

United Nations Development Programme

UNDP RR/UN RC, Robert Watkins,
Visit to Telavi, Kakheti Region. 21.09.2006



Project Title: "Regional Development in the Kakheti Region".

Execution Modality: DEX

Total budget: \$ 1,983,964

Allocated resources: \$244,394 (UNDP TRAC)

Unfunded budget: \$1,739,570

Programme Analyst: Giorgi Gaganidze

Brief Description: Project was initiated following the request of the Kakheti Governor. Mr. Ricardo Pinto was invited to do in-depth research and formulate the draft project document (28.05 -03.06.2006). His mission covered meetings with all major stakeholders, donors and the Kakheti Regional authorities, including Governor.

Project Objectives: The overall aim of the project is to improve the socio-economic conditions for the population in Kakheti by supporting the regional development. The Russian wine ban represents a significant external threat which could have a very significant poverty impact on the Kakheti region, potentially affecting up to 70,000 small scale farmers and their households. A strategy is needed to enable the Kakheti region not only to respond to this threat through a focus on the wine making industry, but also enables the region to diversify (in terms of markets, products, etc.). It is essential for the current initiatives to be complemented by a process of improving the quality / certification, branding, marketing of the wine; diversifying the range of agricultural products, enhancing productivity and efficiency (e.g. farmers' associations/cooperatives), including know-how (capacity building on seeds, varieties, organic, etc.) as well as capturing greater levels of value added (agro-processing), etc. The above process has to be combined with a structured attempt to diversify the local economy from agriculture to services, such as tourism, as well as a focus on the poorest households in the region.

The project has the following objectives:

1. Establish a basis for regional policy and development;
2. Creating sustainable rural livelihoods in the region;
3. Improve access to finance for small-scale entrepreneurs;
4. Improve the capacity of governmental counterparts (national, regional and local);
and
5. Improve national policy making by developing an up-stream policy link.

Challenges: The challenges are related to recruitment of competent project staff, knowledgeable to implement this comprehensive intervention within an environment of relative lack of knowledge about the regional development process. Also, resource mobilization is a challenge; Governor and line Ministries expressed readiness to support/participate.