

ESTABLISHING A PLATFORM FOR EFFICIENT FLOW OF BUSINESS ACTIVITIES IN BOLNISI, GEORGIA

Mayors for Economic Growth (M4EG) Pioneer Project



PROJECT FACTSHEET

The project in a nutshell

Timeframe: 2018-2021

Budget: EUR 380,000 (EU contribution - EUR 320,000)

Partners: Bolnisi Municipality, the Regional Development Centre (RDC)

Geographic coverage: Bolnisi municipality and its 15 administrative entities (including the towns of Bolnisi and Kazreti and other 13 communities)

Target groups: Local authorities, individual farmers and local entrepreneurs, small and medium enterprises (SMEs), professionals, family-run guest houses, ethnic minorities, women and young people, socially vulnerable groups, local communities in rural and urban areas

CONTEXT



Bolnisi municipality is located in the Kvemo Kartli region in eastern Georgia. It consists of 15 administrative and territorial units and occupies a total surface area of around 80,700 hectares. The centre of the municipality is the town of Bolnisi itself, which lies 63 kilometres to the south-west of Tbilisi; 67 km from the town of Rustavi, the administrative centre of Kvemo Kartli; and 25 km from the Marabda section of the main railway line. Around 55,000 people live in Bolnisi municipality (34,000 of whom live in villages), including around 27,000 women. Bolnisi is still largely considered to be a rural area, where most of the population is engaged in agriculture. Over 60% of the municipality's citizens are self-employed farmers involved in animal husbandry, farming, horticulture and wine-making.

PROJECT GOAL AND OBJECTIVES

The Project's main goal is to improve the business environment and management skills of local entrepreneurs by investing in hard infrastructure, and by promoting agricultural value chains with a focus on women and young people by facilitating public-private dialogues. The Project has set itself the following **specific objectives**:

- 1) Establish a Business Cluster with the goal of transforming Bolnisi into a regional **agribusiness hub**;
- 2) Improve tourism infrastructure and marketing of Bolnisi as an attractive destination for tourists;
- 3) Improve cooperation and networking between local SMEs and individual farmers and entrepreneurs in order to increase crop production and improve access to regional markets.

PROJECT ACTIONS

The **Public-Private Dialogues** encouraged by the Project will support the collective actions of and networking between individual entrepreneurs and SMEs engaged in tourism, as well as agro-processing, trading, warehousing, packaging, logistics and transportation.

Local business development will be stimulated through the creation of a cluster of diverse SMEs. This activity will encourage local farmers and entrepreneurs to expand their ventures through proper marketing and networking with potential business partners.



An **Agribusiness hub** will be developed in order to capture the best value at every stage of production, processing and trading. The hub will ensure that local producers or their associations/cooperatives can reliably sell more goods at reasonable market prices and increase their income.

In total, the Project's actions include:

1. Carrying out a study to identify production capacities, estimate demand for locally produced goods, identify sources of supply, and establish sustainable channels for public-private dialogues;
2. Develop an **Agro-hub business model**;
3. Prepare physical infrastructure for the development and accommodation of the Agro-hub in order to transform Bolnisi's small agricultural market into a strong centre for inter-regional trading;
4. Engage stakeholders in knowledge-sharing and joint communication mechanisms, and increase the capacity of actors in the tourism sector (guest houses, hotels, etc.);
5. Implement a marketing strategy to attract buyers or traders from neighbouring regions and countries.

Bolnisi municipality will notably provide logistical and transportation services to local farmers, women, young people and socially vulnerable groups in order to ensure their access to the Agro-hub and municipal markets. Together with farmers, SMEs and traders, Bolnisi localities will also establish a direct sales system through social media platforms. The municipality will improve infrastructure in the region's Katharinenfeld area in order to create a physical environment for the establishment and development of small shops selling local crafts, products and souvenirs. This will increase employment opportunities and provide new sources of income for households and local entrepreneurs.

ESTIMATED RESULTS

- The productivity of local producers and retailers will increase by **10%**, and household incomes - by **10-15%**;
- **3,500** households and local SMEs will be involved in the municipality's trade, commerce and tourism sectors;
- At least **1,000** economic actors will be integrated into the Business Cluster in Bolnisi;
- Employment in the municipality increased by at least **3%**, and youth employment - by at least **5%**.

The Project will implement innovative local economic development and business stimulation plans in the Bolnisi municipality and ensure greater access to markets. Neighbouring municipalities, local businesses, civil society organizations and communities will consolidate their efforts through the newly created Business Cluster. Women and young people will be encouraged to participate in the region's local business development initiatives.

The pioneer project "Establishing a Platform for Efficient Flow of Business Activities in Bolnisi" is being implemented in Georgia as part of the Mayors for Economic Growth (M4EG) Initiative. The M4EG Initiative began to operate in January 2017 within the Eastern Partnership framework. Its overall goal is to help mayors and municipalities in Eastern Partnership countries to become active facilitators for economic growth and job creation at local levels. For more information, please visit www.m4eg.eu.



**This project is funded by
the European Union**

This publication was prepared within the framework of the Mayors for Economic Growth (M4EG) Project. Its contents are the sole responsibility of its author(s), and do not necessarily reflect the views of the European Union.