

## CALL FOR PROPOSAL FOR GRANT COMPETITION

UNDP Georgia  Project Improving Rural Development in Georgia/ENPARD3	DATE: June 16, 2022
	REFERENCE: 00101419

Dear Sir / Madam:

We kindly request you to submit **CALL FOR PROPOSALS FOR GRANT COMPETITION  
FOR SUPPORTING SMART ADAPTATION OF RURAL AREAS THROUGH DIGITAL TECHNOLOGIES**

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 – SMART ADAPTATION OF RURAL AREAS  
THROUGH DIGITAL TECHNOLOGIES"**

**Deadline for submission of applications for grant proposals is July 7, 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 June 22, 2022, at 11:00 a.m. (Tbilisi  
time and date) via Zoom, Meeting ID: <https://undp.zoom.us/j/81179383679>**

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

16/06/2022

**CALL FOR PROPOSALS FOR GRANT COMPETITION  
FOR SUPPORTING SMART ADAPTATION OF RURAL  
AREAS THROUGH DIGITAL TECHNOLOGIES**

Date of Issuance:

16.06.2022

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. So far, **rural shrinkage has mainly been tackled from the perspective of mitigation**, and many policies seem to approach rural depletion only from the (economic) growth-oriented development perspective. The lack of guidance on how exactly to address the more intricate challenges of rural shrinkage did not allow local stakeholders to apply measures other than those that facilitated economic development. On the contrary, **accepting and adapting to emerging trends of an ageing and declining population**, rather than seeking to fight against them **is the prerequisite for developing multi-dimensional and innovative solutions to address shrinkage**. Looking at the four common processes that lead to shrinkage in rural areas (economic restructuring, locational disadvantage, peripherization, and transitions), the following possible response can be applied: design interventions using local knowledge on the shrinking process and develop integrated and coordinated policy responses across stakeholders and key sectors, while looking closely to digital connectivity as a tool to enable or enhance the well-being of residents or boost the economy.

### 2/ PURPOSE

The **primary objective** of the call is to respond to rural shrinkage challenge in Georgia by **finding practical, innovation-driven solutions** through application of digital technologies and potentially seize new

opportunities in jobs creation and income generation, notably with a view of substantial **inclusion of disadvantaged groups**.

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

- Apply **digital technologies that will enable** Georgian rural areas to have smart adaptation to the rural shrinkage trend.
- 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;
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 Adaptation grants should be implemented within administrative boundaries of **at least one municipality from municipalities of Keda, Khulo, Borjomi, Akhalkalaki, Tetritskaro, Lagodekhi, Dedoplistskaro and/or Kazbegi.**

Duration of the Smart Adaptation grant activities within the grant application **shall not exceed 3 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 2 grant proposals (regardless of the grant implementation location) will be financed under this Call of the Proposals. However, no or less than 2 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](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 Adaptation".**

**Deadline for submission of applications for grant proposals is 7 July 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 Adaptation”. All questions and answers related to this CfP will be anonymized and published on 4 July 2022.**

Note: Consultation meeting with interested applicants on the preparation of the applications for grant proposal idea will be held on **22 June 2022, at 11:00** via Zoom.

<https://undp.zoom.us/j/81179383679>

## 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) of experience in 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. 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.	<b>Sustainability and transferability</b>	The grant proposal is sustainable, and its further development and transferability of the results is possible	Max. 5%
5.	<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%

	Selection Criteria	Selection Criteria Description	Score Percentage
6.	<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%
7.	<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/GENERAL METHODOLOGY/APPROACH CONSIDERATIONS

The spatial consequences of digitalization: previous cycles of technology disruption have had unintended effects: the rise of ICT in 1980s helped to concentrate growth in finance and professional services, sectors which benefited from agglomeration in cities. The rise of on-line retail in the 2000s has diminished role of local retail but also contributed to the re-urbanization of retail and the rise of the experience economy. There are uncertainties if the next cycle of technology will foster more concentration or provide avenues for de-centralization and a more balanced territorial development. Some argue that digital technology amplifies the wider trends of migration, reorganization and agglomeration, others point to the prospect of digital development to allow a wider range of cities and regions to succeed.

Divides between small and large places are appearing, especially in terms of financial and strategic capability. Large cities are able to collaborate better due to their bankability, access to PPPs and city networks. This means that they are at the threshold of rolling out next-gen infrastructure and creating an environment for testing and piloting new technology. Meanwhile most smaller places need basic competences, a strategic framework, and to build skills and mechanisms for peer-to-peer sharing.

Young people are likely to benefit most from the digital transition. The challenge of maintaining digital inclusion as technology becomes more complex in order that all demographic and income groups can continue to access the technologies and make most of them. Also, concern about the future of jobs is rising, and there are conflicting signals about what the profile of the future labor market shaped by humans' relationship with technology will look like. Many analysts do not believe digital disruption will contribute to net job creation, and this leads to much uncertainty about future employment and welfare policy. Furthermore, the threat of digital theft, identity crime and outages are considerable, and the need for cyber-resilience and cyber-security is evident. The vulnerability to these risks is viewed to be spatially uneven.

