

QUARTERLY
PROGRESS REPORT

GEORGIA COMMUNITIES
EMPOWERED FOR LOCAL
DECISION-MAKING

JULY TO SEPTEMBER 2005

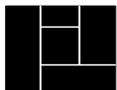
Prepared for



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Georgia Communities Empowered for Local Decision-Making
United States Agency for International Development
Cooperative Agreement No. 114-A-00-04-00131-00



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October 2005
UI Project 07755-000-00

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Cooperative Agreement No.:	114-A-00-04-00131-00
Date of Issuance:	September 23, 2004
Amount Obligated:	\$5,000,000
Total Potential Award Amount:	\$9,999,741
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Project Description

The overall objective of this project is:

— More Effective, Responsive, and Accountable Local Governance in Georgia (USAID Strategic Objective 2.31).

Intermediate Results that should advance the objective include the following:

— Improved Capacity of Local Communities to Engage Local Government to strengthen communities' capacity to rebuild essential services, restore incomes and empower all citizens of Georgia to have an effective voice in government.

CELD is designed to achieve community level impact by using a bottom-up approach to systematically assist Georgian communities to nurture democratic reform efforts.

Expected key results are:

1. Legislative reform matching local government revenues more closely to local government responsibilities is in place.
2. The interests of local governments are advocated and local government best practice is disseminated through demand-driven, democratically organized associations with grass-roots support.

3. Local government/citizen partnerships implement more effective and participatory methods for managing resources and delivering services.
4. Realistic local economic development plans and actions in targeted communities are developed and implemented.
5. Sustainable capacity of Georgian organizations to deliver technical assistance and training to local governments is established.
6. Public awareness of and citizen participation in the affairs of local self-government is increased.

I. HIGHLIGHTS

Samtskhe-Javakheti

- Steering Committees in Ninotsminda and Akhaltsikhe were trained in Placemaking techniques, which are designed to enable citizens and local NGOs to work more effectively with their local governments, especially for economic development. In Ninotsminda, the focus is on developing the local market; in Akhaltsikhe, on developing the potential of the Rabat historical settlement.
- Draft Borjomi Economic Development plan (including an action plan and multi-year budget) has been developed.
- The newly established Association of Local Self-Governments of Samtskhe-Javakheti has been officially registered.
- Twenty-two young people from Ninotsminda and Akhaltsikhe were brought to Tbilisi to participate in a Study Tour of the Georgian Parliament.
- In August, Ninotsminda and Akhalkalaki youth groups conducted the first round of Trained Observers' Ratings and service-focused surveys on the cleaning service in the cities. The results were analyzed and presented to each community in September.
- Six village Sakrebulo of Akhalkalaki/Ninotsminda rayons have been trained through the village civic education program ("missionary program"). Over 235 people attended the seminars.

Decentralization and National Capacity-Building Activities

- CELD helped NALA to organize a workshop that brought together representatives of local self-governments, Ministry of Economic Development officials, the President's Administration, and various donor organizations to discuss the draft Presidential Decree establishing the rights of local self-governments over the property to be transferred to them. MoED was very responsive to the opinions of the mayors heard at the workshop. While the initial draft had restricted local governments' ability to dispose of a long list of property from empty buildings to parking spaces, the Decree (issued in August) included in the restricted category only those types of property agreed upon by the mayors at the NALA workshop.
- In response to CELD recommendations, the MoF revised its draft of the local budget law, resulting in improvements, especially to the equalization formula, which is now based on available data. Further



refinements are expected to result from the planned October meeting of the State Commission Working Group with the MoF.

- The Decentralization Lobbying and Information Campaign was officially opened by CU, with support from CELD, in late July. The event was attended by local self-government officials, MPs, media, and NGOs.
- CU conducted 12 regional meetings to present and discuss the various draft laws on local self-government issues with approximately 500 local self-government officials, local media, and NGOs around the country.
- CELD is providing mentoring, technical assistance, and on-the-job training for five NGOs implementing CELD components in selected cities (economic development, program budgeting, and accounting reform).

