

**Detailed Project Proposal on Development
of Tourism in the Javakheti National Park
Support Zone**

2012 - 2013

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1. Project Primary Information and Situational Analysis

Javakheti is located in the southern part of Georgia. Geographically, it is located in the extreme northern part of the country's Middle East Highland. The north of Javakheti is bordered by the Trialeti Ridge Slopes while the eastern and southern parts are surrounded by the Abul-Samsar and Javakheti Ranges which gradually transform into Turkey's north-eastern plateau (the Childir "Çildir" Lake area). In the west, the Javakheti Range is surrounded by the deep valley of the River Kura. The total area of the Range is approximately 700 km² and its absolute height varies from 1,500 to 3,300 metres.

Javakheti is the part of historical Meskheta (Samtskhe-Javakheti). It consists of two administrative territorial entities; namely, the municipalities of Ninotsminda and Akhalkalaki. These municipalities are comprised of 98 settlements including 96 villages and two towns. The biggest town, located in the Javakheti Range, is Akhalkalaki with a population of 12,000-15,000; Ninotsminda's population is 6,900. In the region, 80% of the population lives in rural areas. The total number of population in these two municipalities is 102,400 (67,300 in Akhalkalaki and 35,100 in Ninotsminda).

Population density may vary in accordance with vertical zonality. Density varies from 50 to 100 persons per 1 km² at an altitude of 1,700-2,000 metres. Population density slightly exceeds 15 people per 1 km² at an altitude higher than 2,000 metres. In summer, the number of population of the Javakheti Highland increases since people from other regions come here to use the Javakheti Mountains as summer pastures.

Javakheti Protected Areas, which was legally established in 2011, is part of the system of Protected Areas in Georgia. It was established under the Georgian Law On the Establishment of Javakheti Protected Areas and Management and includes the following categories of Protected Areas:

- a. Javakheti National Park
- b. Kartsakhi Wetland Sanctuary
- c. Sulda Wetland Sanctuary
- d. Kartsakhi Lake Sanctuary
- e. Bughdasheni Lake Sanctuary
- f. Madatapa Lake Sanctuary

The establishment of Javakheti National Park was funded by KFW (Kreditanstalt für Wiederaufbau) and is implemented by WWF Germany and the WWF Caucasus Programme Office of Consortium in co-operation with the Agency of Protected Areas under the Ministry of Environment of Georgia.

The main purpose of the establishment of the Javakheti Protected Areas is to protect the representative sections of the Javakheti Mountain ecosystems and wetlands. Reserves are created to protect the lakes and marshes which are separated from the Park. The Park and the Reserves include important habitats of flora and fauna and are eco-regionally and internationally important resting places for migratory birds. The third most important route of migratory birds in the Caucasus passes through this area (other routes are the Caspian Sea and the Black Sea). The establishment of Protected Areas echoes the requirements of the Convention on Biological Diversity (CBD), which

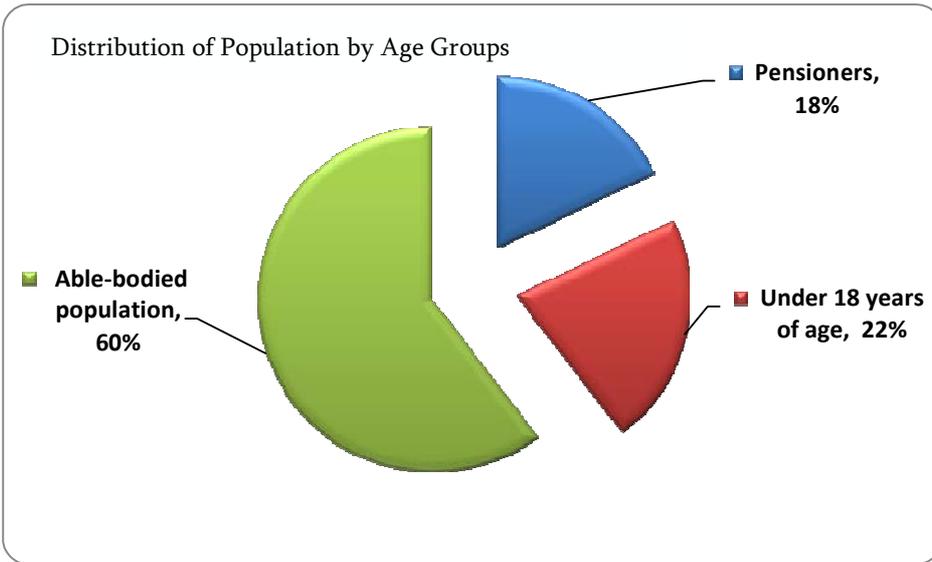
Georgia joined in 1994, and the obligations under the Convention on Wetlands of International Importance, Especially Territories Suitable for Water Birds (the Ramsar Convention; Georgia joined in 1997).

