

CALL FOR PROPOSAL FOR GRANT COMPETITION

UNDP Georgia Project Improving Rural Development in Georgia/ENPARD3	DATE: April 13, 2022
	REFERENCE: 00101419

Dear Sir / Madam:

We kindly request you to submit **CALL FOR PROPOSALS FOR GRANT COMPETITION FOR DEVELOPMENT OF SMART VILLAGES IN GEORGIA (3rd Call)**

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; giorgi.tsimintia@undp.org in PDF (signed and stamped) and word formats. **The subject line should read: "CoP Application – SMART VILLAGES (3rd Call)."**

Deadline for submission of applications for grant proposals is May 4, 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.

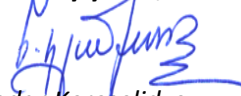
A pre-proposal conference will be held via Zoom on April 20, 2022, at 6:00 p.m. (Tbilisi time and date) via Zoom, Meeting ID: <https://undp.zoom.us/j/85111465306>

The UNDP focal point for the arrangement:

Ms. Liliana Gureshidze; E-mail: liliana.gureshidze@undp.org;

Thank you and we look forward to receiving your Proposal.

Sincerely yours,



Nodar Kereselidze

National Project Manager

13/04/2022

**CALL FOR PROPOSALS FOR GRANT COMPETITION
FOR DEVELOPMENT OF SMART VILLAGES IN
GEORGIA (3rd Call)**

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 Villages¹ from EU to Georgia through 6 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 2nd call for Grant Competition for Smart Village Projects.

Smart Villages are communities in rural areas that use innovative solutions to improve their resilience, building on local strengths and opportunities. They rely on a participatory approach to develop and implement their strategy to improve their economic, social and/or environmental conditions, in particular by mobilizing solutions offered by digital technologies, innovations and the better use of knowledge for the benefit of inhabitants. Smart Villages benefit from cooperation and alliances with other communities and actors in rural and urban areas. The initiation and the implementation of Smart Village strategies may build on existing initiatives and can be funded by a variety of public and private sources².

Due to the recent COVID-19 pandemic, rural areas in Georgia are facing new, unprecedented challenges. To name few: (1) many rural businesses resulted in insolvencies, difficulties to maintain labor force in safe environment, etc. (2) rural households have lost incomes (esp. due to the dramatic shrink of tourism

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

² Working definition, Briefing note Brussels, 21-22 February 2019

industry) and have difficulties to maintain decent livelihoods, esp. vulnerable groups such as women and youth are suffering greatly from the increase unemployment, reduced incomes and access to basic services. To address the needs and challenges affecting rural areas in these domains, **this Call for Proposals will contribute to response to the challenges of rural areas through conceptual approach of ‘Smart Village’ for creation of new/renewed employment opportunities, income generation targeting primarily the most vulnerable groups (incl. women and youth).**

2/ PURPOSE

The **primary objective** of the call is to respond to the challenges of rural areas and rural actors in Georgia by **finding practical, innovation-driven solutions** to challenges they face and potentially seize new opportunities in jobs creation and income generation, notably with a view of substantial **inclusion of disadvantaged groups**. This further means, enacting innovative solutions to complex challenges in **service access and delivery**³ that are matching the characteristics and assets of distinct rural areas.

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

- **Support rural communities** to address the needs through **social and digital innovation** that have potential of response to rural development challenges with a **clear rural service delivery improvement 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 amounts⁴:

- 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;

³ In the areas of: mobility, logistics and local supply; health and social care; education and training; communication

⁴ Proposed grant proposal(s) should be co-sponsored either through primary applicant or co-applicant(s) with following rates **only in case of non-LEADER/CLLD entities: at least 5%** of total eligible costs. Non-LEADER/CLLD entities should ensure financial, cash co-finance⁴ of the grants. LEADER/CLLD entities are not required to have co-sponsorship of grants.

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;
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

LEADER/CLLD⁵ and non-LEADER/CLLD entities are invited to apply for this Call for Proposals. For the purposes of this Call for Proposals:

- LEADER/CLLD entities (non-profit (non-commercial) legal entities) are: Local Action Group (LAG) and local community group (AMAG) organizations established with support of ENPARD program in IRDG project target municipalities (Keda, Khulo, Borjomi, Akhalkalaki, Tetritskaro, Lagodekhi, Dedoplistskaro and Kazbegi).
- Non-LEADER/CLLD entities are non-profit (non-commercial) legal entities (NGOs), **except:** (1) Local Action Group (LAG) and local community group (AMAG) organizations established with support of ENPARD program in IRDG project target municipalities (Keda, Khulo, Borjomi, Akhalkalaki, Tetritskaro, Lagodekhi, Dedoplistskaro and Kazbegi); (2) Religious and Political organizations; (3) Government owned entities.

LEADER/CLLD and non-LEADER/CLLD 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, measures related to inclusion and support of disadvantaged groups (youth, women, PWDs, IDPs, ethnic, religious, sexual and other minorities).

