

ARAGVI LOCAL DEVELOPMENT STRATEGY

2020-2025



This strategy has been developed by Aragvi Local Action Group with the support of the international non-profit organization People in Need (PIN) and the Czech Development Agency.



This strategy has been developed by Aragvi Local Action Group with support of the Czech Development Agency within the framework of the project “Sustainable Development of Aragvi Community”. The project is implemented by the Czech international non-profit organization “People in Need”. Aragvi Local Action Group bears sole responsibility for the content of the strategy. The information and visions presented herein may not necessarily reflect the views of the Czech Development Agency.

Content

- Definition of terms**..... 4
- Introduction** 4
- Strategic vision and goals** 5
- Methodology**..... 5
 - Principles and key characteristics of LEADER/CLLD approach 6
 - Innovation..... 6
 - Cooperation..... 7
 - Aragvi Local Action Group 7
 - Aragvi LAG structure** 8
- Target area and population** 9
 - Geography 9
 - Demography 10
 - Socio-economic structure..... 11
 - Infrastructure 12
 - Education/Sport 12
 - Cultural Heritage 13
 - Agriculture 14
 - Tourism..... 15
- Key Challenges and Development Opportunities - SWOT Analysis** 16
- Strategic Vision** 19
- Strategic goals** 19
- Strategic Objectives** 19
 - Strategic goals, objectives, implementation methods and evaluation indicators 19
- Strategy development process and public involvement 23
 - Studies 23
 - Involvement..... 24
 - Action plan..... 25
 - Strategic coherence with policy papers 26
- Strategy Monitoring and Evaluation** 29
- Annexes: 29

Definition of terms

LEADER – "Liaison Entre Actions de Développement de l'Économie Rurale" - Links between activities for the development of rural economy ¹

CLLD – Community-Led Local Development ¹

Rural development - The process of improving the economic well-being and quality of life of people living in regions (rural areas), often in relatively isolated and sparsely populated areas. (Moseley, Malcolm J. (2003). *Rural development : principles and practice*)

LAG – Local Action Group

Aragvi LAG – Aragvi Local Action Group

SWOT analysis – analysis of strengths, weaknesses, opportunities and threats

SMART objectives – specific, measurable, achievable, realistic and time-bound;

Introduction

The present strategy has been developed by Aragvi Local Action Group as a guiding document for years 2020-2025. The strategy employs LEADER / CLLD approach to rural development.

While the socio-economic challenges posed by the New Coronavirus (COVID-19) pandemic do not fundamentally change the goals and objectives, specific sector needs will be considered during implementation of the action plan, both through grant call priorities and various supporting activities in crisis and post-crisis period.

Strategic vision and goals

Improving quality of life for Pshavi, Gudamakari and Khevsureti dwellers by developing economic activities and introducing innovative practices

Goal 1. Promoting diversification and development of local economic activities

Goal 2. Improving quality of life

Goal 3. Introducing/promoting innovative and environmentally-friendly practices

Goal 4. Ensuring LEADER/CLLD approach and sustainability of Aragvi LAG

Methodology

Principles and key characteristics of LEADER/CLLD approach

The acronym 'LEADER' derives from the French word - "Liaison Entre Actions de Développement de l'Économie Rurale" and means "Links between activities for the development of rural economy". It is about the use of human and material resources that can facilitate the process of rural development through cooperation between the public, civil and private sectors at the municipal level. CLLD is derived from English - "Community-Led Local Development". The CLLD was later integrated with LEADER, allowing use of this approach for urban settlements, professional associations and for regional development to attract more resources¹. Local Action Group (LAG) is the main tool for application of LEADER / CLLD approach.

Since the early 1990s, EU countries have been actively using the LEADER methodology for purposes of rural development. As CLLD approach proved to be effective for regional development, it has been added for urban settlements later on. Today, these two components are integrated and used together. The LEADER/CLLD approach implies that regional development decisions are more effective and their implementation methods are more fruitful when adopted and planned by participation of local private, public and civil sectors. This approach has borne a significant impact on the development of villages in EU member states. Today, the LEADER / CLLD community brings together more than 2,400 local action groups.

"LEADER/CLLD" approach has 7 key features²:

- All decisions are made by local actors using "bottom-up" approach;
- Reliance on a specific, small, homogeneous, socially connected area;
- Partnership at the local level; public-private cooperation.
- Integrated and multi-sector, needs-oriented development strategy;
- Cooperation within LEADER / CLLD networks;
- Introduction of innovative ideas and methods;
- Cooperation at regional, central and international levels

The "bottom-up" approach means that local players are involved in developing strategies and outlining local priorities; they make decisions and at the same time take responsibility for their implementation. This approach should not be seen by the central and/or regional government as an alternative or counter-traditional approach. These two should rather be merged and integrated for more effective achievement of common goals.

Innovation

Quest for innovation is at the heart of LEADER / CLLD approach. The main idea is to encourage and support new, future-oriented solutions to local problems. Any novelty at the community and rural level that serves strategic goals and objectives will be considered an innovation.

¹ The information is based on the data from the website of the European Network for Rural Development (ENRD): https://enrd.ec.europa.eu/leader-clld/leader-toolkit/leaderclld-explained_en

² The information is based on the data from the website of the European Network for Rural Development (ENRD): https://enrd.ec.europa.eu/leader-clld/leader-toolkit/leaderclld-explained_en

Cooperation

Cooperation is also one of the important elements of LEADER/CLLD approach, which includes: sharing regional/ rural development experiences both at home and abroad; Implementation of joint initiatives; the exchange of knowledge and expertise in different fields.

Aragvi Local Action Group

Aragvi Local Action Group – is an open civic body that operates as an independent, democratic, non-governmental, non-political union. It serves as a platform for cooperation between the local public and private sectors.

Aragvi LAG covers Gudamakari, Pshavi and Piraketa Khevsureti. Any person or organization willing to engage in the development of target communities is free to join the group. The activities of the organization are fully based on volunteering principles.

All members of the Union have the right to be involved in governance activities and to get comprehensive information about its performance.

Aragvi LAG has elaborated a local development strategy based on the studies conducted in Gudamakari, Pshavi and Piraketa Khevsureti, the needs and potential identified as a result of group work.