The Javakheti Protected Areas Supporting Zone has ten villages: six are located in the Municipality of Akhalkalaki and four are located in the Municipality of Ninotsminda (see Table 1). The number of population of these ten settlements is 4,750, which includes 1,732 households. The largest village is Sulda, followed in size by Kartsakhi and Dadeshi, all of which are located in the Municipality of Akhalkalaki.

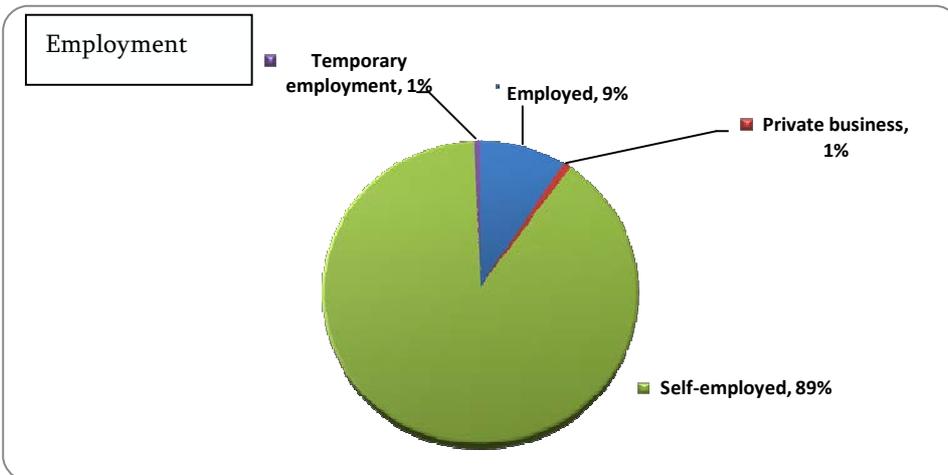
Table 1. Number of Population in Javakheti Protected Areas Support Zone

Name	Registered population	Number of registered households
<i>Akhalkalaki Municipality (villages from Javakheti Protected Area Supporting Zone only)</i>		
Sulda	1,100	505
Miasnikiani	140	42
Bozali	206	75
Dadeshi	885	386
Kartsakhi	987	300
Filipovka	73	25
<i>Ninotsminda Municipality (villages from Javakheti Protected Area Supporting Zone only)</i>		
Patara Khanchali	683	263
Epremovka	150	380
Zhdanovo	446	80
Sameba	80	18
Total	4,750	1,732

The population of target villages amounts to some 1,700 households, which is around 4,700 persons of whom 859 are pensioners and about 1,040 are children.



Only a very small percentage of the population capable for work is officially employed with the majority of them in positions of teachers and representatives of territorial bodies. A small part of the population has small businesses such as grocery shops and milk production businesses, amongst others. The remaining part of the population, not considering those who have left their places of residence for temporary employment elsewhere, are considered as self-employed.



Of those identified as self-employed, these members of the population are working in the agricultural sector which is the leading sector of the region. Farming largely depends upon the location of the village above sea-level. Cattle-breeding, cultivation of potatoes and grain crops and honey production are the most typical economic activities of the local people.