Managing Local Resources

- Through training provided by the GWA Mtskheta branch, the position of Gender Officer has been established in Dusheti. GWA Mtskheta and Poti representatives are working with the OSCE Gender Program staff to establish Gender Officers' positions on the regional level in Mtskheta-Mtianeti and Samegrelo. Poti, Ozurgeti and Zestaponi representatives of GWA have reached tentative agreement with the local self-governments to establish Gender Officers in their own cities.
- With its local partner NGO APLR, CELD began implementation of the Regional Economic Development Program in the Adjara Autonomous Republic.
- Kutaisi Young Economists' Association, CELD's NGO partner for financial management in Kutaisi, completed its assessment of the city's fiscal structure and developed an action plan for the development of a full-scale program budget in the city.
- The Association of Economists of Georgia (AEG), one of CELD's NGO partners for financial management in Tbilisi, is assessing the current structure of Tbilisi's financial department.
- CELD is providing assistance to the newly established Tbilisi Procurement Department to develop regulations and forms.
- The Ozurgeti village civic education program ("missionary program") was completed. In total, over 430 people from 28 villages in Ozurgeti rayon attended the seminars.

II. PROGRESS OF MAJOR ACTIVITIES

Cross-Cutting Activities

Samtskhe-Javakheti Programming

Community-Based Economic Development in Samtskhe-Javakheti: CELD invited two experts from the US-based NGO Projects for Public Spaces (PPS), Phil Myrick and David O'Neil to provide training and facilitation for Placemaking demonstration projects in Akhaltsikhe and Ninotsminda. The goal of the project is to help enable local efforts to revitalize public spaces, initiate training of local people in Placemaking techniques, and enable citizens and local NGOs to work more effectively with their local governments, especially for economic development.

On September 6, the CELD/PPS team traveled to Samtskhe-Javakheti. The Ninotsminda project focused on the local market, which only has one vendor left and needs a new location and a business and management plan to attract vendors and buyers; the Akhaltsikhe project focused on ways to begin revitalization of Rabati, a historic settlement adjacent to the main town.

Ninotsminda: In Ninotsminda, a Market Steering Committee of 11 people, including the mayor, the head of the market cooperative, vendors, ABCO's local representative, and NGO and media representatives, was established and trained in public space making methods. On September 10, the proposed new area for market was assessed and public ideas for projects were generated by 40 community members, including vendors, NGOs, CHF and AgVantage representatives as well as nearby business owners, who participated in the Placemaking event. The Steering Committee then prioritized problems identified during the public Placemaking. On September 12, the Steering Committee held its first follow-up meeting, where the members formulated short- and long-term goals. Eighteen members of the Committee and local mass media attended the meeting.

The second follow-up meeting of the Ninotsminda Market Steering Committee was held on September 27. Surveys of customers and vendors were discussed at the meeting. It was decided to survey 300 citizens in Ninotsminda and 200 in Akhalkalaki (about why they visit the Akhalkalaki market) using the youth groups of Akhalkalaki and Ninotsminda before next meeting, which is scheduled for the first week in October. The committee has collected information for the market business plan and submitted it to the CELD Economic Development Coordinator in Akhalkalaki, who will work on developing a draft plan for the market. A major topic of the next meeting will be discussion with the lawyer about the form of public-private partnership for management and ownership of the market.

Akhalsikhe: PPS presentation and training for Steering Committee members was held in Akhalsikhe on September 8, 2005. Tools, methods, and experience from different countries in Public Placemaking was presented. The mayor of Akhalsikhe and 12 members of Committee, including city staff, NGOs, the youth group, and the media, attended the training.

On September 10, 46 members of the community, including residents of Rabati, staff of the Rabati museum, and the local priest, participated in assessing the entrance to Rabati and developing ideas for improving the area. At the first follow-up meeting, on September 12, the Rabati Steering Committee prioritized the problems identified by the community, formulated short- and long-term goals, and presented these to the Mayor of Akhalsikhe.

The second follow-up meeting of the Rabati Steering Committee was held on September 23 in Akhalsikhe. At the meeting a short list of quick-start projects for improving Rabati neighborhood entrance were developed, including: Painting and improving facades of the buildings and stores located at the entrance; installing a billboard on the top of the bridge (at the entrance) to showcase the museum; building a sidewalk in front of the stores to make the entrance more pedestrian-friendly; moving the bus stop that currently blocks the entrance. The committee was asked to develop an action plan with cost estimates for each of these projects. The youth group also was assigned to develop a draft questionnaire to assess the bus stop moving possibility to appropriate place.



Borjomi: The third Economic Development Planning workshop was held in Borjomi for the Local Advisory Group on September 2, 2005; 35 people attended. Priority problems, SWOT and Resource Analyzes for the city were presented at the workshop. Based on the presented material, the Advisory Group developed a mission statement and goals and objectives for the prioritized problems.