The members of LAG work in thematic groups, which they choose based on their interests and fields of activity:

- 1) Tourism and/or other non-agricultural business;
- 2) Agriculture and processing business
- 3) Culture, sports, education and social services and community infrastructure.

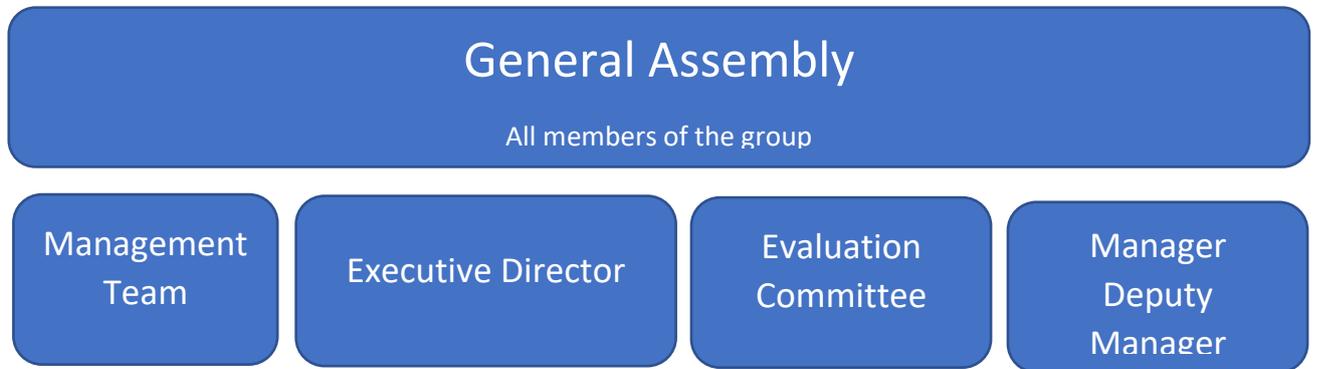
The main principles of LAG are based on the European experience of promoting rural development through LEADER / CLLD methodology.

Aragvi Local Action Group was established within the framework of the project "Sustainable Development of Aragvi Community" implemented by the Czech international non-profit organization "People in Need". The project, in turn, is being implemented within the scope of the program "Sustainable Development of Mountainous Regions and Local Population in Pshav-Khevsureti and Gudamakari ", supported by the Czech Development Agency.

As of April 2020, the Aragvi Local Action Group is comprised of 59 members, including 34 men and 25 women. The group brings together representatives of public, civil and business sectors. Aragvi LAG has developed a strategy paper for development of Aragvi communities during 2020-2025, which will serve as the main guiding document for the next 5 years. See Annex # 4 for the action plan, which describes the methods for achieving the goals and objectives set out in the strategy.

To get familiar with management procedures, activities and other legal regulations of the organization, please see the Charter of Aragvi Local Action Group (Annex # 7).

Aragvi LAG structure

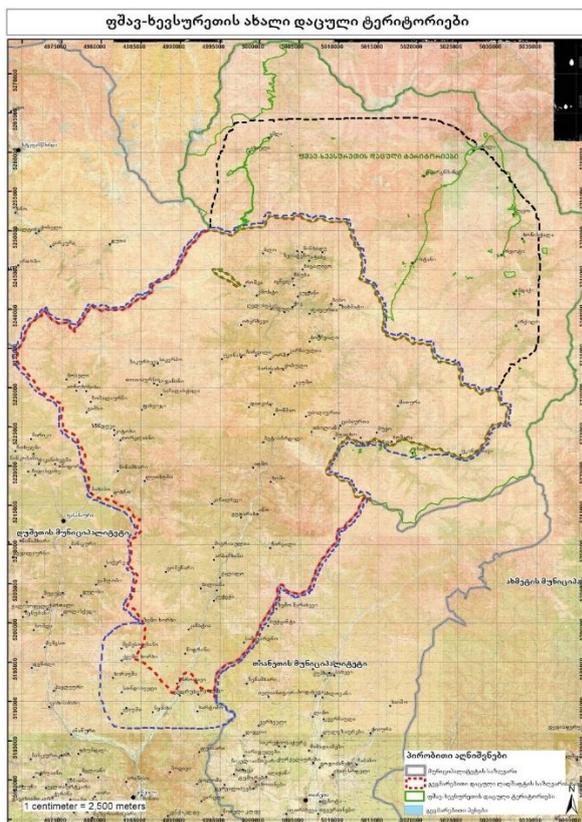


Target area and population

The information presented in this chapter is based on the official data from Geostat, the Social Service Agency, Dusheti Municipality, and the findings of the studies conducted by Biological Farming Association “Elkana”, the “Georgian Ecotourism Association” and GeoWel Research.

Geography

Aragvi Local Development Strategy covers several historical and ethnographic areas - Gudamakari, Pshavi and Piraketa Khevsureti, which are located in Mtskheta-Mtianeti region, Dusheti municipality. It covers the slopes of the Caucasus Ridge and its branches, as well as the basins of the rivers: Shavi Aragvi, Pshavi Aragvi and Khevsureti Aragvi. From the administrative point of view, the area includes the administrative units of Zhinvali, Magharoskari, Barisakho and Gudamakari, comprised of 95 settlements.



Gudamakari is located at an altitude of 1050m to 2300m, in the valley of Gudamakari Aragvi river, with the population slightly exceeding 200 people. Shavi (Black) Aragvi flows between the picturesque mountains. There are about 70 cultural heritage sites in the valley, including the remains of old churches and castles. Pshavi is located in [Aragvi](#) valley and its [area](#) is about 550 km². Pshavi is bordered by: to the north-east - the main ridge of the [Caucasus](#), which separates it from [Tusheti](#) and Piraketa Khevsureti, to the west - Piraketa Khevsureti, [Gudamakari](#), [Khandi](#) and [Chartali](#), to the south - [Shida Kartli](#), to the east - [Ertso-Tianeti](#). Pshavi is divided into two parts: from the head of [Pshavi Aragvi](#) to Ortskali, there is [Ukana Pshavi](#) community and below Ortskali, in the lower part of Pshavi Aragvi - [Magharoskari](#). The altitude is 1000-3000 m above sea level. **Khevsureti** is located in the mountains of

eastern Georgia, on the northern and southern slopes of the [Caucasus](#) Ridge, and covers an area of about 1,050 km². The [Caucasus Ridge](#) divides Khevsureti into two parts: the north-eastern part, or [Pirikita Khevsureti](#), and the south-western part, or [Piraketa Khevsureti](#). Pirikita Khevsureti consists of: [Mighmakhevi](#), [Shatili](#) and [Arkhoti](#) valleys, while Piraketa Khevsureti - of [Aragvi](#) valley. The valleys of the above-mentioned rivers end up near the Zhinvali Reservoir, which borders the protected landscape from the south.

