

## CALL FOR PROPOSAL FOR GRANT COMPETITION

UNDP Georgia Project Improving Rural Development in Georgia/ENPARD3	DATE: March 30, 2022
	REFERENCE: 00101419

Dear Sir / Madam:

We kindly request you to submit **CALL FOR PROPOSALS FOR GRANT COMPETITION  
FOR DEVELOPMENT OF SMART RURAL TOWNS IN GEORGIA**

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Please send filled application materials electronically to all of the following e-mails:  
[nodar.kereselidze@undp.org](mailto:nodar.kereselidze@undp.org); [giorgi.tsimintia@undp.org](mailto:giorgi.tsimintia@undp.org) in PDF (signed and stamped) and word  
formats. **The subject line should read: “CoP Application – DEVELOPMENT OF SMART RURAL TOWNS IN  
GEORGIA”.**

**Deadline for submission of applications for grant proposals is April 20, 2022, 18:00** (Tbilisi time and date).  
In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the  
address above on or before the deadline. Proposals that are received by UNDP after the deadline  
indicated above, for whatever reason, shall not be considered for evaluation.

**A pre-proposal conference will be held via Zoom on April 6, 2022, at 11:00 a.m. (Tbilisi time  
and date) via Zoom, Meeting ID: <https://undp.zoom.us/j/86554111418>**

The UNDP focal point for the arrangement:

Ms. Liliana Gureshidze; E-mail: [liliana.gureshidze@undp.org](mailto:liliana.gureshidze@undp.org);

**Thank you and we look forward to receiving your Proposal.**

Sincerely yours,



Nodar Kereselidze

National Project Manager

30/03/2022

**CALL FOR PROPOSALS FOR GRANT COMPETITION  
FOR DEVELOPMENT OF SMART RURAL TOWNS IN  
GEORGIA**

Date of Issuance:

30.03.2022

Tbilisi, Georgia

## INSTRUCTIONS

### 1/BACKGROUND

Georgia's economic activities are concentrated in a few geographic areas, contributing to very high levels of urban-rural inequality. Rural areas in Georgia host about 43% of the population lives in rural areas, where poverty is 25.5% as opposed to 16.9% in urban areas. The average monthly income of urban households is 22.2% higher than that of rural households. The capital Tbilisi generates 50% of total value added in the country. Low rate of economic growth, economic instability, low-productive agricultural sector, weak entrepreneurial skills, insufficient economic diversification, limited access to financial resources and modern technologies, insufficient development of infrastructure, present the potential risks for sustainable rural development. Unfavourable demographic structure in rural areas, high level of population aging and migration represents a hindrance to the rural development. Besides, limited access to such basic healthcare and education and other services in villages especially for disadvantaged groups, has negative impact on well-being in rural areas.

The EU financed and UNDP implemented project "Improving Rural Development in Georgia" (IRDG) is addressing the challenges of rural areas in Georgia by taking actions to achieve: (1) Improved governance for effective implementation of the Rural Development Strategy (2017-2020), its Action Plan and related programmes; (2) Improved rural economic diversification, employment and services; (3) Improved environment, sustainable management of natural resources and climate action.

IRDG project is designed to have substantial impact on improved employment and living conditions of the rural population in Georgia as a result of better quality and quantity of available rural services. To this end, in 2020-2021, IRDG project has successfully introduced the emerging concept of Smart Villages<sup>1</sup> from EU to Georgia through 8 Smart Village projects implemented in the municipalities of: Keda, Akhalkalaki, Tetritskaro, Dedoplistskaro and Kazbegi. Inspired by the achievements of those projects, IRDG project is announcing call for Grant Competition for Smart Rural Towns Projects. *A smart rural town is a place where traditional networks and services are made more efficient with the use of digital solutions for the benefit of its inhabitants and business.* A smart town goes beyond the use of digital technologies for better resource use and less emissions. It means smarter urban transport networks, upgraded water supply and waste disposal facilities and more efficient ways to light and heat buildings. It also means a more interactive and responsive town administration, safer public spaces and meeting the needs of an ageing population, among others.

### 2/ PURPOSE

---

<sup>1</sup> COM(2018) 392 final <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A392%3AFIN>

The **primary objective** of the call is to respond to rural area challenges in Georgia by **finding practical, innovation-driven solutions** and potentially seize new opportunities in jobs creation and income generation in rural towns<sup>2</sup>, notably with a view of substantial **inclusion of disadvantaged groups**.

