

# Local Economic Development Plan

Senaki Municipality  
Georgia

September 2020

## Preface from Mayor

The main challenge of our activity is the economic progress of the Municipality of Senaki and the implementation of important concrete projects in this regard. Tourist, cultural-historical locations and monuments with great potential, situated in the municipality, traditional and newly developed branches of agriculture, actually give us the basis to carry out great economic changes.

It should be noted that representatives of all sectors of the municipality have been involved in the process of elaborating the municipal plan for economic development and the document reflects the priorities identified as a result of collating their views and proposals. In the plan thus developed, the key needs that are most important to all Senaki residents and businesses have been outlined.

The key to the successful implementation of the local economic development plan is to attract investment, increase tourism potential, develop the agricultural sector, present new opportunities for the fulfillment of important ideas and projects of the local residents.

We are ready to do everything for the implementation of the local economic development plan of the Municipality of Senaki.

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Senaki Municipality Mayor

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## 1. Executive summary

This document is a local economic development plan for the Municipality of Senaki, created within the EU Initiative for “Mayors for Economic Growth” and developed by the Local Economic Partnership with the involvement of public, private and civil sector representatives.

The Municipality of Senaki has a great potential for different branches of the agricultural sector and development of the tourism sector, with quite big opportunities for performing economic activities. The importance of the agrarian sector in the municipality is evidenced by the fact that in the recent years the state has implemented the various state programs for agricultural development, which have benefited more than 2,000 people in the municipality to date, the investment being up to 4 million GEL. This approach has significantly improved the financial condition of the people engaged in agriculture and entrepreneurship. However, agriculture is still not properly modernized and is mainly focused not the market but on a household. The exception is the production of hazelnuts and bay leaves, which are almost entirely intended for export. Due to the growing trend of cultivation of berries and hazelnut crops, it is necessary to launch incentive programs for the cold-storage and processing enterprises. It should be noted that there are strong resources of construction materials and potential to use them, in the Municipality of Senaki, which creates a precondition and opportunity to develop production of building materials. The municipality has a tradition and resources for the development of light and food industries. What is more, the municipality has the potential to develop different branches of tourism, this prospect being provided by the diverse cultural and historical monuments and sites in the municipality.

In order to develop tourism and to create the image of a tourist municipality, it is necessary to overcome the existing weaknesses that actually hinder the development of the field.

Real and more large-scale economic development requires overcoming weaknesses such as weak branding and positioning of the municipality, weak cooperation between the private, public and civil sectors, insufficient number of warehousing and cold-storage facilities, low awareness about the financial resources, lack of information on business and entrepreneurship development programs from state or donor organizations, lack of jobs and high level of migration, insufficient level of entrepreneurship, business skills, agricultural knowledge in the local population, lack of processing enterprises, etc.

While working on this document, the partners outlined the strategic vision for the economic development of the Municipality of Senaki, according of which the Municipality of Senaki is the best place for doing business in Samegrelo region. To fulfil the vision, the Local Economic Development Partnership has set the following goals:

- Increase awareness of Municipality of Senaki as a place of business experience;
- Creating infrastructure for fostering business;
- Development of skills and abilities of the local population.

In order to achieve the goals, a set of activities was defined such as organizing annual local exhibitions, fairs and festivals, preparing and spreading information materials on business opportunities in Senaki, creating a regional innovations’ hub, establishing a point of single contact for entrepreneurs and those willing to start entrepreneurship, organizing training courses for those employed or looking for jobs at local enterprises, supporting creation new and expansion of existing enterprises.

Some of the activities outlined in the plan will be funded by the municipality from its own budget, while others will be funded from the central budget or by donor organizations.

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### **3.1 List of Tables**

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### **3.2 Abbreviations**

NAT - Electronic Tender without Reverse Auction  
M4EG - Mayor for Economic Growth  
LEPL - Legal Entity of Public Law  
NNLP - Non-entrepreneurial (non-commercial) Legal Entity  
LEDP - Local Economic Development Plan  
LED - Local Economic Development  
LEDO – Officer of Local Economic Development  
SWOT - Strengths and Weaknesses, Opportunities and Threats

#### 4. Introduction to the Plan

The Municipality of Senaki has joined the EU initiative M4EG in January 2020, after the municipality mayor signed the M4EG Club membership form.