The villages which are located at higher altitude are characterized by lower population density. The out-migration level in such villages is especially high as elder people prefer to relocate in lowlands for more accessible medical care and proximity to family.

Pshavians, Khevsurs, or Gudamakarians, while distinct in many ways, have significant cultural and social overlaps. This includes celebration of mountain holidays, cuisine, and folklore. Most importantly, there is a strong attachment to land, which serves as basis for identity formation.

Demography

According to 2014 census data, there are 333 registered villages in 18 territorial units in Dusheti municipality. However, the target area covers only three historic areas, comprised of 90 villages from 5 administrative units: Barisakho (Khevsureti historical area), Gudamakari (Gudamakari historical area), Magharoskari, Ukanapshavi and three villages of Zhinvali (all of them belonging to Pshavi historical area)³

Historical area	Administrative unit	Number of villages	Population
Khevsureti	Barisakho	35	340
Gudamakari	Gudamakari	22	234
Pshavi	Magharoskari	17	579
Pshavi	Ukanapshavi	13	143
Pshavi	Zhinvali	3	114

The number of permanently residing young people is particularly low in Gudamakari. They usually leave for studies and then stay elsewhere to work. They come back to their ancestral homes only for summer.

The activities envisaged by this strategy are expected to bring benefit to permanent and seasonal dwellers of Gudamakari, Pshavi and Piraketa Khevsureti.

³ *Geostat 2014 Census data*

Socio-economic structure

While the target area is mountainous and falls under the law on development of mountain regions (the so-call 'Mountain Law'), there are significant differences between the target settlements.

In Gudamakari community, villages have very small population and there is only one school for the entire area (which currently has only 6 students). There is no other source of formal employment.

Khevsureti also has many remote villages, with only few people and almost no activity, but unlike Gudamakari, there is a relatively large settlement in Barisakho, which has an office of the Border Police Department. This creates opportunities for significant employment and subsequent economic activities. There is a relatively large school, a pre-school educational institution, a few guest-houses, 2 cafes and even an NGO promoting women activism.

Pshavi has several relatively large settlements in lower part. The advantage of these settlements is that they are located near Tbilisi, just next to Aragvi River. There are some small businesses supported by the government's "Enterprise Georgia" program. In addition to few guest-houses, there are also agricultural cooperatives. Though, the situation is different in Ukana Pshavi, which lacks opportunities for socio-economic development due to long distance from the central road and the lack of communication facilities.

According to Geostat data on registered and active businesses, there are a total of 28 small businesses in the target area: 16 in Pshavi, 11 in Khevsureti, and only 1 in Gudamakari. In Pshavi and Khevsureti, they are almost exclusively concentrated in Magharoskari and Barisakho. Mostly, these are small retailers, but there are also few guesthouses and construction related businesses.

Based on the statistical data from the website of the Social Service Agency, there are 5,327 (1,768 households) socially vulnerable people registered in Dusheti municipality, constituting 20.8% of the municipality's entire population⁴. However, according to locals, these data only partially reflect the reality, as the actual number of vulnerable people is much higher.

It is noteworthy that the City Hall offers only one social service on the territory of the municipality, "free canteen for the needy", which provides free meals to socially vulnerable people once a day, except for Sundays. Unfortunately, this program does not cover residents of villages far away from Dusheti.

Only 13.3% of the municipality's social budget is spent directly on the implementation of services, while 86.7% of the social budget is spent on one-time social programs (mainly, health care)⁵ that do not offer long-term solution to the needs and problems of vulnerable groups.

City Hall only co-finances two social services for vulnerable groups in the municipality. These are the projects: "Activity center for Safe Environment and Life Promotion in Dusheti" and "Home Care Service". This sub-program is planned within the framework of the joint project of the Georgian Red Cross Society and Dusheti Municipality "Activity Center for Safe Environment and Life Promotion in Dusheti", which aims to promote development of safe communities by reducing the risk of disasters,

⁴ The data are based on statistics from the Social Service Agency website http://ssa.gov.ge/index.php?lang_id=&sec_id=1445

⁵ The data are based on the information requested from Dusheti Municipality City Hall, on the resolution of 26 December 2019 "On Approval of 2020 Budget of Dusheti Municipality"

increasing access to health care and social welfare. Under the sub-program, workshops, trainings and various social events will be held.

The sub-program also envisages funding of the home care project to provide elderly and sick socially vulnerable people with medical care, assistance with household affairs; it also includes taking care of beneficiaries with dementia.

Infrastructure

In terms of infrastructure, the locals (except for the Gudamakari Valley) are most concerned about the road connecting Zhinvali and Shatili. Road rehabilitation works are funded by the World Bank and will be completed by the end of 2020. This will significantly increase access to Khevsureti and Pshavi and will contribute to reinforcement and development of economic activities. The situation is less clear with tertiary roads connecting to villages at higher elevation. While local authorities are responsible for repairing these roads, major improvements are usually carried out by the central government due to lack of necessary funds.

Pshavi is largest among these three areas in terms of both villages and population. Since it is located closest to Tbilisi, most of its villages (except Ukanapshavi) are accessible throughout the year.

The situation is different with respect to transport. Municipal transport is subsidized by the municipality and it serves the population at the minimal price. This can be considered as a strength, transport runs twice a week and people are satisfied. Specially designed cars are also serving schoolchildren. Public transport does not serve the villages above Shuapkho (Pshavi), as well as the villages located far from Piraketa Khevsureti and Gudamakari main road.