The priority will be given to the proposal ideas that will ensure:

- **Support rural towns** to address the needs through **innovation (incl. technological)** (e.g., in the domains of (1) infrastructure; (2) mobility and transportations; (3) ICT uptake; (4) environmental protection; (5) service delivery, among others) that have potential of response to COVID-19 impact with a clear **job creation and income generation impact** and transferability to broader spatial dimensions.
- Encourage **coordination and partnership** among key stakeholders in multi-sectoral, integrated approaches to rural development, e.g., policy makers, rural entrepreneurs, local governments, national agencies, CSO, development organizations, etc. Such coordination and partnerships should ensure complementarity of measures to existing public and private programs and projects.
- Focus on **inclusion and empowerment of disadvantaged groups**, including youth, women, PWDs, IDPs, ethnic, religious, sexual and other minorities from rural areas.

### 3/FINANCING SCHEME AND INELIGIBLE COSTS

Any funds requested for the grant(s) under this Call for Proposals must fall between the following minimum and maximum amounts:

- minimum amount: USD 10,000.
- maximum amount: USD 25,000.

Applicant organizations should submit proposals with justified and realistic budgets.

Ineligible costs are:

1. debts and debt service charges (interest);
2. provisions for losses or potential future liabilities;
3. costs financed by another action or work programme receiving EU and UNDP funding;
4. purchases of land or buildings;
5. purchase of luxury goods and gambling equipment;
6. purchase of agriculture commodities, motor vehicles or pharmaceuticals;
7. purchase of used equipment;
8. currency exchange losses;
9. related to any type of maintenance;
10. daily allowances (per diem);
11. utilities and office rent;
12. overheads;
13. credit to third parties;
14. salary costs of the GoG personnel;
15. salary costs for personnel (including administrative costs), if the such costs exceed 20% of total project costs;

---

<sup>2</sup> For the purposes of this Call, “rural towns” are considered the administrative units with population of more than 5,000 and less than 30,000 inhabitants. However, all administrative centers of the target municipalities are eligible for the Smart Rural Towns projects.

16. related to participation in workshops, seminars, conferences and congresses;
17. scholarships for studies or training courses;
18. related to the infrastructure improvement and equipment, which are directly related to this Call for Proposal, if they exceed 50% of the total budget;
19. any indirect costs;

*Note: Other restrictions may apply, specified before selection of successful projects*

#### 4/WHO CAN APPLY

Georgian non-profit (non-commercial) legal entities are invited to apply for this Call for Proposals. These entities should be registered in accordance with the legal requirements of the Government of Georgia, must be able to provide organization's statute and the debt certificate.

All applicant organizations must demonstrate proven experience and capabilities in carrying out rural development interventions, including but not limited to: needs appraisal, community mobilization, socio-economic development actions, digital development, measures related to inclusion and support of disadvantaged groups.

Coalitions (based on co-application) with NGOs and private sector is encouraged. *Note: Co-applicants must satisfy the eligibility criteria as applicable to the primary applicant.*

#### 5/IMPLEMENTATION LOCATION(S) AND DURATION

Activities of Smart Rural Town grants should be implemented within administrative boundaries of **at least one rural town<sup>3</sup> in municipalities of Keda, Khulo, Borjomi, Akhalkalaki, Tetritskaro, Lagodekhi, Dedoplistskaro and/or Kazbegi.**

Duration of the Smart Rural Town grant activities (including reporting) within the grant application **shall not exceed 4 months**, counted from the date of the grant agreement signature to the date when all relevant activities have been successfully completed, reported and accepted by the UNDP/IRDG Project (Note: per grant agreement maximum 1 month should be allocated for final reporting to the UNDP/IRDG Project, though grantee can request reporting in less than 1 month).

**Only successful grant proposals will be awarded with the funding.** It is anticipated that at least 4 grant proposals (regardless of the grant implementation location) will be financed under this Call of the Proposals. However, no or less than 4 grants may be awarded by UNDP/IRDG, depending on the evaluation results.

#### 6/PROCEDURES OF GRANT PROPOSAL SUBMISSION

Those willing to participate:

---

<sup>3</sup> For the purposes of this Call, "rural towns" are considered the administrative units with population of more than 5,000 and less than 30,000 inhabitants. However, all administrative centers of the target municipalities are eligible for the Smart Rural Towns projects.