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 CLLD - Community-Led Local Development

5/IMPLEMENTATION LOCATION(S) AND DURATION

Activities of Smart Village grants should be implemented within administrative boundaries of **at least one village in municipalities of Keda, Khulo, Borjomi, Akhalkalaki, Tetrtskaro, Lagodekhi, Dedoplistskaro and/or Kazbegi**. *Note: Success of Smart Village approach often depends upon cooperation with other nearby villages, towns and cities. In medium to long-term it is expected that spatial scale of a Smart Village projects will grow through cooperation with other areas.*

Duration of the Smart Village grant activities within the grant application **shall not exceed 4 months**, counted from the date of the contract signature to the date when all relevant activities have been successfully completed, reported and accepted by the UNDP/IRDG Project (Note: per grant agreement 1 month should be allocated for final reporting to the UNDP/IRDG Project).

Only successful grant proposals will be awarded with the funding. It is anticipated that at least 3 grant proposals (regardless of the grant implementation location) will be financed under this Call of the Proposals. However, no or less than 3 grants may be awarded by UNDP/IRDG, depending on the evaluation results.

6/PROCEDURES OF GRANT PROPOSAL SUBMISSION

Those willing to participate:

- 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; giorgi.tsimintia@undp.org in PDF (signed and stamped) and word formats. **The subject line should read: “CoP Application – Smart Villages”.**

Deadline for submission of applications for grant proposals is 4 May 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 Villages”. All questions and answers related to this CfP will be anonymized and published on May 1st, 2022.**

Note: Consultation meeting with interested applicants on the preparation of the applications for grant proposal idea will be held on **20 April 2022, at 6:00 p.m. (GMT +4) via Zoom, meeting link: <https://undp.zoom.us/j/85111465306>**

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.	Applicant's Experience and management	The applicant organization(s) of experience in similar interventions and capacity of implementing. Project management arrangements are sound.	Max. 5%
2.	Relevance of the grant	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.	Methodology	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. 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	Max. 30%
4.	Sustainability and transferability	The grant proposal is sustainable, and its further development and transferability of the results is possible	Max. 5%
5.	Partnership and cooperation	The grant proposal is designed to be implemented in partnership and close cooperation with stakeholders (public agencies, private companies, CSOs, etc.)	Max. 15%
6.	Risk Management, monitoring and evaluation mechanisms	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%
7.	Grant budget	The grant budget is relevant and in line with the proposed work plan and set indicators	Max. 20%
TOTAL			Max. 100%

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. In total, a maximum of 5 grants will be selected for award. 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/GENERAL METHODOLOGY/APPROACH CONSIDERATIONS

In Smart Villages traditional and new networks and services are enhanced by means of digital, telecommunication technologies, innovations and the better use of knowledge, for the benefit of inhabitants and businesses. Digital technologies and innovations may support quality of life, higher standard of living, public services for citizens, better use of resources, less impact on the environment, and new opportunities for rural value chains in terms of products and improved processes. The concept of Smart Villages is territorially sensitive, based on the needs and potentials of the respective territory and strategy-led, supported by new or existing territorial strategies. Technology is important as are investments in infrastructure, business development, human capital, capacity and community building. Good governance and citizens' involvement is also key. A Smart Village would typically pay attention to e-literacy skills, access to e-health and other basic services, innovative solutions for environmental concerns, circular economy application to agricultural waste, promotion of local products supported by technology and ICT, implementing and taking full benefit of smart specialization agri-food projects, tourism and cultural activities, etc. The concept of Smart Villages covers human settlements in rural areas as well as the surrounding landscapes.

Communities in rural areas can include one or several human settlements, without any restrictions in the number of inhabitants.

A participatory approach means an active participation of the local community in the drawing up and decision-making regarding the Smart Village strategy. During the implementation phase, the participatory approach should ensure that the needs for capacity building and for training of people are properly addressed.

Digital technologies include, for example, information and communication technologies, the exploitation of big data or innovations related to the use of the Internet of Things (IoT). They act as a lever to enable Smart Villages to become more agile, make better use of their resources and improve the attractiveness

of rural areas and the quality of life of rural residents. The use of digital technologies is not a precondition for becoming a Smart Village. Where possible, high-speed broadband should facilitate the deployment of the digital solutions.

Smart Village strategies respond to the challenges and needs of their territory by building on their local strengths and assets. Strategies must determine short, medium and long-term goals. Progress must be measurable through performance indicators that will be set in a roadmap. These roadmaps should be reviewed at regular intervals to allow continuous improvement. Strategies may aim, for example: to improve access to services (in various fields such as health, training or transport), to enhance business opportunities and create jobs, to the development of short food supply chains and farming practices, to the development of renewable energies, to development of a circular economy, to a better exploitation of natural resources, to adapt to climate change, to preserve the environment and biodiversity, to a better valorization of the cultural heritage for a greater tourist attractiveness etc.