There is no natural gas in target areas, so people rely on wood. In terms of electricity, most villages are electrified, except for the following ones: Biso, Zeistecho, Ukakhadu, Tsinkhadu, Khakhmati (Barisakho territorial unit), Dikhco and Bursachiri (Gudamakari territorial unit), and villages above Shuapkho (Ukanapshavi territorial unit). The village of Roshka (Barisakho territorial unit) uses a small hydroelectric power plant, while in other places the local inhabitants depend on diesel generators when needed. The Ministry of Regional Development and Infrastructure of Georgia has started installing solar panels for permanent residents of high mountainous settlements - 3 kva per family, which partly resolved the problem. However, a number of families still remain beyond coverage of the program. Mobile network coverage is another major issue in the entire Ukana Pshavi valley above Shuapkho and in the villages of small valleys of Piraketa Khevsureti, except Roshka. The "internetization of mountainous regions" has started from Tusheti and already covers part of Khevsureti.

Internetization of the area started in 2019 and the network is expected to fully cover the territory of Pshav-Khevsureti and Gudamakari valleys by summer 2020. Currently, about 300 families use the Internet.

In terms of medical care, one general practitioner and a nurse are serving major villages. In most cases, premises are outdated, although rehabilitation works are on-going in certain sites.

In all three communities of the target area, problems with water supply and sewage system stand acute. In most settlements, drinking water supply is not regulated; there is deficient or no sewer system at all;

Education/Sport

The only school operating for the entire valley is located in Gudamakari, in the village of Kitokhi (6 students). The school boarding facility of the school is currently empty, though it may turn into an

important asset for certain types of public projects. There is also a club and a school operating in Magharoskari (for about 50 students). Chargali and Shuapkho also have schools (around 10 students). There is a large school and a boarding house for school children in Khevsureti, Barisakho village. According to available information, the only pre-school educational institution operating in the entire valley is located in Barisakho. Sports circles / activities are lacking in these institutions, despite the existence of sports infrastructure. Dance and chess circles are functioning in Barisakho.

Cultural Heritage

Within the area of Aragvi protected landscape, cultural heritage sites are mainly dispersed in river valleys and are presented in the form of temples, castle towers, chapels, house-museums and archeological sites. Some of the monuments are badly damaged and need to be restored.

Among the cultural heritage sites in **Gudamakari Valley**, Makhvilo Fortress in Bakurkhevi, Pirimze – Angel of the House Temple in Chokhi village and Goderdzi Chokheli House-Museum are worth mentioning. Makhvilo Fortress is built of spalls and mortar. The castle consists of four structures, located on different levels and attached to each other. The buildings are rather damaged, part of the walls are demolished. As for Pirimze, the main shrine of Gudamakari dwellers, it is a small mortared stone church, which used to be covered by smooth stone roof, with a stone cross on top of it. The church was surrounded by sacred forest. In St. George Church of Chokhi, Pirimze icon was kept, which represented a silver-engraved cross, with Mkhedruli inscription and the image of St. George.

Pshavi Aragvi Valley are represented by small temples, towers, shrines and deserted settlements. Vazha-Phshavela House-Museum in Chargali village is a distinguished cultural site. Lashari Cross and Ghele (Queen Tamar Chapel) represent the main shrines for Pshavi dwellers. Kopala is the main shrine for Udzilauri community dwellers. Every icon has its own sanctuary (the place where the angel of the icon descends at night as a bright pillar). The icon's site is usually surrounded by a fence. In the entrance, there is a small candlestick made of slate stones. There is a bell tower constructed nearby, with one or more bells of different sizes hanging there. In the middle of the site, there is a rectangular pyramid-shaped structure made of dry stone (Nish-Sabrdzanisi). Next is the place for hiding icon treasure. The complex of buildings also includes a barn and a brewery.

As for **Khevsureti Aragvi Valley**, besides the old towers, small temples and icon shrines, deserted residential houses and fortresses also bear the status of cultural heritage. However, just like other cultural heritage sites in the target area, they are badly damaged and require urgent restoration. From the archaeological point of view, there are several deserted settlements in the valley, among them: Roshka deserted village, Pashaurt Akho Gori deserted village, Maghrani deserted village and others. In Barisakho administrative unit, in the village of Korsha, there is an ethnographic museum, where ethnographic items from the 18th and 19th centuries are displayed: Khevsurian men and women apparel, household tools and ammunition, furniture, vessels, Khevsurian medical tools and more.

Apart from having material cultural monuments, the communities within the Aragvi Protected Landscape possess important treasures of intangible cultural heritage. The status of intangible cultural heritage has been awarded to the technology of preparing the ancient Pshavian food product – “Dambalkhacho”. In addition, traditional apparel and local folklore is a valuable treasure of intangible

cultural heritage for Georgia. Intensive work is currently underway for awarding the status of intangible cultural heritage to mountain beer production technology.

Agriculture

According to the study conducted by the Biological Farming Association "Elkana", livestock is one of the leading sectors in the target area and the following are the hindering factors for its development:

- ▶ Degraded cattle
- ▶ Improper management of grazing and grass fields, lack of necessary equipment, malnutrition
- ▶ Lack of sectoral knowledge;
- ▶ Poorly organized production;
- ▶ Lack of access to modern technologies

Livestock:

In Khevsureti, Pshavi and Gudamakari, most smallholder farms have traditionally pursued cattle breeding, although today, the number of households having livestock and producing dairy products is very small. In addition, there are medium-sized farms that own between 10 and 70 cattle, and most of their output is intended for sale. One big agricultural enterprise has been built in Shuapkho, though it has not been launched yet. The enterprise (for 200 head of cow) has local and foreign investors. By share in income from livestock, dairy farming holds the leading position. In this geographical area, small or large farms specialized only in cattle breeding are rarely found.

Sheep breeding

In all three areas, sheep breeding used to be considered one of the traditional fields, but today only a few farmers are engaged in this activity and even that, in the direction of meat production. The sheep are taken to alpine pastures in summer. Wintering of sheep is one of the biggest problems because shepherds do not have wintering flats and enough food. Due to the above-mentioned problems, the sheep breeding tradition is being lost in all three areas. The price of lamb ranges from 150 to 200 GEL. Lamb is sold to vendors directly from the site or from the local market. Due to the quality, the demand for the product is high, and the list of exporting countries has also expanded.

