

QUARTERLY
PROGRESS REPORT

GEORGIA COMMUNITIES
EMPOWERED FOR LOCAL
DECISION-MAKING

APRIL TO JUNE 2005

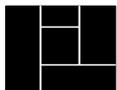
Prepared for



Prepared by

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

- CELD developed a comprehensive program for assistance to Samtskhe-Javakheti. The program focuses on the cities of Akhalkalaki, Ninotsminda, and Akhaltsikhe, although opportunities to establish relationships and networks among these cities and other cities and towns in the region and beyond will be exploited.
- CELD presented the project to the regional government in Adjara and the Batumi city government and began discussion on component implementation. The regional government in particular is very interested in working with CELD on improving financial management and economic development.
- The law on local budget, drafted by the CELD-supported working group was accepted by the Ministry of Finance as the basis for the next draft of the law, to be submitted to Parliament in the fall, after further revisions.
- CELD organized two meetings of decentralization legislation stakeholders to discuss the draft budget law. The meetings including representatives from the Parliament, NALA, YEA, Tbilisi City Council, MDF, CoE, and the World Bank, as well as media.
- CELD began working with the MoED on the implementation of the law transferring property to local self-governments. Activities included providing expert commentary on the draft Presidential Decree establishing property categories and arranging a meeting of stakeholders to discuss the Decree (held in July).
- A Guidebook on Lobbying and Advocacy for local self-government associations was developed.
- Twenty-five master's students completed the Georgian-language Graduate Program in Local Government.
- The Poti Economic Development Plan was formally adopted by the Poti Sakrebulo.



II. PROGRESS OF MAJOR ACTIVITIES

Cross-Cutting Activities

Samtskhe-Javakheti Programming

At USAID's request, during the reporting period, CELD developed a comprehensive program for assistance to Samtskhe-Javakheti.

Objective: To promote integration of this marginalized region by building the capacity of local self-governments to address their citizens' needs and of NGOs and citizens to work effectively with their governments to improve services and build the foundation for economic development.

Focus cities: CELD will focus its efforts in Samtskhe-Javakheti on the three cities of Akhalkalaki, Ninotsminda, and Akhaltsikhe, although opportunities to establish relationships and networks among these cities and other cities and towns in the region and beyond will also be exploited. Creating a strong partnership among Akhalkalaki, Ninotsminda and Akhaltsikhe is basic to the CELD approach, given Akhaltsikhe's importance as the regional center, its large Armenian minority, and its experience with the LGRI and CELD project activities.

Key activities and results:

- Establishment of resource centers in focus cities
- Participatory development of economic development plans in focus cities
- Placemaking community event in Akhalkalaki and Ninotsminda with US-based PPS
- Establishment of business incubator in Akhalkalaki
- Development of SIAPs for street cleaning, solid waste collection, parks and greenery, and water service in focus cities
- Implementation of park project in focus cities
- Establishment of a regional local self-government association representing all of Samtskhe-Javakheti
- TV programs showcasing regional activities and local self-government initiatives
- Small grants program for women and youth organizations
- Regular roundtables in focus cities to bring together local self-government officials/staff and NGOs around local governance issues
- Village Civic Education activities in Akhalkalaki and Ninotsminda rayons
- Publication of local governance issues/laws, and guidebooks in Armenian and/or Russian

Adjara Programming

USAID also asked CELD to begin project activities in Adjara. First steps included several introductory meetings with regional-level and Batumi government officials and a formal presentation by staff of CELD activities followed by a reception intended to allow the discussion to continue in an informal atmosphere. The regional administration, in particular, is very interested in working with CELD on financial management

and economic development. The Adjara Ministry of Finance and Economy requested that CELD review its draft socio-economic development and provide comments.

Community-Based Economic Development activities have already begun at the regional level. The Government of Adjara has established an Advisory Group consisting of people from each of the rayons (representatives of NGOs, the public, and the business community); three local consultants (a coordinator, infrastructure expert, and economist), to be based at the Adjara Ministry of Finance and Economy, have been identified.