The Municipality of Senaki is located in western Georgia, in the Samegrelo-Zemo Svaneti region, on the Colchis lowland. The population of the Municipality of Senaki - 35 thousand people - inhabit 1 city and 62 villages. In terms of population, the municipality is the third among the municipalities of the Samegrelo-Zemo Svaneti region, after the municipalities of Zugdidi and Poti. The population of the municipality has been reduced by 35% since 1994. According to the percentage decrease of the population, the Municipality of Senaki is second only to the Municipality of Tsalenjikha among the municipalities of the region, where the population has decreased by 40% during the same period. The trend of population decline in the municipality remains the same and will continue in the future. Due to the low birth rate, population decline in the country and the region, population growth in the municipality is not to be expected. The development of the municipality's economy in the following years should be discussed taking this factor into consideration. More than 53% of the population of the Municipality of Senaki lives in the administrative center of the municipality - the city of Senaki.

The city of Senaki - has had the status of a city since 1921. Senaki used to be one of the most important industrial centers of Georgia, including the 80s of the 20th century. The city was home to light and food industries, which provided 70% of jobs. Nowadays, none of these enterprises are operational in the city anymore. There are facilities in the municipality that are no longer used for economic purposes. The reduction of jobs in the city has led to migration from the city to the countryside and from the municipality to the big cities of the country and abroad. As a result, the share of the urban population in the municipality is declining. The share of young people in the migrant population is 40%. The change in the structure of the economy requires a corresponding change in the skills of the workforce, which is complicated by the lack of vocational and higher education institutions in the region. The population of Senaki has a lower desire for entrepreneurship than population in other municipalities of the region.

However, in case of performing a properly planned revitalization, the facilities have the potential for development. It is also one of the steps that will improve the situation in the municipality in terms of migration and will create employment opportunities for the local population.

The Poti-Tbilisi and Zugdidi-Tbilisi railway lines run through Senaki. The city of Senaki is 37.5 km away from the Port of Poti. The highway connecting the Port of Poti with the municipalities of the region passes through Senaki. This is one of the main highways of Georgia [S2], which starts in Senaki and goes first west to Poti, then south along the Black Sea coast to Kobuleti, Batumi and Sarpi – and to the Turkish border. The Tbilisi-Senaki-Leselidze highway, which starts in Tbilisi and heads west, also passes here. This highway from Tbilisi to Senaki also coincides with the European highway E60.

To overcome these challenges and seize the opportunities, the Municipal Economic Development Partnership has decided to develop an economic development plan for Senaki.

Cooperation between the public, civil and private sectors was established during the elaboration of the Local Economic Development Plan document. This cooperation has created a platform where stakeholders will continue to discuss issues related to the economic growth, employment and private sector development of the municipality.

The document corresponds with the following documents: Medium Term Development Document of Municipality of Senaki (2020-2023) and Development Strategy of Samegrelo-Zemo Svaneti Region (2014-2021). Unlike the Strategic Plan for Socio-Economic Development in Municipality of Senaki, the Local Economic Development Plan is focused only on economic development.

11% of the GEL 2,602,994 (€ 662,505) required for the planned projects and activities will be financed by the local budget and this funding will be taken into account in the 2021-2022 municipal budget. The funds provided for the implementation of the plan from the central budget have been agreed upon with the relevant state structures.

## 5. The Process of Creating the Local Economic Development Plan

The Municipality of Senaki Local Economic Development Plan has been developed based on the main principles set out in the M4EG methodology and include private, public and civic partnerships.

By order of the mayor, a 4-member working group has been set up, which included the private, public and civil sectors. Representatives of the private, civil and public sectors were invited to participate in the Local Economic Development Partnership. The partnership comprised 9 people: 7 men and 2 women. Representatives of public structures are in the minority among the members. The members of the partnership were selected based on their high interest in and influence over the economic development of the Municipality of Senaki.

While mapping the plan, the working group has held 2 offline and 4 online meetings with the representatives of the following sectors and focus groups: the private, public and civil sectors.

Due to the pandemic situation in the country, the meetings have been moved to an online platform, where an online group was set up, and where they actively discussed important issues, related to the plan development, such as defining the current condition and needs of agriculture, business, tourism, the significance and support of the development of these sectors. Working in an online group proved to be quite effective, as working online did not require organizing meetings, the work process was more flexible and interactive.

The working group agreed upon the following issues with the Local Economic Development Partnership: the local economic situation and the SWOT analysis, vision and objectives, action plan and budget. The partnership made decisions by a majority vote. The completed plan was submitted to the partnership for approval.

Information on the process of developing the Local Economic Development Plan is given in the Annex A.

## 6. Local Economic Analysis

**6.1 Analysis of the local economic structure:** What determines the opportunities for economic development for the Municipality of Senaki and, consequently, the main source of income for the population is the agricultural sector - various branches of it, as well as the processing industry, tourism, services such as multidisciplinary medical centers, facilities for aesthetic hygiene, food and accommodation, service centers for automobile technologies, construction companies, medium and small enterprises producing furniture, trade areas. It should be noted that a significant part of the population is employed in the local self-government bodies and legal entities of private law established by the municipality. The 2nd Infantry Brigade of the Ministry of Defense of Georgia is located in the municipality, which also constitutes one of the important employment platforms.