Beekeeping:

In all three areas, beekeeping is one of the most lucrative industries - from bee products, farmers produce only honey, with the major part of it being sold locally. Locals mainly have from 3 to 50 bee families. Mostly, there are stationary apiaries, honey is extracted in July-August. Obsolete hives and ineffective equipment used for extracting, processing and storing honey is the main problem in the production chain. Since there are no large beekeepers in all three areas, beekeeping does not require additional labor. The cost of one hive with a family is 300 GEL, the cost of necessary medicines for one family is 12 GEL per year on average; additional food required in spring and autumn - mainly candy and sugar syrup, costs 15 GEL per family. Also, artificial honeycombs need to be replaced every year, costing 10 GEL. These are the main expenses that beekeepers have to bear each year. They purchase necessary equipment and medicines in Tbilisi marketplace.

Fish farming

Fishing is not developed in the region; locals blame it on the lack of sectoral knowledge and lack of funding. There is one small trout farm in Gudamakari. Trout farms are also found in Ukanapshavi and Chargali, another one is being built in Katsalkhevi.

Poultry

Recently, the need for poultry increased among households, both for self-subsistence and for selling to local guesthouses.

Rabbit breeding is also gaining popularity.

Tourism

Both local and international tour operators seek to promote and raise awareness of the municipality's tourism products, but Shatili community grabs particular interest due to its World Heritage Sites. In Barisakho community, a lot of tourists visit Roska-Abudelaury Chiukhi Massif. As for the target area under the local development strategy, there is low interest on the part of tour operators due to scarce tourist offers and low quality of service.

While traveling on their own (without intermediaries), tourists learn about transport facilities through tourism and visitor information centers; they are able to buy tickets only upon arrival at the bus station, which to some extent affects the number of visitors in the region; being unable to make booking in advance, they prefer to spend their vacation in some other regions or countries.

Tourist services in the target area are mainly concentrated around the central road, namely, adventure centers in Zhinvali administrative unit (village Tvalivi), catering facilities mainly in Magharoskari and guesthouses in Chargali, Korsha and Barisakho villages. In terms of tourism services, Ukanapshavi and Gudamakari administrative units remain to be completely untapped. Visitors to Gudamakari valley mostly include school children and holiday makers (local segment). Accommodation facilities are mainly limited to guesthouses and camping sites, though they are small in number, with almost no diversification of tourist products.

Catering facilities are mainly represented by canteens, cafes (Restaurant "Khomi" in Pshavi is an exception). In general, the given component requires much attention, as it is targeted to local consumers only. Neither is the local cuisine duly represented. One will rarely find a place where a visitor would be able to taste Dambalkhacho – a product bearing the status of Georgian intangible cultural heritage.

Despite rich cultural heritage and traditions, opportunities for cultural tourism development are not well structured. In Gudamakari, Pshavi and Khevsureti, there are still celebrations or various religious and public holidays that could be assigned greater touristic significance through active involvement of the local community.

Ecotourism is one of the most important resources for the development of local tourism. In Pshav-Khevsureti Protected Areas, eco and adventure tourism leave room for development, hiking routes are not yet marked by common national standard. The only offers include those of rafting and adventure bases.

Key Challenges and Development Opportunities - SWOT Analysis

Aragvi Local Action Group has made SWOT analysis of sectoral areas and has used it as a basis for the multi-sectoral approach given below.

See separate sectoral documents in Annex 4.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Rich ethno-cultural traditions - traditional folklore and folk literature; local architecture (old castle towns, towers, traditional houses); traditional cuisine; the tradition of brewing beer; traditional religious and secular holidays; types / rituals of folk competitions; folk medicine; unique traditional handicraft; traditions of community law; • Natural resources and practices for extreme tourism • Inviolable nature, ecologically clean environment, biodiversity, endemic species of flora and fauna, abundance of rivers and mineral waters • Internet coverage in populated areas • Proximity to Tbilisi and the highway of international importance • Cultural infrastructure - there are three functional museums. • More or less maintained sports and educational infrastructure • Practice of implementing social programs in Dusheti municipality • Eco-friendly environment • Access to summer pastures • Non-timber forest products • Projects promoting agricultural projects in mountainous regions • Various tax benefits 	<ul style="list-style-type: none"> • Lack of construction and architectural regulations • Lack of awareness about the region • Low population and high seasonal migration • Lack of household services • Poorly developed tourist infrastructure (information media and direction indicators) • Lack of relevant skills • Absence of pre-school education institutions in all communities • Lack of sports-educational infrastructure and circles. • Lack of educational opportunities • Inappropriate system for maintaining cultural monuments • Limited access to medical services (emergency, out-patient, pharmacy) • Deficient public transport system • Lack of access to information on higher and vocational education opportunities and other impediments. • Lack of cultural and traditional events • Lack of access to municipal social programs. • Abundance of socially vulnerable groups in the target communities. • Low interest in introduction of innovations

	<ul style="list-style-type: none"> • Great number of abandoned villages • Some residents do not have access to electricity • Lack of road infrastructure to access the villages. • Lack of network and storages for drinking water • Absence of sewage system.
Opportunities	Threats
<ul style="list-style-type: none"> • Marking of existing and new tourist routes in compliance with the state standard • Dissemination of information about resources having tourism potential among the local population • Stimulation of the tourist season with innovative services and special offers • Creation and promotion of diverse and innovative tourism services • Promoting introduction of construction - architectural regulations • Promoting and increasing awareness of Gudamakari, Pshavi and Piraketa Khevsureti • Use of the gastronomic tourism potential • Increasing access to electricity • Enhancing professional knowledge in agriculture through meetings with specialists and training visits; • Increasing access to animal feed producing equipment • Increasing access to agricultural services (veterinary services, etc.). • Promoting development of existing and new sectors of agriculture • Restoration and cultivation of horticulture, growing of grain, forgotten crops; • Wool production - recycling 	<ul style="list-style-type: none"> • Natural disasters - floods, landslides, earthquakes, avalanches, heavy snowfall, etc. • Diseases of humans and animals • Introduction of chemicals in agriculture • Lack of specialists with relevant qualification • Shift in the state policy on supporting mountainous regions • Delayed application of measures for preservation of cultural and historical monuments • Drain of target age groups from the region • Unstable political and economic situation

- Introduction of innovative approaches and modern technologies in agriculture
- Bio production
- Creation of tourist products based on rich ethno-cultural and folk handicraft traditions
- Restoration / popularization of unique traditional handicrafts, folklore.
- Introduction of distance learning.
- Creation of cultural / traditional / sports / educational activities and opportunities.
- Arrangement and promotion of festivals, cultural, traditional, religious and secular holidays, folk competitions
- Promotion of professional orientation
- Preservation, restoration and popularization of cultural-historical monuments.
- Improving the quality of organizing cultural events, creating added value.
- Promoting the development of preschool education system
- Improving sports and educational infrastructure
- Enhancing the effectiveness of services and programs focused on vulnerable groups.
- Increasing access to electricity
- Infrastructure improvement (sewage, drinking water, heating systems)
- Increasing access to medical care services