The local consultants' group submitted the Borjomi Action plan and multi-year budget to CELD for review before presenting it at the final workshop planned for the first week of October.

NGO and Association Capacity-Building in Samtskhe-Javakheti:

Registration of the Association of Local Self-Governments of Samtskhe-Javakheti. During the reporting period, CELD helped the newly established association officially register and receive its tax ID. The Board is currently in the process of selecting an executive director.

Youth Group participation in the work of the Akhaltsikhe Placemaking Steering Committee. One member of GYA's Akhaltsikhe branch is on the Steering Committee. After attending the PPS training, he organized a youth group meeting to identify areas in the action plan where youth involvement would be beneficial.

Youth Group Study Tour of the Georgian Parliament. September 26-27, 22 young people from Ninotsminda and Akhaltsikhe were brought to Tbilisi to participate in a Study Tour to the Georgian Parliament. The participants were selected by application. The youth had meetings with: Ms. Elene Tevdoradze, Chair of the Human Rights and Civil Integration Committee; Mr. Alexander Shalamberidze, Deputy Chair of the Parliamentary Committee on the Regional Policy, Self-Government and Mountainous Regions; majoritarian candidates from Ninotsminda, Mr. Enzel Mkoian (Initiative Group), and Akhaltsikhe, Mr. Nugzar Parumashvili (Initiative Group); and MP Mr. Van Baiburti.

Resource Management in Samtskhe-Javakheti: In July and August, training on Trained Observers' Rating tools was conducted for Akhalkalaki and Ninotsminda youth groups (10 members in each/ 20 members in total). The training was conducted in Borjomi, with assistance from the Borjomi youth group, and lasted for two days. Training materials were translated from Georgian into Russian and included the following topics: *Concept of Performance Management Program, Trained Observers' Rating as an alternative data collection tool for developing SIAP indicators, steps in establishing a Trained Observer Rating system, types of trained observers' rating systems, procedures for conducting TOR, and analyzing collected information.*

Training was conducted for Ninotsminda youth group on Tools for Conducting Effective Customer Surveys (10 members). The training covered topics that will help group members to gain skills for interviewing respondents. The training covered the topics such as *Service-focused surveys as an alternative data collection tool for developing SIAP indicators, defining categories of respondents, quantity of respondents based on city population, number of respondents per interviewer, the structure of questionnaires, demographic information, types of questions (multiple choice vs. descriptive questions) and methods of conducting effective interviews.* The result of those activities is that both cities have qualified groups of youth (in total, 40 students) for collecting data through alternative data collection methods.

In August, the trained youth groups conducted the first round of Trained Observers' Ratings and service-focused surveys in Ninotsminda and Akhalkalaki. The results were analyzed and presented to each community in September. The results will be used by working groups for developing baseline indicators for their Service Improvement Action Plans (SIAPs), which are expected to be developed by the end of November and presented to City Councils for revision.

CELD continues to provide in-kind assistance to partner cities to support them with service improvements and citizen participation. In Akhalkalaki, CELD purchased a sanitation vehicle and announced bidding for local companies in Akhalkalaki on producing and installing garbage containers. Reconstruction of the Gamgeoba conference room is underway.

In Ninotsminda, bidding was announced for reconstruction of the park, which will take place in October.

Village civic education program in Samtskhe-Javakheti. Six village Sakrebulo of Akhalkalaki/Ninotsminda rayons have been trained. Over 235 people attended the seminars.

Borjomi rayon Sakrebulo training. Training was devoted to discussions of major principles of local self-governance and program budgeting. Twenty-three local self-government representatives of Borjomi rayon attended the training. They received printed and electronic versions of local self-government legislation.

Donor Coordination

CELD met with a wide variety of donor and donor-funded organizations, including AgVantage, CHF, the Council of Europe (CoE), Catholic Relief Services (CRS), Fair Elections, GTZ, IREX, the Millennium Challenge Fund Georgia, NDI, the OSCE, Peace Corps, and the United Nations. Highlights include: agreement on cooperation with AgVantage and CHF on the development of the Ninotsminda market, work with the COE on furthering decentralization in Georgia, joint training with NDI and IREX for national media on decentralization issues, and discussions with the Millennium Challenge Georgia Fund to identify areas where CELD's work can complement the investments of the Fund.