Priority areas of agriculture are: farming and livestock. In the structure of total agricultural production, farming is represented by 65% and livestock by 35%.

Most of the working population is employed in agriculture. The majority of them belong to the category of self-employed. In recent years the state has implemented the various state programs for agricultural development, which have benefited more than 2,000 people in the municipality to date, the investment being up to 4 million GEL. This approach has significantly improved the financial condition of the people engaged in agriculture and entrepreneurship, however agriculture is still not properly modernized and is mainly focused not the market but on a household. The exception is the production of hazelnuts and bay leaves, which are almost entirely intended for export.

Hazelnut production is the main branch of the agricultural sector, which accounts for more than 25% of the value of total production in the agricultural sector.

As of today, in Municipality of Senaki, hazelnut crop is cultivated on an area of more than 2500 ha, with a potential yield of 5000-5500 t of the product. Accordingly, a processing industry for this product has been developed in the municipality, where the number of employees in different periods amounts to 1800-2500 people.

The operating enterprises processing hazelnut and bay leaves in the Municipality of Senaki mainly work on the locally produced products, the share of which is 60-65% of the total amount that is received and processed.

There had been 5 hazelnut processing enterprises in the Municipality of Senaki until 2019, and the number of these enterprises has reached 10 in the last 2 years. The growth of these enterprises has also been driven by the effective measures taken against the stink bug (brown marmorated stink bug) in the recent years. The interest of local entrepreneurs in the processing and storage of agricultural products has increased in the municipality. As a result, two cold-storage facilities have been funded by the USAID grant program in the municipality.

A leading economic sector for the Municipality of Senaki in terms of annual turnover and profit is the production of cereals, and special growth has been observed in this sector for these last several years. The vast majority of municipal employees and the self-employed people - 60% are connected to this field.

Grain crop production in the Municipality of Senaki is a differentiating branch of the agricultural sector compared to other municipalities, which is reflected in the fact that 85-90% of the total arable land (10800 ha) is occupied by annual grain and legume crops annually. This data is what expresses the uniqueness of our municipality in terms of grain production compared to other municipalities. The cases of using modern technologies for obtaining grain crops increase every year. As of today, the average weighted hectare yield of corn crop has reached 5.5-5.7 tons per 1 ha.

Due to the pandemic, the local population has become more active in the agricultural sector, which was reflected in the fact that according to official statistics, more than 1,200 hectares of arable land have been cultivated in the Municipality of Senaki compared to the last year. The population often addresses the Ministry of Economy about the relevant services concerning the land registration and leasing of state-owned land.

Compared to other municipalities, the number of people wishing to participate in the state programs of various agricultural branches has increased in our municipality.

The state program of cultivation of berries and hazelnut crops is especially popular in the field of agriculture and cultivation of these crops has been increasing in the last 2-3 years. More than 70 ha of berry crops are being currently cultivated via this program in the Municipality of Senaki. This branch is at an early stage of development and has a real potential in the municipality.

In 2020, the number of participants in the sub-component of the state program of berry crops has tripled, while in the neighboring municipalities this trend is kept either at the same level or has increased by only a few %.

Due to the trend of increasing the area of the land used for berry cultivation, it is necessary to launch incentive programs for cold-storage and processing enterprises.

It should be noted that on the territory of the Municipality of Senaki there are strong resources and potential for extracting the following construction materials: brick clay, lime, gravel, sand, limestone. The natural resources available here create a prerequisite and opportunity to develop brick and tile production. It should be emphasized that the best quality clay (which has a supply of 30 years according to preliminary data) is available for the production of construction bricks. Also, there is high quality building stone material to be used for paving buildings, found on the area of the village Eki.

The Municipality of Senaki is rich in groundwater. Thermal mineral springs are found in Menji, Ledzadzame, Zana, Nokalakevi, Potskho and Akhalsopeli. Greenhouses are built on the basis of these waters and there is potential of using these waters not only as thermal, but also as balneological.

Consequently, it is important to develop balneological-recreational tourism in the Municipality of Senaki, and there already exist the tradition and resources for it.

The Menji Resort used to be especially popular both locally and internationally. Its leading direction was the sulfur-hydrogen and chlorine-sodium mineral water with universal healing properties, its temperature +24 degrees, which was effective for balneotherapy of various diseases.

There are 25 objects with the status of cultural heritage monuments in the municipality, 3 of which are of national importance. The municipality has the potential to develop various types of

tourism: equestrian, hiking, ecotourism, hunting, amateur fishing, bird watching, agrotourism, pilgrimage, paleo tourism, archeological, balneological, educational tourism etc.