Donor Coordination

CELD staff met with a wide variety of organizations implementing donor-funded programs, including CHF, the Council of Europe (CoE), Catholic Relief Services (CRS), Eurasia Foundation, European Centre on Minority Issues (ECMI), GTZ, the Municipal Development Fund (MDF), NDI, the OSCE, Open Society Georgia Foundation (OSGF), Peace Corps, Save the Children, and the World Bank. Highlights include:

- CELD organized two meetings for decentralization legislation stakeholders in April that included representatives from Parliament, the National Association of Local Authorities (NALA), the Young Economists' Association (YEA), Tbilisi City Council, MDF, CoE, and the World Bank, as well as the media.
- CELD participated in a decentralization coordination meeting in June organized by the CoE. Other participants included the OSCE, GTZ, OSGF, NDI, Eurasia Foundation, USAID, and the European Commission. The goal of the meeting was to discuss and coordinate the decentralization-related activities supported by the various organizations; during the meeting, the participants agreed to hold such meetings in the future as needed.
- CELD provided an expert on decentralization and the European Charter of Local Self-Government, Michael Djibouti, to participate in NDI-organized training seminars for MPs. Five seminars were conducted.
- More than 35 NGO/international organization roundtables were held in seven partner cities during the reporting period. Issues discussed included NGO activities at the local level, decentralization, women's involvement in local elections, draft law on local budgets, and citizen participation. More than 100 people from 30 different organizations participated in the roundtables each month.
- CELD organized a training in Tbilisi for members of the Georgian Women's Association and the Peace Corps's SWAN group. The training was intended as the initial step in preparing women to participate in the upcoming local self-government elections.
- CELD cooperation with CHF:
 - Agreement on joint training/community meetings to be conducted for villages in Samtskhe-Javakheti.
 - Agreement on sharing office space in Akhalkalaki.



- CELD cooperation with CRS (Building for the Future): At the end of May, representatives from the Akhaltsikhe, Borjomi, Khashuri, Gori and Zestaponi GYA branches came to Tbilisi to meet with the CRS Chief of Party and discuss activities and opportunities for working together.
- CELD also participated in regular Samtskhe-Javakheti donor coordination meetings. Information shared at these meetings resulted in a change in CELD's economic development programming in Samtskhe-Javakheti from a regional to a city-based approach when it was learned that three other projects intended to develop regional plans. (See Community-Based Economic Development, below.)
- CELD agreed with the Eurasia Foundation to explore opportunities for co-funding economic development projects developed as part of the CELD CBED planning process.

Other

- During the reporting period, CELD organized presentations and meetings on project activities for visitors from USAID's Office of Procurement and the U.S. State Department's Democracy Programs Office.
 - Harry Pimpong, Branch Chief, Office of Procurement (USAID): visited the Gori city financial department and water department and met with the Sakrebulo chair.
 - Sam Eisen, Deputy Director, Democracy Programs Office (State): visited Ozurgeti city hall and met with city officials and community representatives, including from surrounding villages; visited Batumi and met with officials from the city and the Adjara government. He also came to the UI office in Tbilisi for a presentation on CELD and LGRI activities.
- Study Tours and International Conferences:
 - Bulgaria: In June, CELD co-funded with the CoE a study tour to Bulgaria to review the country's success in decentralization. The participants included representatives from the MoED, the MoF, and Parliament.
 - Ukraine: In June, CELD sponsored four youth to attend the CoE's Congress of Local and Regional Authorities of the Council of Europe and the Municipal Audience of Youth in Komsomolsk, Ukraine, as requested by Levan Urushadze, NALA Training Commission Chair. The goal of both events was to discuss issues of youth participation in government decision-making (local and regional levels) and to review and analyze youth policies.
 - Strasbourg: CELD provided partial support for the Georgian delegation to the CoE's annual Congress of Local and Regional Authorities in Strasbourg (May/June), including sending UI staff David Nikolaishvili and NALA and CU members. Other participants included the State Minister with responsibility for decentralization issues, Vano Khukhunaishvili, and a representative of the President's Administration.
- Anti-Corruption: In June, CELD participated in a CoE conference on the National Anti-Corruption Strategy of Georgia. Participants included representatives of CoE, members of the National Security Council of Georgia, the Ministry of Justice, the MoF, the MoED, the Ministry of Interior, the Young Economists' Association, the Young Lawyers' Association, the American Bar Association, Transparency International, and the Liberty Institute. Following the conference, CELD held informal discussions with the CoE on ensuring that the project's anti-corruption study (to be conducted in the next quarter) will contribute to rather than duplicate ongoing efforts in this area.