Table 2. Data on Gender, Age and Educational Level of the Population

Number of Persons	
Men	2,288
Women	2,462

Retired of both sexes	846
Aged 0-16 years	1,038
Aged 18-59 years	2,869
Employed	201
Self-employed	2,641
Outside workers	20
Own business	17
Secondary school	3,246
Graduate	286
Students	86

The Javakheti Protected Areas and the Support Zone villages are located close to the Armenian and Turkish borders. The shortest highway from Tbilisi to Javakheti runs south-west through Manglisi and Tsalka which enables visitors to reach the region from the capital in two to two-and-a-half hours. This is the same distance as from Tbilisi to Telavi and from Tbilisi to Kazbegi where local and foreign tourists often go for one-day or two-day tours on weekends. Javakheti is connected with the Ajara Region by the Goderdzi Pass. Rehabilitation of the highway is planned in the nearest future with the support of the Millennium Challenge project. After its completion and in addition to the Tbilisi-Batumi highway, an additional highway will run through the vicinities of the planned protected area; specifically, through Ninotsminda and Akhalkalaki.

The roads connecting Georgia-Armenia and Georgia-Turkey run through the Javakheti territory. The names of the border posts are as follows:

Ninotsminda (Bavra) – Georgia-Armenia crossing

Kartsakhi – future border post of Georgia-Turkey (presently not functioning; set to start operation by 2014)

There are three possible routes to travel from the capital to the region as follows:

Tbilisi-Manglisi-Tsalka-Ninotsminda: 180 km

Tbilisi-Khashuri-Borjomi-Akhaltzikhe-Akhalkalaki: 293 km

Tbilisi-Khashuri-Borjomi-Bakuriani-Tabatskuri-Akhalkalaki: 253 km

The distance from Javakheti administrative centres to the larger towns and cities of West Georgia does not exceed 270 km:

Akhalkalaki-Khashuri-Kutaisi: 210 km

Akhalkalaki-Kutaisi-Batumi: 370 km

Akhalkalaki-Adigeni-Khulo-Batumi: 165 km

The distance from Javakheti administrative centres to the boundaries of neighbouring countries does not exceed 80 km:

Akhalkalaki-Ninotsminda (Bavra): 50 km

Akhalkalaki-Kartsakhi: 30 km

Akhalkalaki-Vale: 80 km

This project proposal is result of a participatory planning process which was started in 2009 within the Support Zone Development Plan elaboration process. Communities gave a high priority to the development of eco-tourism. The WWF, therefore, conducted a feasibility study in 2011 and developed this current project proposal in close consultation with the target communities. The communities showed a high level of commitment for developing eco-tourism in the region and considered it as a good potential for diversifying their sources of income and livelihoods. This process, however, also revealed that there is a strong need for trainings in different fields which is reflected in the training component of this proposal. In the course of project implementation, additional training needs may appear and so the training package may be adjusted during the implementation. In order to formalise the commitment of the beneficiaries, MoUs will be signed detailing tasks, responsibilities, the contribution of beneficiaries and, finally, the hand-over procedures of equipment and construction work.

2. Description of the Problem and Project Objectives Subsequent from the Problems

Traditionally, the Javakheti area is used for pasture with the locals depending upon farming as the primary source of their livelihoods. The region is particularly suitable for growing vegetables and fruit. Apiculture is relatively developed and farming is very widespread but incomes remain at a level which is insufficient for making a decent standard of living. Money-commodity relations are very weak in the target region. The locals get their necessary products mainly through barter exchange.

A situation such as this, therefore, makes the local population dependent upon natural resources including those resources from the Javakheti National Park.

The establishment of the National Park is connected to some restriction on the use of natural resources from the side of the local population which may cause conflict between the Park and the residents. As a result and in consideration, the local population should be given the opportunity to have alternative sources of income. Worldwide, eco-tourism and its related services are one of the most important alternative sources of income and employment opportunities for people living near national parks.