#### What can be done? (examples)

- *Address access challenges of rural areas (incl. remote).* The mobile coverage in rural areas is still lesser quality, and it is vital to priorities the digital connectivity of those areas that are presently most under-served.
- *Develop legal and ethical frameworks.* The high-profile controversies surrounding the data economy highlight the challenges of regulating technology, and the need for principles and policies to be developed to ensure that the transformative potential that open data offers can deliver inclusive outcomes. The need to safeguard the public interest, achieve transparency on critical ethical issues and ensure that the free flow of data generates value that flows back to citizens – is important.
- *Prioritize a collaborative governance system.* Because the digital transitions span multiple sectors and multiple tiers of government and responsibility, making sure partners are engaged in joined up thinking. Partnerships are required that can cascade capability 'up' and 'down' different layers and boundaries of responsibility. Governments must work together with education systems, citizens and businesses, despite the barriers to doing so. Proactive rather than reactive leadership from all levels of government was identified as a key priority to make this happen.
- *Encourage citizen empowerment and organize around citizens.* Citizens, local institutions and communities have to be given the capacity to understand and use technologies and thereby respond positively to the future. A key responsibility will be to help older citizens to learn to navigate the technology and provide offline tools and one stop shops to do so. Tools and incentives are needed to make services cheaper to use online, and to provide simple courses to educate the elderly population about how to read mail and use public services.

These imperatives suggest a distinct set of implications for future territorial cohesion, including the need to progress towards the digital single markets (like in the EU) and the creation of digital society, invest in digital infrastructure and technologies, build a data economy and digital industry as well as focus on the issues related to ethics, trust and cybersecurity.

#### One of the domains of the interventions – [Example] - digitalization of public services

Building a territorial strategy for digital:

- Orient all digital policies and systems around the needs of citizens first and foremost, rather than needs of government or technology.
- A 'Digital Strategy' with leadership commitment to implementing it is essential for local governments that are making first steps to digitalize services. For more advanced regions, technology is often embedded in all aspects of a broader strategy.



- Make the digital agenda accessible, engaging and use it to revitalize local democracy.
- Avoid big ticket solutions. The mantra ‘fail in a fortnight’ is valuable to ensure the right scale of initiative.

Empowering territorial digital solutions:

- Local governments need access to big data and internal capacity to crunch big data in order to understand how services are being delivered.
- Substantive learning and collaboration with private sector partners (especially SMEs) is important. One example is Digital Boards that operate regionally that involve public and private sector input.

The role of higher tiers of government:

- Promote public-private partnerships to develop and deploy new redesigned digital solutions, particularly in sectors such as education and transport.
- Remove barriers to cross-border interoperability and look to develop digital public services based on harmonized standards and technical specifications.
- Create a supportive legal framework for digital solutions, particularly for services where digital uptake is currently low, such as healthcare and social welfare.
- Support the digital transition of small towns and cities, in recognition that not all services can or should be digitalized at all levels.

### Digital Dividend for Shrinking Rural Areas

Although shrinking rural areas are recognized as a feature of territorial dynamics, one major problem is that there is actually very little research on the subject. Whilst shrinkage tends to refer to population and demographic trends and flows, there is no agreed definition of what shrinkage means. It might also mean a narrowing of the base of employment in rural areas and also negative changes in the carrying capacity of the land. Overall, de-population is the key underpinning trend. A ‘new normal’ has emerged in many rural regions:

- Supply and demand for services are in a negative trajectory.
- High dependency ratios combined with low tax bases.
- Brain drains on young people to cities and metropolitan areas.
- Ageing population that is increasingly isolated.

This new normal has multiple implications and costs for Europe. It raises critical challenges concerning the nature of decline and how to support rural populations and environments. Given the powerful de-population trends it is necessary to assess whether it is possible to develop a more positive vision of rural areas with smaller populations. At the same time, it is important to address negative perceptions of rural areas, as well as the challenging circumstances.

One key issue is that almost all territorial development paradigms assume a growth orientation. There is a stark choice between ‘growth’ and ‘decline’ scenarios. The idea to ‘shrinkage’ is to seek to avoid the negative connotations of decline and the ‘compulsory’ pursuit of growth, and to reframe the discussion. The topic is politically difficult because highlighting population decline raises many fears amongst population and leads to growth-oriented policies that lack credibility. A more thoughtful approach is needed. For example, a shrinking population might be seen to have positive environmental outcomes. It might match better the carrying capacity of the land and territory. It might enable consolidation of assets, amenities, and services in key locations, which might, when combined with digital connectivity, and

reframed mobility services, be able to support a smaller population with a sustainable quality of life. In these ways a focus on shrinkage is a means to promote positive adaptation in rural areas.

## 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.