Decentralization and National Capacity-Building Activities

Decentralization Activities

In April, CELD organized a business dinner for selected officials and staff from the Ministry of Finance, including the Minister and deputy ministers. CELD staff reviewed project activities to date with respect to decentralization legislation and discussed the status of the draft of the local budget law. The Minister agreed that changes would be made to the consolidated draft that had been developed by the Working Group that has been meeting in the UI office. The Working Group was organized by the Parliamentary Committee on Self-Governance, Regional Policy, and High-Mountainous Regions with CELD assistance. The Committee has now received comments on the draft from the Ministry of Finance and the Council of Europe and is in the process of developing a revised version, with CELD assistance, to be submitted to the fall session of Parliament.

In early May, CELD and USAID met with the newly appointed State Minister responsible for decentralization issues, Giorgi Baramidze, to discuss local governance issues and CELD's assistance in this area. Mr. Baramidze expressed his willingness to collaborate with CELD and USAID.

In response to its request, CELD provided the Parliamentary Committee on Self-Governance, Regional Policy, and High Mountainous Regions with 200 copies of the CELD brochure on the European Charter on Local Self-Governance.

As noted above, CELD also organized and participated in several donor coordination meetings on decentralization issue, including two meetings for decentralization legislation stakeholders in April with representatives from Parliament, the National Association of Local Authorities (NALA), the Young Economists' Association (YEA), Tbilisi City Council, MDF, CoE, and the World Bank, as well as the media. CELD participated in a decentralization coordination meeting in June organized by the CoE. Other participants included the OSCE, GTZ, OSGF, NDI, Eurasia Foundation, USAID, and the European Commission. The goal of the meeting was to discuss and coordinate the decentralization-related activities supported by the various organizations; during the meeting, the participants agreed to hold such meetings in the future as needed.

Local Property Transfer Law: In early April, CELD met with Kakha Damenia, Deputy Minister, MoED, and Grisha Pantsulaia, head of the property management department, to discuss the new law (passed March 25) and areas in which CELD could provide assistance with respect to implementation of the law. The MoED is responsible for drafting the required regulations and decrees in order to implement the law.

Following the meeting with the deputy minister, CELD staff met several times at UI and the MoED with the staff responsible for drafting the Presidential Decree identifying the types of property to be considered "basic" (inalienable property required by local self-governments to carry out their exclusive functions).

CELD also provided expert commentary on the first draft of the decree and related issues from Olga Kaganova, UI/Washington-based expert, who has worked on property transfer issues in Armenia, Kyrgyzstan, and Croatia. Issues discussed included:



- minimizing the amount of basic property in order to allow local self-governments flexibility in managing their assets;
- the negative impact of transferring the debts of the communal services and water companies along with the assets; and
- the need to develop detailed procedures and forms for local self-governments to use in requesting property transfer.

In order to ensure that local self-governments had a voice in the decision-making process and that the MoED was able to benefit from as much expert advice as possible, CELD and NALA organized a one-day conference on July 4 on the issue for representatives of the MoED, GTZ, CoE, MoF, and the Parliament. MoED postponed the decree's issuance (expected June 30) in part to accommodate the conference (the appointment of a new Minister in the final week of June also played a role in the delay).

Local Budget Law: During the reporting period, the Parliamentary Committee on Local Self-Governance, Regional Policy and High Mountainous Regions submitted the draft local budget law to the CoE experts for its comments. The CoE reported that the draft law was a welcome step towards decentralization, but that there were two areas in which it needed improvement: identification of the revenue sources that will be assigned to local self-governments and adjustment of the equalization formula to take into account the needs of those cities that are not subordinated to rayons. (Cities not under rayon subordination include Poti, Kutaisi, and Rustavi.)

CELD also organized two meetings for decentralization legislation stakeholders in April that included representatives from the Parliament, NALA, YEA, Tbilisi City Council, MDF, CoE, and the World Bank, as well as media. The participants decided to develop a two-month action plan for revising the draft of local budget law, including work on the equalization formula. They also agreed that Michael Djibouti should prepare an analysis of the GoG's comments on the existing draft. (See also Associations and NGOs, below, for information on CU and NALA decentralization-related activities). In the next quarter, CELD intends to work with the Association of Economists on addressing the issues raised by the CoE.