Innovative services in Smart Villages

Over time, many rural areas have experienced a decline in the range of services available. Changing demographic structures, public sector cutbacks and the impact of climate change can stimulate local communities to step in and fill the gap. Discovering and implementing new solutions to address local challenges is therefore one of the key characteristics of Smart Villages. The definition states that Smart Villages “use innovative solutions to improve their resilience, building on local strengths and opportunities.” This includes innovative services that can act as a catalyst for improving the quality of life in a village.

Smart Villages innovate in various areas and in very diverse ways, depending on the opportunities and challenges stemming from their local contexts. One of the common features of Smart Village innovative services is that their design and implementation involves several people or organizations. These include locals (internal stakeholders) and supporting actors from outside (external stakeholders). In addition, the private sector can play an important role. Private companies often demonstrate flexibility and innovation, which can bring added value in the provision of services to the local community. Whether or not external stakeholders are involved, innovation cannot happen without sufficient capacity and a strong organizational process to see it through.

Combining services can go a long way to maximize the efficiency of service delivery. Small communities in rural areas face difficulties in finding specialized workers and mobilizing financial resources. Therefore, creative solutions are necessary to ensure that such communities can benefit from a relatively wide range of services.

Role and importance of digital technologies

Digital tools and connectivity are closely associated with the “smart” concept and innovation. Unsurprisingly, digital technologies are widely used within Smart Villages development, and “act as a lever that enables Smart Villages to become more agile, make better use of their resources and improve the attractiveness of rural areas and the quality of life of rural residents.” What makes a village smart is not limited to increased levels of digitization or connectivity. Instead, “smartness” stems from the use of digital technologies as vehicles for local development goals and the improvement of the quality of life of citizens.

Many villages make use of the opportunities offered by digital technologies, whereas others are much less advanced. For instance, tackling depopulation can be pursued through exploiting digital technologies to create work opportunities without the need for working-age adults to leave the community (e-work). Nonetheless, it is important to keep in mind that connectivity remains a crucial enabling factor for the utilization of digital solutions. The use of digital technologies is not what defines a Smart Village, nor are they the only way to achieve development objectives. Nevertheless, digital technologies can in many cases be part of the solution to reach objectives of a Smart Village in a more efficient and effective way.

As with other aspects of Smart Villages, citizens' involvement in rolling out digital solutions is an essential component of success. Citizens need to be able to use digital technologies to their full potential and be able to recognize their added value for improving their quality of life. This is particularly true for rural communities with an ageing population. Moreover, local communities (including at the local government level) need to be aware of the opportunities these technologies provide.

Five drivers of Smart Villages

1. **Responding to depopulation and demographic change** - Even though depopulation is considered a symptom of rural decline rather than a cause, it is one of the main factors driving the smart villages agenda. Rural population (% of total population) in Georgia was reported at 40.96 % in 2019, according to the World Bank collection of development indicators and according to the UN World Urbanization Prospects, it will decline to 27% of total population of Georgia by 2050.
2. **Finding local solutions to cutbacks and the centralization of public services** - Even when the population of rural areas is stable or growing, lower population densities, together with complicated logistics drive up the unit costs of providing certain basic services like education, healthcare, commerce and public transport.
3. **Exploiting linkages with small towns and cities** - Rural areas have a symbiotic relationship with cities and towns. Historically, the relationship has sometimes been seen in purely competitive terms – as a zero-sum game. What the cities gained; rural areas were thought to lose. However, the Organization for Economic Co-operation and Development (OECD) and others have analyzed the complex web of linkages between cities and rural areas and shown that, if carefully managed, there is much potential for win-win arrangements between the two. For smart villages, it is not just a case of overcoming the urban-rural divide, but of harnessing the unique potential of each for mutual benefit.
4. **Maximizing the role of rural areas in the transition to a low-carbon, circular economy** - Rural areas are front-and-center in the shift to a low-carbon economy, according to the OECD⁶. These natural assets often form the cornerstone of their competitive advantage as well as their identity and attractiveness as places to live. They are, therefore, both particularly exposed to the risks of climate change and environmental degradation, and in a privileged position to make a difference.
5. **Promoting the digital transformation of rural areas** - Digital technologies have the capacity to radically transform the disadvantages that rural areas face in terms of distance and low population density by permitting instantaneous virtual communication and access to e-services. Rural areas are often characterized as suffering from a triple digital divide: broadband connectivity, skills and uptake.

⁶ OECD Regional Outlook 2016: Productive regions for inclusive societies, 2016

*Note: For additional guidance **it is highly recommended** to refer to materials available at ENRD [Smart Villages Portal](#)⁷*

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.

⁷ https://enrd.ec.europa.eu/smart-and-competitive-rural-areas/smart-villages/smart-villages-portal/eu-policy-initiatives-strategic-approaches_en