The functioning of the Akaki Khorava Senaki State Drama Theater, a cultural heritage monument, is one of the important potentials for tourism development. Upon completion of the full rehabilitation, from the fall of 2020, the theater will be able to meet the highest standards and host international-level festivals and events. The theater building is distinguished throughout the country by its architectural, cultural and historical value.

The currently existing non-systemic approach to tourism development requires a unified system. Lack of knowledge on the topic of tourism as a business leads to the fact that the facilities in the tourism sector in the municipality are less popular with tourists and therefore have a low rate of revenue. It is important to facilitate agro-tourism and ecotourism development in the municipality. In order to develop tourism and to create the image of a tourist municipality, it is necessary to overcome the existing weaknesses that actually hinder the development of the field.

**6.2. Local Cooperation and Networking:** Agricultural cooperatives and various types of agricultural enterprises are developing in the municipality. At present, there are 14 agricultural cooperatives functioning in the municipality.

The Association of Hazelnut Producers, which unites more than 200 farmers living in the Municipality of Senaki, is also successfully operating in the Municipality of Senaki. The Association of Tea Producers is also quite active, currently working on the inventorization of plantations to be rehabilitated. The Beekeeping Alliance of Western Georgia is also active in the municipality, and it includes 15 medium and large beekeepers living in the municipality. It is necessary to simplify the transfer of areas to be used for tea culture to individual farmers and members of the association with the right of ownership or lease.

Since the hazelnut crop is the main source of income for the rural population, the popularization of this crop has decreased over the past 2-3 years due to the stink bug (brown marmorated stink bug) factor. A number of measures have been taken by both the central government and the governing bodies of the municipality to maintain and strengthen this sector as economically active. During the last 2-3 years, the state has carried out a number of large-scale actions against the brown marmorated stink bugs, and the City Hall of the Municipality, by applying specialists, has effectively organized the implementation of these measures. In addition, the City Hall actively cooperated with the services subordinated to the Ministry of Agriculture and, at by its initiative, specialists were invited from the Scientific Research Center and they carried out mobile extensions with farmers.

We should mention the current project, within the framework of which an agro-club is being established by the Agricultural Development Association in a public school in the administrative unit of Zani, the Municipality of Senaki. Within this project, the resource center and the school have allocated a space where a demonstration plot will be arranged. The City Hall provides for the villagers and students of the Agro-Club transportation to get acquainted with the demonstration activities in different municipalities. Such a project will help popularize the agro sector in children from an early age.

All is ready to establish a platform for cooperation and communication between the public, business and educational sectors within the municipality. The Vocational Education College, situated in the municipality, the Community Education Center, in cooperation with the City Hall, should provide vocational training for young people that is in demand on the local market. Establishing a system and creating a platform will facilitate effective collaboration between the sectors.

**6.3. Business-friendly, Transparent and Corruption-free Administration:** Electronic case management is being introduced in the municipality. This system will be introduced in October, after which the municipality will have access to all government or other public institutions.

There is a unit in the City Hall where they register according to "one-stop-shop" and submit applications of businesses and citizens, written by e-mail, mail or handed over, and provide information and answers.

The person responsible for providing public information at the City Hall of the municipality will release public information about businesses and citizens in due time. In the part of ensuring the



operation and transparency of the website of the Municipality, the municipality is included in the top ten in Georgia and additional measures are taken to improve the information provision. At the City Hall, there is also a public relations service that actively covers activities carried out by local authorities for businesses and entrepreneurs through social networks. In the near future the municipality will have a website supporting local tourism and economic development.

The tenders announced by the City Hall are electronic and posted on the website of the State Procurement Agency, on the official website of the City Hall of Senaki, where all the interested parties can submit their bids. The activities of the tender commission are transparent and all their decisions are uploaded on the website of the agency. From 2018, the tenders announced by the City Hall are NAT, which ensures healthy competition between procurement participants, and non-discriminatory and equal approach to them.

As for the right to use or privatize the property of the municipality, it is carried out on the basis of Resolution #7 of Municipality of Senaki Council in 2017, via a public auction. The data on privatization and the right to use is posted on the website of the Service Agency of the Ministry of Finance, as well as is published by the local media. Anyone interested can participate in the auction.

The regular and extraordinary sessions of the City Council are also public and all those interested can attend in accordance with the regulations. The official periodical newspaper of the City Hall operates in the municipality, which is a legal entity established by the City Hall and actively covers the work of the City Hall and the City Council. There also are independent media outlets with which we cooperate, based on the relevant contractual relations, both within the municipality and within the region. Their existence to some extent contributes to greater transparency in the activities of the administration.