Other

In September, Bill Krause and other UI staff met with Revaz Javelidze, the Deputy Director of the Millennium Challenge Georgia Fund (MCG) and director of regional infrastructure development projects to identify and discuss opportunities for cooperation. Mr. Javelidze expressed interest in CELD's support for cities in developing comprehensive proposals and also in providing technical assistance for municipal utilities in which MCG invests in order to improve their capacity and management skills. Projects are likely to include investment in solid waste, water and economic development.



Decentralization and National Capacity-Building Activities

Decentralization Activities – Central Government, NALA, CU

Local Property Transfer Law: CELD is continuing to provide assistance on implementation of the law to the Ministry of Economic Development, which is responsible for drafting the required regulations and decrees in order to implement the law, and to other stakeholders, including local self-governments and the national associations.

Following the passage of the law, the next step for the Government was to issue a Presidential Decree to establish what rights local governments would have over different types of property transferred to them. The initial draft of the Decree severely restricted the ability of local governments to privatize much of their newly acquired property. This would have excluded the private sector from providing certain municipal services, such as electricity distribution, and kept cities from selling “public” assets such as movie theaters.

CELD helped NALA to organize a workshop that brought together representatives of local self-governments, Ministry officials, the President’s Administration, and various donor organizations to discuss the draft Decree. For the first time, mayors were able to speak directly to central government officials about how the Decree would affect their ability to manage community assets and provide services. In particular, they stressed the importance of giving local governments the flexibility to privatize property to allow the private sector to participate in service delivery or return unused assets to economic life. MoED was very responsive to the opinions of the mayors heard at the workshop. While the initial draft had restricted local governments’ ability to dispose of a long list of property from empty buildings to parking spaces, the Decree (issued in August) included in the restricted category only those types of property agreed upon by the mayors at the NALA workshop.

In late September, the MoED requested CELD training and logistical support for a team of MoED staff members who will be responsible for helping cities complete the property inventory and transfer forms. The UN is also providing assistance for this group.

Local Budget Law: During the reporting period, CELD budget law activities focused on preparations for the fall session of Parliament, at which the law will be considered. Activities included:

During the reporting period, CELD worked with David Khosruashvili, the head of the Budget Department of the Ministry of Finance to review the changes to the MoF draft of the local budget law suggested by CELD (including US-based decentralization expert Francis Conway). Specific concerns were the design of the equalization formula and the citizen participation requirements. In response, the MoF revised its draft, resulting in improvements, especially to the equalization formula, which is now based on available data. Further refinements are expected to result from the planned October meeting of the State Commission Working Group with the MoF.

In the second half of July, the Decentralization Commission Working Group met at CELD office. Twenty-seven people attended the meeting, including representatives of the Ministry of Finance, Ministry of Economic Development, Statistics, Chamber of Control, and the media. The participants discussed the developments about the budget draft law, noting the areas that needed to be improved: equalization formula, audit and citizen participation. Three TV channels (Channel I, Rustavi II and Caucasus, and

newspapers as well as news agencies attended the working group meeting) interviewed Mr. Djibouti, the Head of the Working Group.

The Decentralization Lobbying and Information Campaign was officially opened by CU, with support from CELD, in late July. The event was attended by local self-government officials, MPs, media, and NGOs. Following the meeting, CU conducted 12 regional meetings to present and discuss the various draft laws on local self-government issues with approximately 500 local self-government officials, local media, and NGOs around the country. CELD brochures of the Local Self-government Legislation Principles (developed under LGRI) were distributed at these meetings.

In September, CELD, NDI, and IREX organized and funded two training sessions for more than 20 journalists on decentralization legislation and other local self-government related issues in order to improve media coverage of these issues. One workshop was held in Tbilisi for national media representatives and one in Gurjaani for Kakheti regional journalists.

With support from CELD, NALA organized a Decentralization Stakeholders' meeting on 30 September. The NGO coalition, Edvard Surmanidze (head of the Parliamentary Committee), Vano Khukhunaishvili, other MPs, CU, and international organizations attended. The goal of the meeting was to review completed activities and discuss future plans. CU and NALA agreed to create a joint task force on policy development/decentralization legislation; the task force will include regional representation. A press conference was held at the end of the meeting.

Tim Honey, CELD consultant on lobbying and association-building (MSI), met with a range of decentralization actors/stakeholders throughout the week, including Vano Khukhunaishvili, CU, NALA, and the regional local self-government associations to provide training and assess their different capacities for supporting the process.