The Javakheti National Park, which will protect the area's flora and fauna as well as the unique mountain steppes, alpine lakes and wetlands, has the potential for the development of eco-tourism.

The main objective of the Development of the Javakheti National Park Supporting Zone programme, therefore, is as follows:

To promote economic development and sustainable livelihoods for the population of the Javakheti National Park Supporting Zone and ensure the use of tourist-recreation resources of Javakheti Protected Areas.

3. Project Objectives and Feasible Outcomes

3.1. Objectives

1. Support the local population of the Javakheti National Park Supporting Zone villages to establish guesthouses in a locally embedded style offering a real alternative to existing accommodation facilities.
2. Support the local population of the Javakheti National Park Supporting Zone villages to establish horse rental points.
3. Establish market places nearby the Javakheti National Park at the main highway.
4. Establish women's social enterprise in the village of Dadeshi.¹
5. Improve the skills of local residents in tourism business and marketing.
6. Improve the skills of local residents in producing safe dairy products.

3.2. Feasible Outcomes

This project aims to create a precedent of successful tourism business (e.g., guesthouse or horse rental point) in Javakheti National Park Supporting Zone. It is expected that the ideas will be replicated by other community members within a four-to-five year period and similar businesses will be launched. It is expected that the environment will benefit through the increased awareness of local residents and the livelihood diversification decreasing the pressure upon the natural resource base.

3.2.1. Feasible Short-Term Outcomes

- Three guesthouses will be established in the Javakheti National Park Supporting Zone villages.
- One horse rental point will be established in the Javakheti National Park Supporting Zone villages.
- Two market places will be established nearby the Javakheti National Park at the main highway.
- Women's social enterprise will be established in the village of Dadeshi where at an initial stage at least ten women will be employed. Support can be extended for handicrafts production or food processing.
- Local residents involved in tourism will gain knowledge in running tourism businesses through a training package tailored to the need of the various population groups.
- Local population will see the benefit in the preservation of the Javakheti National Park through better income opportunities generated by the Park.
- Employment opportunities will increase thereby generating additional income.

3.2.2. Feasible Long-Term Outcomes

¹ The idea to spread the benefits of the project to a larger group through the establishment women's social enterprise came at a late stage of the project designing and was not a part of the feasibility study. The development of a concept for such enterprise including a business plan and training needs will be part of the tender process.

- The project will contribute to fairer income opportunities in the Javakheti National Park Support Zone. Tourism will create jobs in the local tourism sector as well as in related sectors.
- Tourism will contribute to facilitating its domestic sectors: guesthouses and accommodations, restaurants and catering facilities, transport systems, crafts, tours and informational centres, as examples.
- Tourism will attract investments in the region. It will also promote local economic diversification systems with income opportunities throughout the year.
- Sustainable tourism will contribute to the participatory decision-making process. This will contribute towards a harmony between tourism and resource users. Sustainable tourism means planning and zoning which will define a limited number of tourists in accordance with the eco-system.
- Tourism will facilitate local infrastructure: transport means, telecommunications and other basic infrastructure parts.
- Ecologically sustainable tourism will underline the importance of the natural and cultural resources of the Javakheti Protected Areas in the economic and social development process of the region and contribute to their protection.

4. Link between Planned Components and the Establishment of the Javakheti National Park in Georgia Project

Modern approaches to the establishment of the Javakheti National Park and its management include not only achieving pure conservative objectives but also taking care of the socio-economic development of the area's residents. The practice of management of Protected Areas in Georgia shows that the objectives are successfully achieved only if the local people have economic interests and express their support for the existence of these said areas. One of the most important directions, therefore, is to contribute to the development of eco-tourism in the Supporting Zone and to facilitate the involvement of the local population within. It is key for the successful implementation of the project that it is as inclusive as possible. The Tusheti National Park can be considered as Georgia's best example of this practice.

The tourism development component should undertake the mission that the local population will be involved in tourism and the residents will recognise and understand that the Javakheti National Park's natural resources and conservation importance will ensure the success of their own tourism businesses.