**6.4. Access to Finance:** Access to the financial resources needed to develop the business sector is an essential problem in the Municipality of Senaki, as well as in whole Georgia. There are no municipal programs to improve access to finances for startups and small entrepreneurs. Financial resources can be found mainly in commercial banks and microfinance organizations licensed and operating in Georgia, which issue loans in the amount from 2 thousand GEL (610 Euros) to 500 thousand GEL (150 000 Euros) in the fields of industry, agriculture, tourism services and trade. However, securing a loan is a real problem for small businesses and especially for startups. A sub-program of access to working capital has been added to the state program in the field of agriculture in the preferential agro-credit component. This sub-program provides an absolutely interest-free loan for annual crops by only submitting a document certifying the use of land.

The municipality is supported by the state programs supporting micro and small businesses and agriculture and financial support programs funded by international donor organizations. However, the local small entrepreneurs don't fully utilize this resource due to the lack of access to information about the programs and, in some cases, the lack of skills and knowledge.

**6.5. Land and Infrastructure:** The area of agricultural land in the Municipality of Senaki is 22278 ha, the area of unused land is 10894 ha. The area of the state-owned agricultural land is 13262 ha, privately owned - 9011 ha. The total area of non-agricultural land is 29490 ha, including 20328 ha in state ownership and 151 ha in municipal ownership. There are 2708 objects registered in the municipal property, including 444 non-agricultural objects, total area: 9280.85 ha. The area for construction is 275913.4 m<sup>2</sup>. There is a growing demand from businesses for buildings and land in the municipality. At this stage, a total of 10 premises have been leased for offices, both in terms of lease and usufruct, although the demand from micro and small business companies for office space is much higher. There are also privately-owned rental spaces, however due to unfavorable and high price small entrepreneurs are mainly unable to rent these spaces. The municipality is considering the idea of creating a business incubator tailored to the interests of the private sector, although at this stage the sufficient resources to implement this idea have not been found.

**6.6. Regulatory and Institutional Frameworks:** At all stages of issuing a permit, an administrative act is issued within the timeframe specified by the Resolution N57 of the Government of Georgia of March 27, 2009. Exceptions are cases when the project has to be agreed upon with another administrative body (Roads Department of Georgia, National Agency

for Cultural Heritage Preservation of Georgia, Environmental Protection Division, owners of utility networks and line buildings, etc.). In such cases it is possible to extend the term of administrative proceedings, but not for more than 3 months.

Although the Senaki City Hall Chancellery has introduced a "one-stop-shop" service that facilitates access to municipal services for citizens and businesses, the representatives of business in some cases still believe that they often have to go through bureaucratic barriers and the process is often time-consuming, especially when going through the procedure required to obtain a building permit. Among the regulations defined by the local self-government in the Municipality of Senaki, which affect the activities of the business sector, we can distinguish: establishing the foreign trade rules and fee tariffs; Building location permit / construction permit and permit fee; In general, the issues of introduction-abolition and administration of local fees are regulated at the municipal level.

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**6.7. Skills and Human Capital:** In the Municipality of Senaki, the number of employed and self-employed in agriculture, services and trade is 80%. In the Municipality of Senaki, 52% of the total population is the working population, 6.8% of which are unemployed, and the largest share of the active population - 75% - are the self-employed, whose income is unstable mainly due to seasonality. The low income of the self-employed is primarily due to their low level of qualifications and lack of skills necessary for the activity. For this, it is necessary for vocational education institutions and centers operating on the territory of the municipality to start implementing long-term and short-term vocational training and retraining programs. The municipality is ready to establish a platform for cooperation and communication between the public, business and educational sectors. The Vocational Education College situated in the municipality, the Community Education Center, in cooperation with the City Hall, should take into consideration the vocational training for young people that is in demand on the local market. Creating a system and creating a platform will facilitate effective collaboration between sectors.

**6.8. External positioning and marketing:** A survey conducted during the development of the Local Economic Development Plan showed that the majority of local respondents consider Senaki to be an attractive center for agriculture and tourism potential. One of the positive factors can be considered the fact that the geographical location of the Municipality of Senaki contributes to the development of certain business areas, logistical support in the Samegrelo-Zemo Svaneti region. The Municipality of Senaki is a transport corridor of the country, which allows to expand in terms of business logistics and transport, as exemplified by the fact that developing an industrial zone is being actively created by the business on the Tbilisi-Leselidze section of the highway. In order for Senaki to be presented firmly and clearly, the process of its branding must begin, it is necessary to constantly analyze the new opportunities of the municipality. Also, taking care of the popularization of Senaki and of its attractiveness should be a constant process in order for the municipality to be properly positioned on the market, which is an area of interest for its further development.