CELD also supported the preparation of four draft laws from the Parliamentary Committee: A draft law on citizen participation in local self-governance, a draft law on state supervision of local self-governance, a draft law on e-government, and a draft law on electronic digital signatures. The drafts will be sent to CoE for comments. With support from CELD, the Parliamentary Committee also brought together a group of 15 – 20 journalists from central and regional media for training on local self-governance issues in May.

Other: During the reporting period, CELD re-issued the "Legislative Principles Developed by Local Self-Government Representatives" (originally produced under LGRI) with a new introduction reflecting changes in the law. CU prepared two publications as part of their lobbying activities: a brochure on decentralization issues called "Strong Local Government – Strong Georgia" and a summary of the main points of the draft local budget law.

Associations and NGOs

NALA: With assistance from CELD, NALA held three meetings of the newly established MPs' Club to discuss decentralization issues and support passage of legislation. At the meetings, MPs discussed the

current state of decentralization in Georgia, the efficiency of existing consultation mechanisms, and issues related to the draft local budget law. CELD also provided support to NALA's Decentralization Commission, including funding for the commission head, Tamaz Petriashvili, Mayor of Akhaltsikhe, for travel to Tbilisi for meetings with Department of Regional Policy and Local Self-Governments at the President's Administration and with members of Parliament. (See also study tours, above.)

Samtskhe-Javakheti Regional Local Self-Government Association: In response to a request from the Mayor of Akhaltsikhe, CELD is supporting the establishment of a local self-government association to represent all of Samtskhe-Javakheti. In addition to equipment, CELD will assist the association with registration and initial operating costs. NALA will provide funds for specific activities such as developing and disseminating newsletters.

Small Projects: CELD also provided funding for small projects:

- Zestaponi Rayon Sakrebulo Association: publication of association newsletter
- Kvareli Rayon Sakrebulo Association: publication of association newsletter and support for making free legal consultation available to members and citizens
- Akhmeta Rayon Sakrebulo Association: publication of association newsletter

Small Grants Competition for Local Self-Government Associations: CELD issued an 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. Proposals are due in July 2005 and a second round of the competition is planned for next quarter.

Guidebook on Lobbying and Advocacy for Local Self-Government Associations: CELD's US-based association expert, Tim Honey (MSI), who visited Georgia in January 2005, developed a guidebook for Georgian associations. It includes basic definitions and examples of lobbying and advocacy and describes the importance of engaging the community in the process and selecting appropriate lobbyists.

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, citizen participation, NGO development, program budgeting)

Academic Institutions

GIPA: During the reporting period, the Georgian Institute of Public Affairs completed the spring semester of the Georgian-language Graduate Program in Local Government (LGP). GIPA also conducted a West Georgia needs assessment to determine the best method of outreach to West Georgia. The major findings included:

- Significant brain drain of students to Tbilisi
- Low skills/education level of local government officials
- Little access to information and analysis



In the next quarter, GIPA will develop a detailed proposal for establishing a branch in Kutaisi to meet the identified needs.

An LGP student interned with CELD in the Youth and Gender component. She participated in program planning, organizing workshops, and reporting and learned about local self-governance issues, youth and women's roles in local decision-making.

Zhvania School of Public Administration (Ministry of Education): CELD staff participated in discussions with the Deputy Minister (Ministry of Education and Science) on issues related to the establishment of a training institution for local self-government staff/officials in Kutaisi, including: content of training, selection of trainees, administration, and selection of board members.

Youth Activities

Training: In April, CELD held a training for GYA members to improve their proposal writing and fund raising skills. As a result of the training, the association prepared several proposals for submission to international donor-funded programs. The proposal to OSGF was short-listed.

CELD work with CRS (Building for the Future): At the end of May, representatives from the Akhaltsikhe, Borjomi, Khashuri, Gori and Zestaponi Georgian Youth Association (GYA) branches came to Tbilisi to meet with CRS. The CRS Chief of Party presented information on applying to the BFF small grants program and on the summer camp program. CRS invited the GYA members to attend a meeting to be held in Likani in July to meet CRS Hub Club members, share youth group experiences, and learn about CRS's plans. Following the meeting, CELD assisted these branches in developing proposals to submit to CRS.