5. Criteria and Methods for Selection of Beneficiaries

Field trips were planned and conducted for the selection of project beneficiaries. Target villages were observed during these visits and sites for guesthouses and market places were selected. The criteria for selecting potential guesthouses included: the house's geographical location, its appearance, its distance from the central highway and its ease of access for visitors. The method for selecting horse rental points involved interviewing local residents during informal community gatherings—the so-called *birzha*—in order to identify horse owners. Interviews at the *birzha* were also used for the selection of sites for market places. Discussions about the establishment and maintenance of market places were also undertaken at such informal meetings.

Following the initial meetings, a feasibility study was conducted in the selected areas in which 51 local families were interviewed.

The questionnaire criteria were based upon the goal of getting closer to the standards of rural and small town guesthouses. The questionnaire was prepared by the Elkana Biological Farming Association under the commission of EuroGites and the Polish Agro-Tourist Federation. The Elkana Association has been successfully using this model in Georgia for several years in order to evaluate hotels and guesthouses including within the Samtskhe-Javakheti Region.

The evaluation of a **guesthouse** was based upon the following criteria in addition to visual surveillance of its geographical parameters:

- House owner's willingness to establish a guesthouses facility in his own house.
- Availability of a water supply system.
- Existence of at least two separate rooms.
- Family members' knowledge of foreign languages at a communicational level.
- Willingness to contribute financially and or other materials towards project implementation and through donated labour force.

In addition, the following points were observed and noted by the consultant taking the interview and completing the assessment questionnaire during the process of selecting a potential participant: environment (specifically, noise and activity levels), the owner's public, cultural and environmental protection responsibilities and the potential and abilities of the hostess to receive guests and provide proper personal attention alongside the prospect for the development of the Park's basic infrastructure.

The selection and evaluation of a **horse rental point** was based upon the following criteria:

- Willingness to establish horse rental points.
- Number of horses owned.
- Number of horses in the neighbourhood which can be rented and willingness to collaborate with other members of the community.
- Knowledge of foreign languages at a communicational level.
- Willingness of family members to work as guides or provide other related tourism services.
- Willingness to contribute financially and or other materials towards project implementation and through donated labour force.

Additional criteria within this particular selection and evaluation included the rental point's suitable location to the Javakheti Protected Areas System (JPAS).

Owing to the fact that rural population has a limited number of horses (the area has a maximum of four animals), it is advisable that the horse rental point owner collaborate with other community members and rent horses from them to supplement this number.

6. Number of Beneficiaries and its Substantiation in accordance with Poverty, Gender Balance and Other Factors

During elaboration process of this project, potential villages and beneficiaries were identified, however the implementing organization is free to select other villages¹ and beneficiaries who greater meet the selection criteria.

Supporting Zone villages: Kartsakhi, Sulda and Epremovka were selected for the establishment of guesthouses. The village of Zhdanovo was selected for the establishment of a horse rental point. The feasibility study revealed that a sufficient number of horses may not be available in the villages in which the guesthouses are planned to be established. During project implementation, a study will be made as to whether or not the horse rental point still can be located close to a village with a guesthouse, such as Sulda, through partnerships with several other horse owners.

6.1. Guesthouses

Housing in the project region is generally poor and will not meet basic expectations of visitors and tourists. Investments, therefore, are required to offer visitors a minimum standard of comfort. It is expected that overnight facilities will attract visitors to the villages with overall positive impact upon and for the communities.

Potential beneficiary in the Village Kartsakhi, Akhalkalaki Municipality GenzelAbagian

Two family members will be involved in the guesthouse business and will serve visitors with the assistance of hired labour. They will need to hire at least one woman. The family's farming is limited and so they will purchase food products from neighbouring families which will increase the income of the neighbouring families as well.

Investment necessary for house repairing activities = 20,000 GEL

Number of direct beneficiaries = 3

Amongst female = 2

Number of indirect beneficiaries = 3 families (10 people)

Village Sulda, Akhalkalaki Municipality Silvart Apoian

Two adult family members will be involved in providing visitor service as well as two members of Apoian's brother's family who will be used as additional labour force and will work as guides.