## 7. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Favorable geographical location of the municipality;</li> <li>- Developed network of roads and railway junction of international importance;</li> <li>- Proximity to Poti port and st. Near Kutaisi Airport;</li> <li>- Growing and production of various agricultural products, high rates of agricultural development;</li> <li>- Diversity of historical-cultural and natural heritage;</li> <li>- Existence of significant resource potential- significant reserves of various types of untapped minerals, thermal and balneological waters;</li> <li>- Existence of agricultural cooperatives;</li> <li>- Availability of agricultural machinery service facilities.</li> </ul>	<ul style="list-style-type: none"> <li>- Inadequate number of warehousing and cold-storage facilities;</li> <li>- Absence of fruit and vegetable processing enterprises;</li> <li>- Inadequate municipal programs to support startups and small entrepreneurs;</li> <li>- Low awareness about programs supporting business and entrepreneurship development by state or donor organizations.</li> <li>- Insufficient level of entrepreneurial, business skills, agrarian knowledge of the population;</li> <li>- Inadequate jobs and high level of migration;</li> <li>- Weak cooperation between the private, public and civil sectors;</li> <li>- Low frequency of use of modern agricultural technologies and lack of corresponding knowledge;</li> <li>- Weak branding and positioning of the Municipality of Senaki;</li> <li>- Unsatisfactory level of tourism infrastructure, relevant services and staff;</li> <li>- Inadequate financial resources.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- More state programs to support agricultural development (in particular hazelnuts, cereals and berries) and agricultural cooperatives;</li> <li>- State programs supporting local businesses, entrepreneurship, startups and their products;</li> <li>- Projects for spreading information on tourism and investment potential of the region and the country;</li> <li>- Opportunity to receive funding for and increase the state vocational training programs;</li> <li>- Creating the tourist infrastructure near the historical-cultural monuments and objects of the region by the state;</li> <li>- Opportunity of medical tourism;</li> <li>- Existence of state programs for revitalization of abandoned buildings and territories.</li> </ul>	<ul style="list-style-type: none"> <li>- Hazards of natural disasters,</li> <li>- Financial-economic crisis;</li> <li>- Pandemics,</li> <li>- Migration.</li> </ul>

SWOT analysis shows that the municipality is facing many challenges nowadays. However, at the same time, there are opportunities by seizing which the local government can improve the business environment and develop the local economy in a short time.

## 8. The Vision and Objectives

### The Vision

The Municipality of Senaki - the best place for doing business in Samegrelo

### The Goals

In order to achieve the vision, the Local Economic Development Partnership has set the following goals:

- Increase awareness of Municipality of Senaki as a place of business experience;
- Creating infrastructure for facilitating business;
- Developing skills and abilities of the local population.

As a result of achieving the goals, the following will increase in the municipality:

- Awareness of the municipality;
- Income of the local entrepreneurs - by 30%;
- Number of the enterprises registered in the municipality - by 20%;

- Number of the businesses the pay taxes - by 20%;
- Number of jobs - by 5%;
- Job retention and employment opportunities;

## 9. Action Plan

The implementation of the action plan will be ensured by the local government of Senaki together with the state and donor organizations from January 2021 to December 2022.

Table 1. Action Plan

Building blocks	Key Objectives	Actions / Projects ideas	Duration (start/ finish)	Partners involved	Estimated costs (national currency & EUR equivalent)	Output (Product) indicators and targets	Outcome (Result) Indicators and targets
External positioning and marketing	1. Increase awareness of Senaki Municipality as a place of business	1.1. Arranging annual local exhibition, fairs and festivals	01.2021 - 12.2022	Municipality Local entrepreneurs Ministry of Culture	330 000 GEL 83 990 EUR	12 events are held	The awareness of the municipality as a cultural and tourist place is increased by 25%
		1.2 Preparation and dissemination of information materials on business opportunities in Senaki	02.2021 - 12.2022	Municipality	30 000 GEL 7 635 EUR	The website about the investment and tourism opportunities functions in the municipality; 1 video clip about the tourist and investment attractiveness of Senaki are prepared and disseminated; Brochure about Senaki Tourism and Investment	The incomes of local entrepreneurs are increased by 30%; The number of enterprises registered in the municipality is increased by 20%

