

January 2016

FOSTERING REGIONAL AND LOCAL DEVELOPMENT IN GEORGIA

BACKGROUND

Since 2004, the Government of Georgia has introduced initiatives that contributed to establishment of a new system of local self-governance in the country. The highlights of these initiatives are: Law on Local Self-Governance endorsed in 2006 and the basic principles of decentralization announced by MRDI in 2012, which initiated a new wave of decentralization reforms.

Ambitious liberal market reforms have produced impressive economic growth rates and the GDP per capita doubled; and yet, the country is characterized by social and economic inequalities between the regions. There is also a significant divide between the urban and the rural population. The main causes of these differences are estimated to be a low diversification of the rural economy and a heavy reliance of employment on subsistence agriculture. On the other hand, the capacities of local self-governments are still low to exercise the functions which are assigned to them.

The new government which came to power in 2012 has exhibited its commitment to decentralization in order to enhance inclusive local and regional development. The Ministry of Regional Development and Infrastructure, which was established in 2009, announced basic principles of

FACTS

Country: Georgia

Duration: 10 Dec '12-31 July '17

Total Budget: USD 6'231'392

Budget allocation:

SDC: USD 4'454'000

ADA: USD 1'677'392

UNDP: USD 100'000

Gov. of Georgia: USD 300'000



decentralization including increased engagement of civil population in decision-making and strengthening sub-national government institutions. The Government of Georgia through MRDI and in partnership with international donor community is in search for a future size municipal structures, as well as decentralization of competences and ownership of present state assets.

PROJECT OBJECTIVE

The overall objective of the project is to improve living standards of citizens through promoting decentralization, advancing sustainable and participatory local and regional development and strengthening capacities of local, regional and national institutions.

PROJECT ACTIVITIES

The project places an emphasis on developing the policy formulation and implementation capacities of MRDI and other national stakeholders for the regional and local governance reform.

The primary focus of the project is enhancing capacities of the local self-governments, regional administrations, regional development councils and representatives of public self-governance in villages, in order to enable them elaborate and implement regional and municipal development plans.

The project acknowledges the importance of the civil society organisations (CSOs) and think tanks in the decentralization process; therefore facilitates their active participation in monitoring of regional and municipal projects.

In response to the training needs of local and regional authorities, the project supports the Center for Effective Governance System and Territorial Administration Reform (CEGSTAR - Legal Entity of Public Law within the Ministry of Regional Development and Infrastructure) in the establishment of the National Training System in close cooperation with national and sub-national institutions, training organisations and think tanks.

PROJECT RESULTS

- Municipal program budgets prepared and adopted in accordance with the Municipal Development Plans and the Documents of Priorities in targeted local municipalities of four targeted regions of Georgia;
- Conceptual framework for decentralization and local and regional development established;
- Sustainable and functional National Training System (NTS) for local civil servants is in place.

Project Partners

United Nations Development Programme Georgia (UNDP)

Ministry of Regional Development and Infrastructure of Georgia (MRDI)

Center for Effective Governance System and Territorial Arrangement Reform (CEGSTAR)

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