Strategic Vision

Improving the quality of life for Pshavi, Gudamakari and Khevsureti communities by developing economic activities and introducing innovative practices

Strategic goals

Goal 1. Promoting diversification and development of local economic activities

Goal 2. Improving the quality of life

Goal 3. Introducing/promoting innovative and environmental practices

Goal 4. Ensuring sustainability of LEADER / CLLD approach and Aragvi Local Action Group

Environmental approaches

Environmental vision represents an important part of this strategy. It has been created within the framework of the program - "Sustainable development of mountainous regions and local communities in Pshav-Khevsureti and Gudamakari regions", which also applies to the target protected areas. Therefore, any activity envisaged by the strategy should be in accordance with the established norms and should promote the introduction of environmentally friendly practices.

Strategic Objectives

Strategic goals, objectives, implementation methods and evaluation indicators

Goal 1. Promoting diversification and development of local economic activities	
Objective 1.1	
Promoting the creation and development of tourism products / services	
Implementation methods	Evaluation indicators
Creation / promotion of new routes and thematic tourist packages	Number of marked treks. Number of info tours conducted for tour operators. Number of newly created thematic tours
Support for special themed, distinguished night facilities	Number of newly established or expanded businesses
Support for adventure, sports or other types of tourist services	Number of established businesses

Support for long-term mechanisms for promoting cultural and historical monuments	Number of new routes
Elaboration/implementation of a concept of festivals to promote tourist businesses in the community	Number of conducted festivals
Improving the quality of tourist services through professional trainings (guides, hotel owners, service staff ...)	Number of conducted trainings and consultations
Promoting the introduction of standards in hotels and catering facilities;	Number of those service providers, who introduce state and other quality standards.
Objective 1.2	
Developing/promoting innovative tourism services and production	
Implementation methods	Evaluation indicators
Arrangement of small, non-seasonal entertainment facilities (skating rink, small attractions, zip line, small funicular ...) to simulate the tourist season	Number of relevant facilities
Manufacturing of tourism-related products (souvenirs, handicraft, wood carving)	Number of new businesses
Local brand establishment and development	Brand website, number of affiliated entities
Objective 1.3 Promoting agricultural development, introducing innovative and climate-smart practices	
Implementation methods	Evaluation indicators
Promoting production of primary and particularly, innovative products	Number of new agricultural products; Number of farmers producing innovative products.
Promotion of storing/ processing / packaging / branding of agricultural products in accordance with the state regulations	Number of new enterprises, adhering to state standards
Promoting production of various food products and animal feed	Number of new enterprises
Promotion of storing / processing / packaging / branding of non-timber forest products in accordance with state regulations	Number of new businesses
Increasing the efficiency of agriculture by using innovative approaches and modern technologies	Conducted trainings, consultations
Promoting introduction/development of agricultural services (vet; agronomist and etc.)	Number of introduced agricultural services
Promoting establishment and development of agricultural cooperatives	Number of newly established cooperatives

Supporting professional and sectoral long-term educational initiatives	Number of educational initiatives and number of beneficiaries
Supporting mechanisms of increasing market access	Number of new markets for agricultural products. Documents of cooperation.
Promoting new varieties and crops	Number of conducted meetings and number of attending farmers
Supporting demonstration plots and enterprises	Number of arranged demonstration plots and enterprises
Objective 1.4	
Developing/promoting household services	
Implementation methods	Evaluation indicators
Supporting innovative household businesses (shopping facilities, auto-maintenance services, gas station ...)	Number of established businesses
Supporting the development of innovative non-agricultural services and products	Number of newly established innovative businesses
Goal 2. Improving the quality of life	
Objective 2.1	
Supporting access to formal or non-formal education	
Implementation methods	Evaluation indicators
Raising awareness about existing educational programs through an active information campaign	Number of informed people
Supporting long-term, innovative training mechanisms	Number of training program beneficiaries
Objective 2.2	
Promoting the preservation and popularization of traditional and cultural heritage	
Implementation methods	Evaluation indicators
Promoting the restoration / popularization of traditional and secular holidays and folk competitions	Number of held events
Supporting long-term community initiatives for popularization of traditional customs / folklore / handicrafts / mythology / handicrafts / blacksmithing / beer brewing / traditional cuisine	Number of held events
Supporting initiatives for maintaining and preserving cultural monuments	Number of initiatives aimed at maintaining/preserving cultural monuments

Objective 2.3	
Improving the quality of health and social services and increasing access to relevant state programs	
Implementation methods	Evaluation indicators
Supporting development of existing social services	Number of supported initiatives
Supporting public and private initiatives focused on needs of various vulnerable groups	Number of supported initiatives
Objective 2.4	
Supporting youth in economic activities	
Implementation methods	Evaluation indicators
Promoting long-term initiatives aimed at supporting the youth	Number of supported initiatives
Goal 3. Introducing/promoting innovative and environmental practices	
Objective 3.1	
Improving waste management	
Implementation methods	Evaluation indicators
Introducing friendly practices for drinking water and sewage management	Number of activities carried out in line with the standards
Supporting local system for household and industrial waste management	Number of newly implemented initiatives and projects
Joint initiatives with the protected landscape administration	Number of jointly implemented projects and initiatives
Support for waste recycling initiatives	Number of new businesses and initiatives
Objective 3.2	
Promoting sustainable use of resources and environmental activities	
Implementation methods	Evaluation indicators
Sustainable land / forest / water resource management initiatives	Number of carried out activities
Goal 4. Ensuring sustainability of LEADER/ CLLD approach and Aragvi Local Action group	
Objective 4.1	
Strengthening of Aragvi LAG structure/professional training of its members	
Implementation methods	Evaluation indicators