						Opportunity are printed and disseminated.	
Land and Infrastructure	2. Creating a business support infrastructure	2.1. Creating a regional innovation hub	01.2021 - 12.2022	Municipality; LEPL "Educational and Scientific Infrastructure Development Agency"	1 897 994 GEL 483 073 EUR	regional innovation hub is operated	Increased number of operating young entrepreneurs in the municipality
		2.2. Creating a "point of single contact" for entrepreneurs and those who start an entrepreneurship	03.2021 - 11.2022	Municipality	15 000 GEL 3 817 EUR	„point of single contact“ is created; 100 beneficiaries benefited from PSC services	Information growth
Skills and Human Capital development Access to Finance	3. Development of locals' skills and abilities	3.1. Organizing training courses for employees and job seekers, entrepreneurs in local enterprises	01.2021 - 12.2022	Municipality; Vocational College; Education Center	30 000 GEL 7 635 EUR	Training is held for 150 beneficiaries	Increased opportunities of job retention and employment; The number of tax-paying businesses is increased by 20%
		3.2. Promoting startup ideas and the expansion of existing enterprises	01.2021 - 12.2022	Municipality, LEPL "Produce in Georgia"; NNLP "Rural Development Agency"	300 000 GEL 76 355 EUR	10 people wishing to start an entrepreneurship are funded; 10 operating enterprises are funded	The number of jobs is increased by 5%;

## 10. Financing Scheme

The activities of the Municipality of Senaki Economic Development Plan will be funded by the local government (11%), while the rest will be funded by a central budget and donors. There is no Interruption in the budget.

Table 2. Financing Scheme

Actions	Estimated costs	Source of financing				Funding gaps	Remarks
		Local budget	Upper level budgets	Business	Donors		
1.1. Arranging annual local exhibition, fairs and festivals	330 000 GEL 83 990 EUR	160 000 GEL 40 816 EUR	100 000 GEL 25 451 EUR	70 000GEL 17 857EUR			
1.2. Preparation and dissemination of information materials on business opportunities in Senaki	30 000 GEL 7 635 EUR	30 000 GEL 7 635 EUR					
2.1. Creating a regional innovation hub	1 897 994 GEL 483 073 EUR				1 897 994 GEL 483 073 EUR		
2.2. Creating a "point of single contact" for entrepreneurs and those who start an entrepreneurship	15 000 GEL 3 817 EUR	15 000 GEL 3 817 EUR					
3.1. Organizing training courses for employees and job seekers, entrepreneurs in local enterprises	30 000 GEL 7 635 EUR	5 000 GEL 1 277 EUR		10 000GEL 2 551EUR	15 000 GEL 3 826 EUR		
3.2. Promoting startup ideas and the expansion of existing enterprises	300 000 GEL 76 355 EUR				300 000 GEL 76 355 EUR		
Total	2 602 994 GEL 662 505 EUR	280 000 GEL 71 268 EUR	100 000 GEL 25 451 EUR		2 222 994 GEL 565820 EUR		

## 11. Monitoring Indicators and Mechanisms

The Local Economic Development Action Plan of the Municipality of Senaki includes 4 reporting periods. With the launch of the activities, the local government with the partnership and stakeholders will set up a monitoring committee to oversee the implementation of the action plan and prepare the interim reports.

Table 3. Monitoring Indicators and Mechanisms

Actions	Start date – end date	Expected results Months 1-6	Expected results Months 6-12	Expected results Months 12-18	Expected results Months 18-24
1.1. Arranging annual local exhibition, fairs and festivals	01.2021 12.2022	The date of art festivals is set, the participants of the festival are determined.	5 events are held	Participation is done in 2 exhibitions/fairs;  Sales of local products are increased	5 events are held
1.2. Preparation and dissemination of information materials on business opportunities in Senaki	02.2021 12.2022	Content of Website is developed	Content of information, video clip is developed	A website showing the attractiveness of the investment and tourism opportunities as the municipality is being functioned  video clip is prepared, brochures are printed	Video Clip is spread in the social media
2.1. Creating a Regional Innovation Hub	01.2021 12.2021	Design works, Land preparation, building works are held	Appropriate repair works are carried out.	The Regional Innovation Hub operates	The regional innovation hub is used by 200 people
2.2. Creating a "point of single contact" for entrepreneurs and those who start an entrepreneurship	03.2021 11.2022	Defined content	Creating a PSC is started, Information was disseminated during the creation work process	Point of single contact is created, 200 beneficiaries used PSC services	200 beneficiaries used PSC services
3.1. Organizing training courses for employees and job seekers, entrepreneurs in local enterprises	01.2021 12.2022	3 courses are selected;	Training is held for 50 beneficiaries	Training is for 50 beneficiaries	Training is held for 50 beneficiaries, Increased



		Program is Created;  The number of participants in the courses is defined			opportunities of job retention and employment;
3.2. Promoting startup ideas and the expansion of existing enterprises	01.2021 12.2022	Entrepreneurs are provided with information by the Advisory Board	50 people are consulted	5 people wishing to start an entrepreneurship are funded;  10 operating enterprises are funded	

## Process for Developing the Local Economic Development Plan

სენაკის მუნიციპალიტეტის ადგილობრივი ეკონომიკური განვითარების გეგმა შემუშავებულია იმ ძირითადი პრინციპების საფუძველზე, რაც მოცემულია M4EG-ის მეთოდოლოგიაში და რაც გულისხმობს კერძო, საჯარო და სამოქალაქო პარტნიორობას.