- A survey for the regional associations to assess their organizational capacity was developed and administered; Tim Honey will review the results and provide recommendations next quarter.
- CU and NALA were trained in lobbying on September 28, including message development and identification of campaign membership.
- The regional associations were trained in lobbying on September 29 and developed a list of activities in which they could participate in support of decentralization legislation.

Other: During the reporting period, CELD also participated in discussions with stakeholders on the other local self-government legislation likely to be addressed in the fall session of Parliament, including the drafts on Supervision, Citizen Participation, and Territorial-Administrative Arrangement.

In early July, CELD staff participated in a CoE-organized conference on decentralization and territorial-administrative arrangements for MPs, GTZ, Cities' Union, NALA, State Commission working group members and the NGO Coalition. The Parliamentary Committee presented a concept paper prepared by the State Commission working group that envisaged transforming the rayon level into self-governments and abolishing the existing local self-governments (i.e., one-tier self-government). As it does now, the regional level would represent the central government (deconcentrated government).



In mid-July, NDI and CELD organized a Round Table to discuss the draft changes to the Election Code related to the election system of the Tbilisi Council. MPs. (Bokeria, Machavariani, and Kukava) attended the round table, as well as Georgian NGOs, CoE, Tbilisi Council, and media representatives.

In the second half of August, CELD staff participated in a workshop organized by NALA to discuss the draft local self-government laws. Representatives of NALA, GTZ, the Parliamentary Committee, and MDF attended. The meeting resulted in the development of drafts that satisfy the principles of the European Charter of Local Self-Government. Following the meeting, interviews with the Deputy Chair of the Parliamentary Committee, Vano Khukhunaishvili, and the executive director of NALA, David Melua, were broadcast by the First Radio Channel.

Francis Conway, a US-based Urban Institute expert on decentralization, provided comments on the draft of the territorial-administrative arrangement law developed by the NGO Coalition, as well as on the drafts of the Supervision and Budget laws.

Regional Associations and NGOs

Training in Decentralization. Four training sessions in decentralization, legislation, citizen participation in local decision-making were conducted for NGOs and the Racha-Lechkhumi Local Self-Government Association by CELD subgrantees ICCC and the Young Economists' Association in August 2005. In total, 106 participants representing 20 cities and six regions attended the training, which was designed to increase NGOs awareness and understanding of the impact of the proposed legislation on local self-governments. ICCC and the Young Economists also developed a 120-page training manual on the topic.

Training in Communications and Public Relations. Four training sessions in communication skills and public relations were conducted for NGOs by CELD subgrantee Institute of Social Researches in July and August 2005. In total, 71 participants representing 62 NGOs from six regions attended the training, which was designed to strengthen NGOs capacity to communicate with the public and local self-governments. One of the sessions was designed to train trainers in order to expand the reach of the program.

Small Grants Competition for Local Self-Government Associations: In July, CELD received applications in response to its RFA for regional and rayon-level associations to submit proposals to conduct activities such as seminars on decentralization, TV programs on local governance issues, and provision of services to members. Only associations whose board members and head are members of current local self-governments were eligible to apply. The Zestaponi, Kvareli, Akhmeta, Lanchkhuti and Tskaltubo Rayon Sakrebulo associations were given small grants to issue newsletters. The Tskaltubo Rayon Sakrebulo Association was given a grant to develop a publication ("Tskaltubo Rayon") that describes the population, budget and other rayon-related issues. A third round of the competition is planned for next quarter.

Capacity Building with Local Partners: CELD is providing mentoring, technical assistance, and on-the-job training for five NGOs implementing CELD components in selected cities (economic development, program budgeting, and accounting reform).

Academic Institutions

GIPA: During the reporting period, GIPA redesigned the Georgian-language Local Government Program as a two-year course to meet new Ministry of Education and Science requirements for master's programs and developed curricula for evening certificate courses on urban and rural management.

Zhvania School of Public Administration in Kutaisi (Ministry of Education and Science): CELD staff participated in the following start-up activities:

- Selection of the director of the school. The pool of applicants during the first competition was limited and the selection committee therefore conducted a second competition. Eight applications were submitted, four applicants were short listed and interviewed. The final decision was made to appoint Nodar Mushkudiani (Deputy Dean of the Kutaisi State University) as the Director of the School of Public Administration and Tamar Abdaladze (GIPA 1995 Alumni) as the Deputy Director.
- Selection of the design for the teaching program. Six proposals were received but none of them met the requirements of the Governing Board. Therefore the decision was made to have the members of the Governing Board write the curriculum and select the group of experts who will be responsible for work with the faculty and preparation of teaching materials.
- Announcement of competition for selection of the faculty. The competition is currently open.
- Recruitment of first groups of trainees. Announcements were made in the target regions; applications are currently being processed. The first session of training in Georgian is scheduled to start at the end of October.