- Must submit filled Grant Application form (See Annex 1) in line with the goals and directions determined in this Call of Proposals and provide as an attachment of the application additional documents:
  - Partnership Memorandums with partner organization(s) (if applicable);
  - Note from Revenue Service on tax obligations;
  - Extract from the public register for primary and (if applicable) for co-applicants;
  - Separate account requisites which will be used only for grant project operations.

Please send filled application materials electronically to all of the following e-mails: [nodar.kereselidze@undp.org](mailto:nodar.kereselidze@undp.org); [giorgi.tsimintia@undp.org](mailto:giorgi.tsimintia@undp.org) in PDF (signed and stamped) and word formats. **The subject line should read: “CoP Application – Smart Rural Towns”.**

**Deadline for submission of applications for grant proposals is 20 April 2022, 18:00** (Tbilisi time and date). The grant proposals after the deadline will not be admitted and considered. **Applicant(s) are strongly advised not to wait until the last day to submit** application, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. **If additional clarifications required, questions can be sent to the same email addresses indicated above (all of them together) no later than 10 days before the deadline for the submission of applications. Answers to questions will be provided within 3 working days no later than 3 days before the deadline for the submission of applications. The subject line should read: “Question(s) for CoP – Smart Rural Towns”. All questions and answers related to this CfP will be anonymized and published on April 17<sup>th</sup>, 2022.**

Note: Consultation meeting with interested applicants on the preparation of the applications for grant proposal idea will be held on **06 April 2022, at 11:00 a.m.** via Zoom.  
Meeting ID: <https://undp.zoom.us/j/86554111418>

## 7/SELECTION PROCESS

All grant proposals will be reviewed by the Evaluation Committee comprised of the representatives of relevant UNDP representatives. The Evaluation Committee will assess proposals according to the evaluation criteria:

	Selection Criteria	Selection Criteria Description	Score Percentage
1.	<b>Applicant's Experience and management</b>	The applicant organization(s) has experience in conducting similar interventions and capacity of implementing. Project management arrangements are sound.	Max. 5%
2.	<b>Relevance of the grant</b>	The grant proposal is relevant to: (1) the objectives and priorities of the call for proposals; (2) particular needs and constraints of the target territories and groups; (3) proposal design reflects a robust analysis of the problems involved, and the capacities of the relevant stakeholders	Max. 20%
3.	<b>Methodology</b>	The grant proposal is technically accurate and consistent. The grant management has good understanding of grant proposal goals, the grant implementation plan clearly demonstrates how it will support the achievement of the grant goals. Design of the interventions are coherent.	Max. 30%

	<b>Selection Criteria</b>	<b>Selection Criteria Description</b>	<b>Score Percentage</b>
		Action plan for implementing the action clear, feasible and time realistic. Beneficiaries are clearly defined and strategically chosen and include disadvantaged groups. Local communities are and will be engaged in the grant activities, including disadvantaged groups. The grant makes positive impact on local population in one or more of the following: local economy, social and environmental areas	
<b>4.</b>	<b>Sustainability and transferability</b>	The grant proposal is sustainable, and its further development and transferability of the results is possible	Max. 5%
<b>5.</b>	<b>Partnership and cooperation</b>	The grant proposal is designed to be implemented in partnership and close cooperation with stakeholders (public agencies, private companies, CSOs, etc.)	Max. 15%
<b>6.</b>	<b>Risk Management, monitoring and evaluation mechanisms</b>	Risk assessment and management tools, also the grant monitoring and evaluation mechanisms are well defined and demonstrate realistic capabilities of risk management. Logical Framework includes credible baseline, targets and sources of verification.	Max. 5%
<b>7.</b>	<b>Grant budget</b>	The grant budget is relevant and in line with the proposed work plan and set indicators	Max. 20%
<b>TOTAL</b>			<b>Max. 100%</b>

All decisions on the selection of grant proposals will be taken **approximately within 20 working days after closing date for applications**. An applicant is considered as a winner and will be invited to conclude the relevant agreement within 3 weeks after receiving the notification if:

- an applicant received at least 50% of scores for each selection criteria and 75% or higher of the total scores (if available, top 5 proposals out of those passing 75% will be selected);
- and applicant's scores are competitive and higher towards other applicants.

Each organization can be granted with only one grant. UNDP will be signing Low Value Grant (LVG) Agreement with the winning applicants.