Samtskhe-Javakheti: CELD established new youth groups in Akhalkalaki and Ninotsminda and trained them on data collection techniques for performance management. The new youth groups were introduced to GYA and are expected to formally join the association in the next quarter.

Zestaponi Debate on Decentralization: After attending a CELD information session on decentralization issues, Zestaponi youth group organized a debate with local self-government officials. The officials reported that they were impressed with the concern and interest of the youth and their awareness of the issues, as evidenced by the questions they asked during the debate.

COE Congress of Local and Regional Authorities: As noted above, in June, CELD sponsored four youth, including one from the newly established youth group in Akhalkalaki, to attend the CoE's Congress of Local and Regional Authorities of the Council of Europe and the Municipal Audience of Youth in Komsomolsk, Ukraine. The goal of both events was to discuss issues of youth participation in government decision-making (local and regional levels) and to review and analyze youth policies.

International Day for the Protection of Children: GYA branches in seven cities organized activities with local self-governments and local orphanages in honor of International Day for the Protection of Children. The activities were funded through a grant from CELD to GYA.

Gender Activities

Registration of the Georgian Women's Association: GWA submitted its registration documents almost a year ago; however, GWA was required to re-submit its documents due to changes in the official procedures for registering NGOs, UI's address change, and errors in the association's bylaws.

Training: CELD organized a two-day training in Tbilisi for members of the Georgian Women's Association, women from Javakheti and Kvemo Kartli, and the Peace Corps's SWAN group. The training was intended as the initial step in preparing women to participate in the upcoming local self-government elections. A follow-up action planning workshop will be held next quarter.

GWA branches: GWA continues to provide consulting to women in their communities on local governance issues, including support in negotiating government bureaucracy and helping IDPs receive their legally mandated assistance from Gamgeobas. GWA branches in five cities also requested and distributed copies of the LGRI study on women and local self-governance issues.

Strengthening Communities: Managing Local Resources

As directed by USAID during workplan development, work at the local level will focus 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)

Poti Economic Development Plan Adopted. The Poti Economic Development Plan was adopted by the Sakrebulo in early May. Prior to the May meeting, CELD distributed copies of the Plan (including community profile and high priority problems, SWOT and resource analysis, action plan for 2005 – 2011, summaries of public consultation activities, and the multi-year budget) to all council members and the gameoba. At the Sakrebulo meeting, fourteen council members voted for the plan and its associated five-year 795 million GEL budget (of which 27 million is expected to be funded from the city budget) and one voted against.

CELD is exploring the possibility of providing funding for the start-up of a business incubator in Poti, which is one of the projects in the approved Economic Development Plan.

Borjomi Planning Process: ABCO conducted a workshop for the Advisory Group in early June. More than 30 representatives of local businesses, NGOs, and the local self-government attended. Together, they identified the high priority problems facing the community and developed the SWOT and resource analyses. A summary of the workshop results was sent to the Advisory Group members following the workshop; they will use this as the basis for developing goals, objectives, and projects prior to the next workshop.



Regional Planning for Samtskhe-Javakheti: CELD worked on adapting its local CBED process for the regional level to be modeled in Samtskhe-Javakheti. However, during the reporting period, a coordination meeting revealed that EU, DFID (through CARE) and ECMI all were working on regional plans for Samtskhe-Javakheti, in addition to the plan already developed by the Ministry of Conflict Resolution and the President's Administration. CELD therefore determined that it would be more effective to focus on our expertise in Georgian local economic development by working with individual cities in the region. As a result, the component is now focusing on the city level in Akhalkalaki, Ninotsminda, and Akhaltsikhe, as well as continuing ongoing planning in Borjomi. As noted above, regional economic development planning will instead be pursued in Adjara.

Publications: CELD's local partner in CBED implementation, ABCO, drafted a guidebook for entrepreneurs and updated the "International Funds' Guide," originally published under LGRI.