Gender and Youth Activities

Registration of the Georgian Women's Association: CELD funded the hiring of the President of the Georgian (GYA), Vakhushti Menabde, to finalize the registration process of GWA. Vakhushti Menabde has practical experience since he was responsible for successfully registering the Youth Association. In September, the registration of GWA was finalized and the organization acquired its legal status, stamp and bank account.

GWA Board meeting was held on September 29 in Tbilisi. The meeting was devoted to planning next year's activities. The Board decided to conduct activities in three major areas: local self-government elections, promotion of the gender officer's position in local self-governments (see below) and the design, analysis, and publication of the results of a new survey on gender issues to be conducted by the youth group.

Gender officer concept spreads. The position of Gender Officer was established in Mtskheta approximately a year ago following training conducted under LGRI. Over the past year, the position has expanded into a department with two staff, run by the head of GWA Mtskheta Branch. As the result of training she conducted in Dusheti, the local self-government established a gender officer in the city. GWA Mtskheta and Poti representatives met with the OSCE Gender Program staff to discuss establishing Gender Officers' positions on the regional level in Mtskheta-Mtianeti and Samegrelo. Following the official establishment of these positions, the OSCE will provide in-kind support for the offices. In addition, Poti, Ozurgeti and



Zestaponi representatives of GWA have reached tentative agreement with the local self-governments to establish Gender Officers in their own cities.

Gender Balance Survey. The GWA Mtskheta Branch is developing a gender balance survey on budgetary institutions staff (salary balance between men and women, education levels, etc.).

Participation in decentralization and communications training. Six representatives of the Georgian Youth and Women's Associations participated in CELD trainings in decentralization and local self-government legislation, and communications and public relations. The initial participants transferred their knowledge to other members of the associations by distributing the training materials and information.

General Assembly of Georgian Youth Association was held September 22 - 23 in Batumi. 36 delegates of the association presented annual reports and worked on next year's work plan. Three students from Ninotsminda and Akhalkalaki attended the Assembly meeting to observe how the youth organizations work, what kind of activities they organize and how they participate in the local decision-making. Youth also had a chance to attend the training on decentralization conducted by Mr. Tengiz Shergelashvili (Young Economists' Association). The training helped the GYA members to plan decentralization-related activities for next year.

GYA cooperation with international organizations. During the reporting period, opportunities for cooperation with several international organizations were identified: (1) CELD and the Youth Entrepreneur Development Initiative (YEDI) discussed involving GYA members in YEDI projects. (2) CELD had an introductory meeting with newly arrived Peace Corp Volunteers from Gori, Kutaisi and Chokhatauri. (3) CELD continues to cooperate with CRS/BFF project. CRS organized two youth camps this summer and seven GYA participated in them. The participants were chosen according to the cities where CRS and UI work on the youth issues (there are five such cities). Members of GYA headquarters were also chosen to assist the camp organizers. Six of the GYA participants were selected to be leaders in the camps and assisted the organizers in managing camp activities. (4) GYA Gori members were trained in election-related advocacy by Fair Elections.

Strengthening Communities: Managing Local Resources

As directed by USAID during workplan development, work at the local level focuses on creating grass roots support for decentralization and building a base and developing models to support an intensive roll-out of assistance to new local self-governments in subsequent years, once the decentralization legislation has been passed. (Special programming for Samtskhe-Javakheti is discussed above, in Cross-Cutting Activities.)

Community-Based Economic Development (CBED)

Regional Economic Development Program in Adjara:

Regional Planning for Adjara: CELD begin implementation of the Regional Economic Development Program in the Adjara Autonomous Republic. In late July, the CELD EDP team presented the program

approach (methodology of Urban Institute of the planning process, roles and responsibilities of local consultants' group, advisory group, and regional government) to the Adjara advisory group and Ministry of Finance and Economy. Approximately 45 people from all over the region attended the presentation. The presentation was followed by an interactive session during which participants identified some priorities they would like to see in the plan. The presentation was covered by local television.