**Grant Application(s) will not be further considered and will be disqualified if:**

- Applicant presents proposal (duplicate) already financed by any other project.
- It is provided by the non-eligible entity.
- It does not comply with primary and specific objectives, priorities, and instructions provided in this announcement.
- It is not consistent with the UNDP/IRDG project document.
- If the proposal includes the ineligible costs.

## 6/GENRAL METHODOLOGY/APPROACH CONSIDERATIONS

“Smart” communities are emerging around the world, as technology becomes increasingly integrated into our public spaces and services. Towns are some of the first to benefit, given their population density and economic importance – but rural communities stand to benefit just as much from the wave of “smart” technology. While rural communities bring their own deployment challenges, providing these communities with “smart” functionality is critical in bridging the Digital Divide. Let’s breakdown the context, challenges, and advantages of building “smart”, rural communities. "Smart Towns" typically includes: Smart Living; Smart Building & Home; Smart Transportation; Smart Energy (Renewable generation & storage); Smart Water Management; Smart Waste Management (Recycling of waste, residual management, Recovery of waste organics & Energy); Smart Education (e-Education); Open Data; Smart Governance (e-governance); Smart Medical Facility (e-Medical) ; Smart Communications; Smart Networks; Environmental Awareness (i.e., changing weather conditions; human defined changes); Smart Crisis Management; Metrics and performance indicators.

### The four key pillars of technology in a smart rural community

There are multitudes of ways in which smart technology currently affects daily life globally; rural Georgia is not exempt from most of them. However, there are four use cases where Smart Rural Communities may experience unique benefits or require special attention compared to the big cities.

1. **Smart Agriculture:** The importance of agriculture to rural communities cannot be overstated — and smart technology enriches the agriculture industry with its ability to provide insight and actionable data quickly and efficiently. Consider soil moisture monitoring that can help maximize crop yields and reduce loss with sprinkler system optimization, which also helps to conserve water or air quality monitoring to comply with emissions regulations of harmful ammonia or nitrogen oxide gases. In contrast, large asset and tank management monitoring can help keep track of equipment and control inventory levels reducing risk and waste.
2. **Telehealth:** Using smart technology’s data collection capabilities to support long-distance clinical health care reduces the need to travel to doctors’ offices from distant rural locations. By reducing travel, critical information can be gathered efficiently and safely, lower risk of exposure to contagious diseases, and provide significant cost savings for both patients and medical professionals.
3. **Remote Learning:** As recent experiences have shown, broadband to the home is a critical necessity when it comes to in-home learning. Smart technology relies on that same broadband infrastructure to help manage many aspects of the remote learning experience, whether it’s the use of remote attendance systems or database access and test monitoring. Smart technology is instrumental to ensuring the education system is not only efficient but an effective learning tool.
4. **Citizen Services:** Reliable and accessible data that can be quickly acted upon represents enormous time and cost savings for our local governments. There’s almost no aspect of town management and maintenance that’s not improved and made more efficient by the proper use of smart technology — and this is every bit as true for small rural towns as it is for large cities. Smart surveillance systems may deter unwanted behavior but, more importantly, alert personnel at the first sign of suspicious activity, from illegal dumping to fights on the town playground, to locating vehicles of interest through license plate recognition software. Utility services also offer numerous opportunities; waste management can employ smart trash cans to reduce service



costs; thermal monitoring on electrical power plants can alert overheated transformers, and remote vegetation management can help electric service providers clear lines in response to fallen tree limbs before costly failures occur.

Individual citizens may not immediately recognize the values until applications that engage with them come to fruition. A low-cost example would be customized beacons at areas of interest that push information to citizen's devices when placed in strategic locations such as historical landmarks, public venues, or frequented spots in town. Underneath it all, solid foundations are required to make the collection and transmission of information possible: 1) sensors and mobile devices for collecting and measuring the data, 2) a robust mobile wireless network, which is increasingly migrating to 5G; and 3) an underlying fiber network which enables both of the above while also providing broadband connectivity to every area in the community.

**Selecting specific innovative solutions** Rural towns are complex organisms, partially planned, but to a large extent the outcome of numerous decisions by private individuals and organizations. Any plan needs to consider how innovations will affect the town and citizens, and what preconditions will ensure the successful impact of the individual innovation. Town authorities, planners and project developers should not neglect potential rebound effects, or unintended indirect impacts, such as traffic. The number of considerations and planning varies depending on the kind of action to be undertaken. A simple energy efficiency in buildings project, based on retrofitting requires less strategic considerations than the design of a new public transport system, the building of shopping centers or the development of a new district.