Financial Management

Partner Cities: The program budgets of all 14 cities – Poti, Zugdidi, Ozurgeti, Samtredia, Zestaponi, Bagdadi, Khashuri, Borjomi, Akhaltsike, Gori, Kaspi, Kvareli, Lagodekhi, and Mtskheta – have been approved by their respective Sakrebulo. CELD staff made regular trips to partner cities to assist them in refining program descriptions, develop performance measures for new programs, and provide assistance in holding public hearings.

Kutaisi: CELD is working with the Kutaisi Young Economists' Association (KYEA) to provide technical assistance and training on program budgeting to the city of Kutaisi. The first step in this process was a two-week training for KYEA on program budgeting, which included an overview of all CELD components. KYEA then began collecting information on Kutaisi's current budgeting process and will then develop an action plan for implementing program budgeting.

Tbilisi: Under contract from CELD, Georgian Software Systems (GSS) is piloting the introduction of accounting software (adapted for local self-government use under LGRI) in three city departments: urban development, educational, and one city rayon.

Poti Procurement Training: At the request of the local self-government, CELD conducted procurement training for private sector firms and city staff in Poti. Representatives of four private contractors interested in bidding for the contract to deliver the cleaning service in Poti, attended the training. The result was that bidding for cleaning service delivery was conducted successfully and the winner was one of the training participants, the local private company KalakMsheni.

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. Tests will be finalized in early July.

Service Improvement:

- Working groups: Training sessions for new working group members on Performance Management tools were conducted in seven cities: Kvareli, Gurjaani, Gori, Borjomi, Akhaltsikhe, Zestaponi, and

Ozurgeti. The newly trained working groups (49 members) developed Service Improvement Action Plans for the cleaning service and presented the plans to the Sakrebulo for review and adoption.

- Youth groups: The newly selected and trained data collection groups (160 members) conducted the first round of service-focused survey and street ratings, analyzed the data, and presented the results to working groups for the development of baseline indicators for the SIAPs.

Samtskhe-Javakheti: CELD organized a “study tour” to Ozurgeti and Poti for representatives of Ninotsminda and Akhalkalaki local self-governments and local NGOs and media. The group met with the head of the information center, the director of the cleaning service provider, and representatives of city gamgeoba and council in Ozurgeti. In Poti, the group visited the water company and discussed the billing and collection program. Representatives of the Javakheti group were impressed with the achievements of the two cities and were excited about the prospect of implementing CELD components in their cities.

In both cities, working groups have been trained on performance management tools. Youth group members who will be collecting performance data (surveyors and ratings groups) were selected through an open competition advertised on the local TV stations. The Akhalkalaki survey group (10 members) attended a two-day training in Borjomi on effective service-focused survey tools. The second day included presentations by Akhaltsikhe and Borjomi youth group members, who shared their experience in conducting service-focused survey as well as organizing other youth group activities such as volunteer days and televised debates with local self-government representatives. The first round of service-focused surveys in Akhalkalaki was conducted; the data will be analyzed and presented in the next quarter.

Village Civic Education Activities (Missionary Program)

- Ozurgeti: During the reporting period, CELD completed its activities in all 18 Sakrebulo in Ozurgeti rayon; all villages were covered and more than 430 people attended sessions.
- Borjomi: CELD completed its activities in Borjomi rayon; sessions were held in nine Sakrebulo (covering four villages each); approximately 270 people participated.
- Akhaltsikhe: The program was piloted in three Akhaltsikhe villages; about 70 people attended the pilot sessions.
- Ninotsminda/Akhalkalaki: Preparations, including translation of materials into Russian and agreement on coordination with CHF, were made to begin the program in Javakheti next quarter.

Staff Training

- Sopo Titvinidze: Forecasting, Accounting, and Business Law, Caucasus School of Business (semester, evening classes)

III. DELIVERABLES AND REPORTS

Cross-Cutting Activities



- CELD Plan for Assistance to Samtskhe-Javakheti
- CELD Subawards Procedures

Decentralization and National Capacity-Building Activities

- Revised edition of the “Legislative Principles Developed by Local Self-Government Representatives”
- Analysis of the draft local budget law’s compliance against the “Principles”
- Decentralization brochure (CU)
- Summary of the local budget law draft (CU)
- Property transfer law success story
- West Georgia Needs Assessment (GIPA)
- Quarterly progress reports from GYA and GWA
- Guidebook on Lobbying and Advocacy

Strengthening Communities: Managing Local Resources

- CBED Guidebook in Georgian
- International Funds’ Guide (updated)
- Poti EDP
- Akhmeta Rayon Sakrebulo Association newsletter
- Kvareli Rayon Sakrebulo Association newsletter
- Zestaponi Rayon Sakrebulo Association newsletter
- Marneuli/Ozurgeti “study tour” success story

IV. PROBLEMS OR DELAYS AFFECTING PERFORMANCE

The appointment of a new mayor in Poti, the resulting changes in staff, and the resignation of the Sakrebulo chair all delayed implementation of CBED activities in the city.