მერის ბრძანებით შეიქმნა 4 კაციანი სამუშაო ჯგუფი, რომელიც მოიცავდა კერძო, საჯარო და სამოქალაქო სექტორებს, კერძოდ:

1. მარინე კვარჭია - ეკონომიკური სამსახურის სპეციალისტი, ადგილობრივი ეკონომიკური განვითარების გეგმის ოფიცერი (LEDO),
2. რამაზ კუპრეიშვილი - მერიის იურიდიული განყოფილების უფროსი,
3. ნონა ქადარია - არასამთავრობო ორგანიზაციის ხელმძღვანელი და
4. გიორგი ხარგელია - სენაკის მუნიციპალიტეტის საინფორმაციო-საკონსულტაციო სამსახურის უფროსი.

მერის გადაწყვეტილებით ასევე შეიქმნა ადგილობრივი ეკონომიკური განვითარების პარტნიორობა, რომლის შემადგენლობაში შევიდა 9 ადამიანი, 7 კაცი და 2 ქალი - კერძო, სამოქალაქო და საჯარო სექტორის წარმომადგენლები:

1. ბატონი ლევანი კუპრეიშვილი - სენაკის მუნიციპალიტეტის მერი;
2. ბატონი გრიგოლ ბადათურია - მუნიციპალიტეტის მერის პირველი მოადგილე;
3. ქალბატონი ნანა ზარანდია - ადმინისტრაციული სამსახურის უფროსი,
4. ქალბატონი ჯულიეტა ჩოჩია - ეკონომიკური სამსახურის უფროსი,
5. ბატონი ნოდარი ხარჩილავა - ინდივიდუალური მეწარმე;
6. ბატონი სერგო ლაშქარავა - შპს „კედა“, დირექტორი;
7. ბატონი გოგა ადამია - შპს „ვაგო“, დირექტორი;
8. ბატონი გიორგი გაბედავა - შპს „ნოჩიოლა ჯორჯია“, დირექტორი;
9. ბატონი დათო ადამია - შპს „დაგი“, დირექტორი.

სამუშაო ჯგუფი ადგილობრივი ეკონომიკური განვითარების გეგმის შემუშავების პროცესში აქტიურად თანამშრომლობდა ადგილობრივი ეკონომიკური განვითარების პარტნიორობასთან.

სამუშაო ჯგუფმა პარტნიორობასთან შეათანხმა შემდეგი საკითხები:

- ადგილობრივი ეკონომიკური მდგომარეობა და SWOT ანალიზი
- ხედვა და მიზნები
- ორწლიანი სამოქმედო გეგმა
- ბიუჯეტი

დასრულებული გეგმა წარდგენილ იქნა პარტნიორობის წინაშე დასამტკიცებლად.

პარტნიორობა გადაწყვეტილებას დებულობდა ხმების უმრავლესობით.

გეგმის შემუშავების პროცესში სამუშაო ჯგუფმა ჩაატარა ონლაინ და პირისპირ შეხვედრები შემდეგ ჯგუფებთან და პირებთან:

- ფერმერები
- სკოლის დამამთავრებელი კლასების მოსწავლეები
- მცირე მეწარმეები
- კომერციული უძრავი ქონების მფლობელები
- რეგიონის ხელისუფლება
- რეგიონის განვითარებაზე პასუხისმგებელი საჯარო სტრუქტურები
- შემოქმედები ინდუსტრიის წარმომადგენლები

ქვეყანაში პანდემიით გამოწვეული სიტუაციის გამო შეხვედრებმა ძირითადად გადაინაცვლა ონლაინ პლატფორმაზე. სამუშაო ჯგუფმა გეგმაზე მუშაობისას გამართა 2 ფიზიკური და 4 ონლაინ შეხვედრა კერძო, საჯარო, სამოქალაქო სექტორების და ფოკუს ჯგუფების წარმომადგენლებთან, სადაც აქტიურად ხდებოდა გეგმის მიმდინარეობის პროცესში შემდეგი საკითხების განხილვა:

- სოფლის მეურნეობის,
- ბიზნეს საქმიანობის,
- ტურიზმის მიმართულებით არსებული მდგომარეობა და საჭიროებების გამოკვეთა,

- პრიორიტეტული სექტორების განვითარების მხარდაჭერა.  
გეგმა, საბოლოო სახის მიცემის შემდეგ ხელმოწერილი იქნება მერის მიერ.  
გეგმის ხელმოწერის შემდეგ, სხვადასხვა სექტორის მონაწილეების შემდეგ შეიქმნება გეგმის განხორციელების მონიტორინგის ჯგუფი.