At the beginning of August, CELD conducted a three-day training for approximately 25 participants, including representatives from the Ministry of Finance and Economy, Ministry of Agriculture, all five rayon economic department heads, the Batumi Tourism department, and local media representatives. Several students from economic faculty of Batumi State University also attended the training. The following topics were covered by the CELD EDP and resource management teams and the Association for Protection of Landowners' Rights (CELD's economic development NGO partner in Adjara): Organizing the process; the responsibilities of each stakeholder in the planning process; data collection and regional profile development tasks; SWOT and resource analyses; action plan development; implementation (with examples from Poland and other countries); capital investment plans, multi-year budgeting and program budgeting; and indicators and monitoring techniques.

In September, APLR Tbilisi representatives conducted a one-day training for Batumi branch APLR staff on conducting the citizen, NGO and business attitude surveys that feed into the economic quick assessment. The surveys will start in October.

Community-Based Economic Development in Poti: CELD's partner NGO for Poti, the Association of Business Consulting Organizations (ABCO), visited Poti in September and discussed CELD's participation in implementing one project from the approved plan with the city mayor and deputy governor. The city is developing a business incubator project and has already resolved ownership issues for the potential site. Poti expects to submit the proposal to CELD by the end of October.

Placemaking: As noted above, CELD invited two experts from the US-based NGO Projects for Public Spaces (PPS), Phil Myrick and David O'Neil, to develop Placemaking demonstration projects in Georgia. The goal of the project is to help enable local efforts to revitalize public spaces, initiate training of local people in Placemaking techniques, and enable citizens and local NGOs to work more effectively with their local governments, especially for economic development. On September 5, 2005, the PPS experts presented the Placemaking approach to CELD staff members and partner NGOs (ABCO and APLR), and CHF GEII representatives in Tbilisi.

Financial Management

Kutaisi: The Kutaisi Young Economists' Association (KYEA), CELD's NGO partner for financial management in Kutaisi, completed its assessment of the city's fiscal structure and developed an action plan for the development of a full-scale program budget in the city. The action plan, which included a new budget structure and format, programs, and performance measures, was presented to the Gamgeoba and Sakrebulo.



Tbilisi: The Association of Economists of Georgia (AEG), one of CELD's NGO partners for financial management in Tbilisi, is assessing the current structure of Tbilisi's financial department. The assessment will include: authorities and responsibilities of financial officers, budgetary management and accounting, procedures for analysis of receipts and payments, taxation and taxpayer records (with a focus on property tax), inventory procedures, etc. Following the assessment, AEG will make recommendations for improvements to the system.

CELD is also working with the newly established Tbilisi Procurement Department to develop procedures, regulations, and forms for city-wide use.

New partner cities/region: CELD conducted preliminary training in financial management in the Kvemo Kartli cities of Marneuli and Gardabani for local self-government staff and elected officials, NGOs, and the general public. Discussions have begun with Batumi and the Adjara Autonomous Region on implementation of budget and financial reform.

Performance Management

Administrative Reform: At the request of the mayor of Tbilisi, CELD provided a grant to CSI to develop personnel testing procedures and related laws and regulations for the City of Tbilisi, one component of the larger public administration reform program in the city. More than 200 versions of the test were developed and administered to 8,259 applying for 697 positions.

Service Improvement:

Partner cities: Gori, Ozurgeti, Akhaltsikhe, Borjomi, Gurjaani, Zestaponi and Kvareli developed annual Service Improvement Action Plans and conducted public hearings on those materials. Following the presentations, the SIAPs were revised and adopted by City Councils.

The Gori service improvement working group met to report on intermediate results of the annual Service Improvement Action Plan. Significant improvements in service provision have been achieved since January 2005: service coverage area increased from 45% to 80% of the city territory; the fee collection rate is increased by 15%; and 300 organizations and 880 households have signed individual contracts with the solid waste collection service. The private company that provides solid waste collection service in Gori invested its own resources to purchase two sanitation vehicles, which made service improvements possible.

Village Civic Education Activities (Missionary Program)

- *Proposal writing workshop.* A workshop on proposal writing was conducted for 25 representatives of seven village councils.
- *Completion of Ozurgeti village civic education program.* Representatives of all Ozurgeti rayon Sakrebulo came together to finalize results of Ozurgeti village civic education program in August. In total, over 430 people from 28 villages in Ozurgeti rayon attended the seminars.

