

## REGIONAL AND MUNICIPAL INFRASTRUCTURE DEVELOPMENT IN GEORGIA

### BACKGROUND

Local governance reform is a strategic priority for the Government of Georgia. Number of initiatives and strategic documents has been developed in an attempt to advance with the reform. Namely, in 2011 an Action Plan was developed for the 2010-2017 State Strategy for Regional Development of Georgia, which promotes expansion of municipal services and infrastructure to secondary towns and villages; the Decentralization Strategy was adopted in 2013, the Law of Local Self-Governments was endorsed in



February 2014. Moreover, the Socio-Economic Development Strategy 2020 of the Government of Georgia views decentralization as a paramount factor for achieving inclusive growth and stimulating local economic development. The Government of Georgia is now challenged to convert plans into reality by introducing an effective local self-government system that is capable of carrying out the decentralized functions.

### FACTS

**Country:** Georgia

**Duration:** 10 April '14-31 May '19

**Total Budget:** CHF 56'090'000

**Budget allocation:** WB group/ IBPD

**SDC:** CHF 4'750'000

**GoG:** CHF 10'490'000

**MDF:** CHF 12'350'000

WB 5% and Trust Fund  
Establishment Fee CHF 285'000

Total SDC Contribution  
CHF5'035'000

**Project Partner:**

World Bank and Municipal  
Development Fund (MDF)

The World Bank has been supporting the improvement of municipal service delivery and infrastructure since 1997, and most recently under the ongoing Regional and Municipal Infrastructure Projects (RMIDP I). The Government of Georgia invited and the SDC agreed to join the second Regional and Municipal Infrastructure Development Project (RMIDP II).

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## PROJECT ACTIVITIES

The project consists of two components. The first component aims at improving efficiency and reliability of selected municipal services and infrastructure. The second component focuses on the establishment of effective local self-government system.

The SDC's grant is used to finance technical assistance within the 2nd component of the project. Basic trainings and consultancy are provided to all municipalities outside the capital city to establish the skills for: 1) Project Cycle Management, b) Financial Management and c) Asset Management.

The target groups consist of the Local Self-Governments (municipalities) of Georgia as well as Municipal Development Fund (MDF) and the Center for Effective Governance System and Territorial Arrangement Reform (CEGSTAR). The MDF is the designated administrator of the capital investment fund and the CEGSTAR (Legal Entity of Public Law within the Ministry of Regional Development and Infrastructure) is the authorized agency for capacity development of sub-national officials. The project targets LSGs' administrative units of Infrastructure, Procurement, Spatial Planning, Finances. They are supported for the capacity development and system building.

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## PROJECT RESULTS

- Basic project cycle management (PCM) systems and procedures, and qualified staff, is in place in 70% of municipalities, allowing them to operate the PCM systems independently;
- Qualified staff independently administers budgeting and accounting systems in 70% of municipalities;
- Staff is manned with qualified personnel and asset planning and management systems are established in 70% of municipalities, which enables them to plan and manage municipal assets independently.

## PROJECT OBJECTIVE

The project contributes to the decentralization agenda of the Government of Georgia by strengthening municipal capacities for the public service delivery. It is expected that strengthened capacities of municipalities to deliver basic services more effectively will create preconditions for inclusive and sustainable local economic development.

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## CONTACT

Swiss Cooperation Office for the  
South Caucasus, Embassy of  
Switzerland

12 Radiani Street  
0179 Tbilisi, Georgia  
Phone: +995 32 225 36 82/83  
[tbilisi@eda.admin.ch](mailto:tbilisi@eda.admin.ch)  
[www.swisscoop.ge](http://www.swisscoop.ge)  
[www.facebook.com/SwissCooperationSouthCaucasus](https://www.facebook.com/SwissCooperationSouthCaucasus)