Training of members through educational courses and mentoring	Number of LAG members, who have taken part in educational activities
Objective 4.2	
Close partnership with other local action groups in Georgia to share experiences and carry out joint activities	
Implementation methods	Evaluation indicators
Exchange study visits	Number of visits and participants
Strategic partnership for implementing joint initiatives	Number of joint initiatives and projects
Objective 4.3	
Strengthening partnership with international LEADER / CLLD groups, planning joint activities and programs	
Implementation methods	Evaluation indicators
Cooperation with international rural development platforms and participation in events	Number of events, number of participants
Partnership with LEADER/CLLD groups and implementation of joint activities	Number of joint projects and initiatives
Objective 4.4	
Ensuring financial sustainability of Aragvi LAG	
Implementation methods	Evaluation indicators
Securing different sources of funding	Number of projects implemented independently by LAG
Identifying financial sources and implementing appropriate activities in accordance with the principles of social entrepreneurship	Number of new social enterprises

Strategy development process and public involvement

Studies

For purposes of the project “Sustainable Development of Aragvi Community”, the partner organizations have conducted the following studies in the target communities:

- The Georgian Ecotourism Association conducted a survey “Situational Analysis of the Tourism Sector”

The goal of the survey was to study the market opportunities in the target area by exploring the tourism value chain and drawing recommendations for its effective functioning.

The carried out studies served the following objectives:

- Description and analysis of the value chain in the local tourism sector;
- Assessment of needs of local entrepreneurs engaged in the tourism sector in terms of tourism product development and diversification;
- Development of recommendations to strengthen the potential of entrepreneurs engaged in the tourism sector at the local level

(for full survey report – see Annex #1)

- The following research was conducted by the Biological Farming Association "Elkana": "Studying Potential of Agricultural Product Value Chain in Pshavi, Khevsureti and Gudamakari"

In 2019, from October 7 to December 25, Elkana experts conducted a survey in Gudamakari (Zanduki, Gamsi, Chokhi, Kitokhi), Pshavi (Udzilaurta, Shuapkho, Tkhiliana, Vakisopeli, Chidali, Chargali, Magharoskari, Kalilo, Ukanapshavi) and Khevsureti (Tsinkhadu, Korsha, Barisakho, Gudani, Chalisopeli, Kobulo, Khakhmati, Biso, Datvisi) villages; in total, 60 people were interviewed.

The survey served the following objectives:

- Analysis of production chain in livestock (dairy and cattle), beekeeping and fish farming;
- Assessing the potential of organic agriculture in all three target areas;
- Opportunities for introducing innovative models in all three target areas.

(for full survey report – see Annex #2)

- Study by GeoWell Research - „Report on Aragvi Development Potential”; it was conducted in three target communities: Gudamakari (all villages of Gudamakari territorial unit), Piraketa Khevsureti (all villages of Barisakho territorial unit) and Pshavi (all villages of Magharoskari and Ukanapshavi territorial units, as well as three villages of Zhinvali territorial unit)

The aim of the study was to assess the existing development potential in the target communities through participatory method, and as a result, to assist Aragvi LAG in implementation of effective and sustainable project activities.

(for full study report – see Annex #3)

Involvement

Within the framework of the project “ Sustainable Development of Aragvi Community”, PIN employees held informational meetings with the target communities. The goal of the meetings was to provide the local population with detailed information on the project: to introduce them to the structure, approaches and methodology of LAG.

In addition, given the fact that the target communities face different types of problems, meeting participants talked about the situation in specific villages.

In total, 16 information meetings were conducted, with the number of participants making up 189 (72_women; 117_men; 28_young people):

- Khevsureti: 38 people (14_women; 24_men; 5_young people)
- Gudamakari: 17 people (7_women; 10_men; 1_young person)
- Pshavi: 49 people (26_women; 23_men; 5_young people)
- Dusheti: 37 people (11_women; 26_men; 4_young people)
- Tbilisi: 48 people (14_women; 34_men; 13_young people)

Out of these, 59 participants (24_women; 36_men; 30_young people) became LAG members.

- In order to elaborate a local development strategy, the members of Aragvi LAG held 9 meetings, by thematic groups:

- 1) Tourism and / or other non-agricultural businesses;
- 2) Agriculture and processing business;
- 3) Culture, sports, education, social services and community infrastructure

The goal of the meetings was to produce SWOT analysis (SWOT is an English abbreviation, with each letter standing for a separate element of the analysis: S - strengths; W - weakness; O - opportunities; T -threats). When conducting SWOT-analysis, strengths and weaknesses of the organization, as well as its opportunities and threats are discussed. SWOT analysis requires a comprehensive analysis of the organization's strengths and weaknesses as well as its surrounding environment).

Analysis and setting of strategic goals and objectives by representatives of target communities.

63 people from all three communities (Gudamakari, Pshavi, Piraketa Khevsureti) (38_men; 25_women; 29_ (18-30 years old) took part in SWOT analysis.

During the working process, thematic groups discussed the strengths and weaknesses of Gudamakari, Pshavi and Piraketa Khevsureti; they also analyzed potential risks.

Based on the needs of different thematic groups, we have identified priority issues, which have been consolidated into a single document.

Internet technologies have been used to study the feedback of the general population on strategic goals and objectives.

63 representatives of Barisakho, Gudamakari, Ukanapshavi, Magharoskari, Zhinvali administrative units took part in the survey, with 58.7% being women and 41.3% - men;

50.8% - 16 to 29 years of age, and 49.2% - 30 years of age and older;

61.9% of respondents have the status of a resident of high mountainous region;

Percentage by sectors: 27% - public; 20.6% - civil and 52.4% business.

Action plan

To achieve the strategic objectives, a detailed action plan was elaborated. Areas were also defined for cooperation with various structures and organizations. The grant calls planned within the framework of PIN project will also facilitate achievement of certain goals.

For full action plan for strategy implementation – see Annex #5.