Rural towns have to be seen as a multi-layered structure of services and infrastructures aimed ultimately at helping citizens to live and work with high standards of living while reducing their environmental footprint. Innovations should aim at improving and fitting these town layers. Thus, once the wider strategy for the town is clear, the kinds of solutions to be implemented should be clarified, what solution where, how and for whom. It is beyond the scope of this report to present a full strategic planning approach, but the new challenges of planning town developments should be considered, especially by town authorities, this could also include co-creation approaches with citizens on long-term priorities or new developments.

In a nutshell, developers of solutions encounter increasing challenges when seeking solutions and aiming to develop a 'smart town'. No longer is the process one of procuring existing solutions to a specific problem at lowest costs through tendering, i.e., providing transport to cover demand from point A and B in a town, a large array of other objectives should fit the choice.

The number of technologies and approaches addressing town challenges is very large and defining a vision and roadmap, while complex, is a minor step compared to the challenge of finding the right approaches and combining technologies efficiently. It may also be the case that stakeholders having to choose technical solutions are not the town authorities, an aspect often overseen in discussions on choices for smart town developments. The retrofitting of existing buildings is not a matter of the town authorities unless the buildings are municipal, or at the limit for social housing. The same is true in areas of transport or services where those are not provided by public authorities. Thus, ensuring the right solutions for a town are taken also requires the right incentives for the private sector to play its role. In the area of buildings, much will depend on the incentives created for the private sector to modernize their building stock. For this, business models with the right incentives have to be designed. The models will be influenced by the competences of the local authorities in terms of setting financial incentives and their

regulatory powers. The following sections present the potential challenges and solutions for town planners or those actors having to select a project. It follows four important areas influencing the decisions on the choice of solution: (1) Factors affecting the technology choice; (2) Financial and Economic Factors (3) Regulatory and administrative factors; (4) Social – Stakeholder uptake factors.

*Note: For additional guidance **it is highly recommended** to refer to materials:*

- *The making of a smart town: best practices across Europe* [https://smart-cities-marketplace.ec.europa.eu/sites/default/files/2021-04/the\\_making\\_of\\_a\\_smart\\_town\\_-\\_best\\_practices\\_across\\_europe.pdf](https://smart-cities-marketplace.ec.europa.eu/sites/default/files/2021-04/the_making_of_a_smart_town_-_best_practices_across_europe.pdf)
- *Smart Cities Information System Self-reporting guide* <https://smart-cities-marketplace.ec.europa.eu/insights/publications/self-reporting-tool-srt-guide>

## 7/VISIBILITY

Selected organization(s) must take all necessary steps to publicise the fact that the European Union has financed or co-financed the grant projects and must strictly comply with EU and UNDP Communication and Visibility Guidelines and Standards.

## 8/ IMPORTANT ADDITIONAL INFORMATION

UNDP implements a policy of zero tolerance on proscribed practices, including fraud, corruption, collusion, unethical practices, and obstruction. UNDP is committed to preventing, identifying and addressing all acts of fraud and corrupt practices against UNDP as well as third parties involved in UNDP activities. (See

<https://www.undp.org/content/dam/undp/library/corporate/Transparency/UNDPAntiFraudPolicyEnglishFINA%20June2011.pdf>

<https://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions> for full description of the policies).

In responding to this Call for Proposals, UNDP requires all Proposers to conduct themselves in a professional, objective and impartial manner, and they must at all time hold UNDP's interest paramount. Proposers must strictly avoid conflicts with other assignments or their own interests, and act without consideration for future work. All Proposers found to have a conflict of interest shall be disqualified. Without limitation on the generality of the above, Proposers, and any of their affiliates, shall be considered to have a conflict of interest with one or more parties in this solicitation process, if they:

- Are or have been associated in the past, with a firm or any of its affiliates which have been engaged UNDP to provide services for the preparation of the design, Terms of Reference, cost analysis/estimation, and other documents to be used in this competitive selection process;
- Were involved in the preparation and/or design of the programme/project related to the services requested under this Call for Proposals; or
- Are found to be in conflict for any other reason, as may be established by, or at the discretion of, UNDP.

In the event of any uncertainty in the interpretation of what is potentially a conflict of interest, proposers must disclose the condition to UNDP and seek UNDP's confirmation on whether or not such a conflict exists.