Staff Training

- Natalia Lomouri: Project Cycle Management Training, CTC (one week)

III. DELIVERABLES AND REPORTS

- Zestaponi, Kvareli, Akhmeta, Lanchkhuti and Tskaltubo Rayon Sakrebulo Association newsletters
- Analysis of the Ministry of Finance draft of the local budget law
- Compendium of Local Self-Government Laws on CD
- NALA Final Report (March – September 2005)
- GYA and GWA Annual Reports
- Decentralization and Communications Training Manuals for NGOs (prepared by ICCC, AEG, and ISR)
- PPS report on Placemaking in Ninotsminda and Akhaltsikhe (including vendor and customer surveys)
- Kutaisi Program Budget Action Plan
- FY 2005 Service Improvement Actions Plans (eight cities)

IV. PROBLEMS OR DELAYS AFFECTING PERFORMANCE

With support from USAID, CELD temporarily suspended project activities in Akhalkalaki in response to concerns about working with the Gamgeoba. These have now been resolved; however, the suspension resulted in delays in providing in-kind and technical assistance, particularly with respect to performance management.

V. WORK PLANNED FOR NEXT REPORTING PERIOD

All activities planned for next quarter are subject to approval of the work plan.

Cross-Cutting Activities

Donor Coordination

CELD will continue to work closely with other donor-funded programs, for example, by continuing to hold regular roundtables in all partner cities. Specific joint activities are listed below by component.

Decentralization and National Capacity-Building Activities

- Continue assistance to the MoED in development of procedures for transferring property to local self-governments
- Develop guidance materials for cities on the property transfer process



- Conduct training sessions for media on decentralization issues in Kutaisi, Batumi, and Gori with NDI and IREX.
- Continue support for CU and NALA's decentralization legislation activities, including the joint task force on policy making
- Continue support of the Parliamentary Committee and State Commission working group on passage of the budget law during the fall session
- Conduct meeting of the CELD-established NGO Advisory Board
- Issue a Russian version of the Compendium of Local Self-Government Laws on CD
- Begin local election-related activities with GYA and GWA
- Support TOT for the MoES's Zhvania School of Public Administration in Kutaisi on Georgian-language and public administration issues
- Hold workshop on the Village Civic Education program with participation from 10 rayons targeted for the next phase to discuss revisions to the program
- Conduct training in communications and public relations for NGOs from Kvemo-Kartli and Samtskhe-Javakheti

Strengthening Communities: Managing Local Resources

Financial Management and Performance Management

- Finalize the action plan for the development of the Tbilisi program budget (RDA)
- Complete the assessment of the current financial management practices in Tbilisi and develop recommendations for reform (AEG)
- Complete the program budget in Kutaisi (KYEA)
- Complete development of regulations and forms for the Tbilisi Procurement Department
- Introduce financial management reform in Samtskhe-Javakheti (Akhaltzikhe rayon, Akhalkalaki, and Ninotsminda) and Adjara (Batumi and Adjara Ministry of Finance and Economy)
- Develop program budgets and reform accounting practices in Marneuli, Gardabani, and Telavi
- Assist Akhalkalaki and Ninotsminda working groups to finalize Service Improvement Action Plans (SIAPs)
- Assist working groups in old partner cities to develop reports on intermediate results of SIAP implementation
- Conduct assessment visits to Kutaisi, Batumi, Telavi and Marneuli and introduce the concepts of Performance Management
- Select two partner NGOs to implement Performance Management Program in Kutaisi, Batumi, Telavi and Marneuli.
- Select two cities and partner NGO to conduct public administration reform.

Community-Based Economic Development

- Begin Economic Development Planning activities in Kutaisi, Marneuli, and Akhaltzikhe
- Assist Poti in editing, printing, and disseminating the Economic Development Plan approved by the Sakrebulo
- Begin implementation phase of CBED in Poti

- Support the Economic Development Advisory Group in Borjomi in working with the Sakrebulo to pass the Economic Development Plan
- Begin implementation phase of CBED in Borjomi
- Develop and offer a short course for media to familiarize them with EDP techniques and goals
- Provide ongoing technical assistance to the two Placemaking Steering Committees (Ninotsminda Market and Akhaltsikhe Rabati)
- Begin implementation of start-up projects for Akhaltsikhe placemaking project (Rabati entrance)

Village Civic Education Initiative (Missionary Program)

- Ninotsminda/Akhalkalaki: All Sakrebulo will be covered by the program (including joint presentations with CHF) during the next two quarters
- Survey Sakrebulo chairs in villages where the program has already been completed to identify results

VI. SPECIFIC ACTION REQUESTED

None.