Strategic coherence with policy papers

➤ The local development strategy developed by LAG is compatible with the national and regional strategies listed below:

- Mtskheta-Mtianeti Regional Development Strategy for 2015-2021
- Regional Development Program of Georgia 2018-2021
- Rural Development Strategy of Georgia 2017-2020
- Action Plan under 2019-2020 Development Strategy for Mountainous Regions
- Georgian Agriculture and Rural Development Strategy for 2021-2027

1. Mtskheta-Mtianeti Regional Development Strategy for 2015-2021

- Stimulation of socio-economic development in the region;
- Development of social infrastructure;
- Protection, restoration and preservation of the environment and ecological balance;
- Effective use of natural, material, labor and financial resources in the region;

2. Regional Development Program of Georgia 2018-2021

- **Objective 1.4.** Improving energy infrastructure and expanding the potential of renewable energy sources
- **Objective 1.6.** Water supply, sewage and waste management infrastructure development
- **Objective 1.7.** Preservation and popularization of cultural heritage
- **Objective 2.1.** Support for enterprises, including small and medium-sized enterprises
- **Objective 2.2.** Support for innovation
- **Objective 2.3.** Support for Strategic Sectors: Tourism
- **Objective 2.4.** Support for Strategic Sectors – Agriculture
- **Objective 3.1.** Promoting the quality of general education
- **Objective 3.2.** Improving the vocational education system
- **Objective 3.3.** Increasing the quality and accessibility of the higher education system
- **Objective 3.5.** Increasing access to the labor market
- **Objective 3.6.** Promoting integration of vulnerable groups

(<https://mrdi.gov.ge/>)

3. Action Plan under 2019-2020 Development Strategy for Mountainous Regions

- 1.1.2. Development of tourist services
- 1.2.1. Supporting farms and cooperatives
- 1.3.1. Supporting small, medium and micro businesses and developing investment programs focused on the needs of entrepreneurs
- 1.3.2. Creating opportunities to promote entrepreneurial skills and enhance employment
- 1.3.3. Promoting the rational use of forest resources
- 2.2.2. Access to education services
- 2.5.2. Non-formal education activities for young people
- 2.6.2. Arranging/building infrastructure of cultural facilities

<http://www.parliament.ge/>

4. Georgian Agriculture and Rural Development Strategy for 2021-2027

- Ensuring the increase of knowledge / awareness of farmers and entrepreneurs;
- Ensuring the development of agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and the promotion of producer associations; increasing access to financial instruments;
- Stimulating young farmers and entrepreneurs in rural areas;
- Development of rural tourism and related tourism products.
- Promoting the introduction of energy-efficient and renewable energy technologies and practices;

[\(https://mepa.gov.ge/\)](https://mepa.gov.ge/)

Due to Covid-19 pandemic, the Aragvi Local Action Group will not be able to work on all strategic objectives in 2020. Therefore, this year's action plan will include the areas and activities that will respond to the needs in crisis and post-crisis situation and will be in line with the new reality.

Possible risks related to the strategy implementation and mitigation measures

External risks				
Risk description	Probability of occurrence	Impact magnitude	Prevention measures	Mitigation measures
Political factors				
Deteriorated approach towards LEADER/CLLD, changes in non-profit laws	Low	Strong	Close work with decision makers and partners to stay informed about potential changes	Revision of strategy/action plan
Change in state policy towards mountainous regions	Low	Moderate	Active communication and cooperation with decision-making structures at all levels, informing and encouraging the	Revision of strategic priorities

			population to participate in existing state programs	
Economic factors				
Economic recession caused by Covid-19 in tourism and service sector	High	Strong	Promoting diversification of economic activities, use of domestic tourism potential	Adapting a strategy, such as changing the co-financing amount or revising priorities
General economic recession in agriculture and production-processing sectors	High	Strong	Forecasting various development scenarios, flexibility	
Social factors				
Unequal improvement of living conditions on the territory of Pshav-Khevsureti-Gudamakari	Moderate	Moderate	Identification of local specific resources, regularly analysis of the action plan, even distribution of activities in target communities.	Effective delivery of information, active stakeholder involvement.
Internal risks				
Risk description	Probability of occurrence	Impact magnitude	Prevention measures	Mitigation measures
Delay in application of measures for preserving cultural and historical monuments	High	Moderate	Pro-active communication and cooperation with decision-making structures at all levels	Advocacy campaign involving community and tourism service providers.
Drain of target age groups from the region	High	Strong	Identification of needs for groups at risk of migration and response measures	Investigating the causes of migration, supporting various measures to encourage seasonal return.
Widespread of chemicals in agriculture	Moderate	Moderate	Promotion of biological and organic agriculture. Popularization of organic agricultural products.	Enhancing awareness on the environmental impact of chemicals
Natural disasters (landslides, avalanches, floods)	Moderate	Moderate	Identifying high-risk zones, informing the population, cooperating with relevant structures for ensuring response	Moving changes to the action plan
Road blockage caused by heavy snowfall	Moderate	Strong	Identifying high-risk zones, informing the population, cooperating with relevant	Action plan revision

			structures for ensuring response; action plan adjustment	
Inefficient work of the LAG and low involvement of members.	Moderate	Strong	Organizational reinforcement, role redistribution. Fully transparent activities and involvement of the population.	Campaign to attract new members, management system reorganization

Strategy Monitoring and Evaluation

In order to achieve the goals and objectives set out in this strategy and to assess due achievement of results, the implementation process will be monitored and evaluated; The monitoring and evaluation serves to identify gaps in the strategy implementation (if any), which in turn, enables to respond to detected deficiencies in a timely manner and, if necessary, make appropriate changes to the document.

The monitoring and evaluation process on the one hand, measures the effectiveness of interventions envisaged by the strategy and on the other, studies effective functioning of Aragvi Local Action Group (LAG) and its development opportunities.

Monitoring and evaluation over the strategy implementation will be carried out by Aragvi LAG, in particular, by its Monitoring and Evaluation Subgroup, in accordance with a predefined monitoring and evaluation plan.

Monitoring will be carried out once every 6 months. As a result, the subgroup will prepare relevant reports, which will be heard by the Management Board. If necessary, appropriate decisions will be taken.

The evaluation will be done in two stages: 1 year after approval of the strategy document by the General Assembly and in 2023. Information needed for monitoring and evaluation will be collected through quantitative and qualitative studies, using human resources available at LAG and, if possible, with help of hired consultants.

Annexes:

Annex 1 - Situational Analysis of the Tourism Sector;

Annex 2 - Research on the Potential Value Chain of Agricultural Products in Pshavi, Khevsureti and Gudamakari;

Annex 3 - Report on the Development Potential of Aragvi Communities;

Annex 4 - Sectoral SWOT Analysis

Annex 5 - Strategy Action Plan

Annex 6 - Monitoring and Evaluation Plan;

Annex 7 – Guide for the Grant Call

Annex 8 - Charter of Aragvi Local Action Group