are ongoing | It is designed to produce a single database of enterprises operating in municipality and renewable database of existing vacancies; | Updating and using of database is on;Increasing of qualification and trainings are going | Updating and using of database is on;Increasing of qualification and trainings are going |
| 8. Creation and activity of the Anti-Corruption Council | 01.02.2019-30.12.2020 | A nine-member Anti-Corruption Council was created, a work plan has been approved and the work has been started as a plan | The Anti-Corruption Council works according to the approved work plan | The Anti-Corruption Council works according to the approved work plan | The Anti-Corruption Council works according to the approved work plan |
|  9. Municipality and City Council, as well as the newly created Information Advisory Center will conduct a municipal (or regional) business ideas / projects competition. | 01.10.2019-30.12.2020 | Preparatory works are ongoing | The documents required for the competition (conditions, participants, priorities, assessment methods, jury and so on) | The first contest was conducted, the winners are revealed | Implementation of the winner projects and its monitoring is underway |
| 10. Municipality City Hall and City Council, as well as interested entrepreneurs are involved in 5 or 6 trade infrastructures | 01.10.2019-30.12.2020 | One trade infrastructure is arranged | One more trading infrastructure is involved | There are two other trading infrastructure | There is another one or two trade infrastructure arranged |

Monitoring of the implementation of the Zestafoni Municipality Local Economic Development Action Plan will be conducted by the Monitoring Committee formed by the Partnership with 5 persons, 2 of which will be from local self-government, one from civil sector and 2 for local business representatives.

The monitoring group will have a gender balance (provided by 3 women and 2 men or vice versa).

The group will gather at least once every 3 months. Will summarize the performed works and analyze achievements and gaps. Will discuss the causes about appeared problems and the ways to correct them. It will also discuss about possible problems in the future moves and ways to avoid them.

 The Working Group will evaluate the effectiveness of the activities implemented by Action Plan with achieved result. The required data will be carried out with the direct involvement of relevant structures and responsible persons in continuous way.

An electric journal for accounting activities will be created for effectively monitoring. In which each activity, performer/s and received or expected results will be recorded daily, as well as other important information. Periodically and on request, the report of activities carried out will be presented to the Secretariat for the Mayors Economic Growth, as well as the local community.