V. WORK PLANNED FOR NEXT REPORTING PERIOD

The approved CELD Annual Workplan for 2004 – 2005 stated that CELD would be implementing its Managing Local Resources component (financial management, performance management, and community-based economic development) in Telavi and at least one new city in Kvemo Kartli and Samtskhe-Javakheti, and would explore the possibility of working in Batumi and Kutaisi. As reported to USAID, in response to the Mission’s priorities, CELD has not begun work in Telavi and is instead:

1. Implementing program budgeting and in-kind assistance programs in Kutaisi
2. Starting-up financial management and economic development activities at the regional level in Adjara and performance management in Batumi
3. Limiting assistance in Marneuli (Kvemo Kartli) to financial and performance management for this program year

4. Expanding assistance in the three rayons of Akhalkalaki, Ninotsminda, and Akhaltsikhe (as described in the comprehensive plan)

In part because of the resources devoted to expanding assistance to Samtskhe-Javakheti, CELD has delayed certain activities until the next program year:

1. Development of program procedures for a voucher program
2. Training NGOs as candidates for the voucher program
3. Development of a model for public administration reform

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

- Assist MoED in development of procedures how to transfer the property
- Assist local governments in the creation of the transferable property
- Assist Vano Khukhunaishvili and his team in working toward the adoption of the Local Self-government Unit Budget draft law by the Parliament in the autumn session
- Support CU in holding regional and rayon level meetings with local officials and citizens on the Local Self-government Unit Budget draft law, key principles and concept papers on territorial-administrative issues
- Support CU in working with local lobbyists and regional journalists on decentralization
- Assist the MoF in finalizing the Local Self-government Unit Budget draft law, with a special emphasis on improving the equalization formula
- Support NALA, CU, and the Parliamentary Committee in conducting an information campaign on decentralization
- Provide ongoing assistance to NALA in organizing and working with the MPs' club
- Support the establishment/registration of the Samtskhe-Javakheti Regional Local Self-Government Association
- Organize follow-up action planning workshop for GWA and Peace Corps's SWAN members
- Organize youth conference on decentralization
- Announce small grants competition for women's and youth groups and second round for local self-government associations
- Publish and disseminate Guidebook on Lobbying and Advocacy
- Issue and disseminate CD of laws on local self-governance issues
- Support GYA's national conference



Strengthening Communities: Managing Local Resources

Financial Management and Performance Management

- Conduct training for Tbilisi NGOs on accounting and program budgeting
- Develop an action plan for implementing accounting reform and program budgeting in Tbilisi
- Develop an action plan for implementing program budgeting in Kutaisi
- Select and train youth group members on surveying in Ninotsminda and ratings groups in Akhalkalaki and Ninotsminda
- Conduct first round of service-focused surveys in Ninotsminda and rating of streets in Akhalkalaki and Ninotsminda
- Assist working groups in Javakheti to develop Service Improvement Action Plans for cleaning and parks
- Assist local self-governments in all partner cities to organize and conduct public discussions of SIAPs as well as rating and survey results
- Implement in-kind program to assist Akhalkalaki and Ninotsminda local government with SIAPs
- Start Performance Management program in Batumi

Community-Based Economic Development

- Publish guidebooks on one-stop shops, business support centers, and tourist support centers.
- Conduct PRA on business issues in Akhalkalaki
- Begin CBED process in Akhalkalaki and Ninotsminda
- Establish business incubator in Akhalkalaki
- Develop Action Plan in Borjomi
- Begin CBED regional planning in Adjara

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

Amendment of the Cooperative Agreement to reflect the changes suggested by the RCO in the previous quarter.