Investment necessary for house repairing activities = 30,000 GEL

Number of direct beneficiaries = 6

Amongst female = 2

Village Epremovka, Ninotsminda Municipality

¹ The implementing organization should consider, that only support zone villages are eligible for implementation of the project: Sulda, Miasnikiani, Bozali, Dadeshi, Kartsakhi, Filipovka, Patara Khanchali, Jdanovo, Epremovka, Sameba

Baikal Tsarukian

Two family members will be involved in the tourism business. They will need the help of their neighbours in renting horses and in providing guide services. Tsarukian can hire up to seven-to-eight people upon an as-needed basis.

Investment necessary for house repairing activities = 700 GEL

Number of direct beneficiaries = 3

Amongst female = 1

Number of indirect beneficiaries = 7-8

6.2. Horse Rental Point

Village Zhdanovo, Ninotsminda Municipality

Ervand Sumbulian

Sumbulian is a young man who owns three horses. He will be the owner of the horse rental point and registered as a sole proprietor. In cases when more than three horses will be needed, his uncle, living in the adjacent village of Sameba and owning four horses, will assist him in this tourism service. For bigger groups (more than seven persons), more horses are available in the neighbourhood which can be rented from neighbours. Sumbulian will negotiate and make agreements with his neighbours upon an as-needed basis. Generated income will be distributed accordingly between all parties involved.

Sumbulian and his uncle will provide the guide services and two women from their families can be employed in serving meals for visitors, as required. The project will purchase horse gear which will be owned by the National Park which can be rented to Sumbulian for a small fee.

All of the abovementioned beneficiaries have the motivation and the intellectual potential to obtain the knowledge and information needed to run their businesses.

Necessary investment for equipment = 3,500 EUR

Number of beneficiaries = 4

Amongst female = 2

6.3. Establishment of Market Places

Market places will be established at two sites; specifically, along the roadways going to Kartsakhi and Zhdanovo. The local government will undertake the obligation to maintain and support the markets. Similar experiences of market place operation and maintenance exist at the Rikoti Pass and in Khertvisi (please see Appendix 8 – Market Places Operation Plan).

It is also possible to charge a nominal fee (in the form of rent) from the population for using the market places.

A group of representatives from the local population will be created in order to monitor and ensure the maintenance of the market sites as a means of involving residents in the decision-making processes. The group could organise and administer a cost-recovery mechanism, for example, or oversee the maintenance of the market place. Along with the local authorities, they can also regulate the access of residents to the market places and oversee and control onsite activities.

The Beekeepers Association (to be established within the framework of another sub-component of the overall project) will have access to the market places to market their products. In the case if a women's social enterprise is created, the products or goods produced will also be able to be sold at the market places.

The following requirements have been established for products selected for sale at the market places:

- The product is of local common origin but special and unique for visitors.
- The product is intended to be purchased directly from the manufacturer.
- The product is distinguished by its quality and special features of the region.
- The product producing process is based upon principles of sustainable resource use and does not damage or pollute the environment.

Generally, the market places should be open to all who have the abovementioned products for sale. These markets will be of special interest for the rural poor who usually do not produce enough products or goods for commercial markets. The market places can also serve as a driver to bring producers together to jointly market their products in urban centres, either independently or through a service provider. Synergies might allow them to directly transport their products to the centres without the involvement of wholesalers.

7. Project Implementation Stages and Activities

The project will be implemented in two stages. At the first stage, an Implementing Partner with relevant experience will be selected through a competitive bidding process in order to implement the tourism components (administration). The Implementing Partner will further sub-contract local entrepreneurs who will establish guesthouses in the selected houses and make arrangements for the actual repair work. At the second stage, all activities will be implemented in accordance with plans (please see Appendix 2 - Chart for Summarising Distribution of Activities in timeline).

8. Project Implementation Detailed Schedule (Chart for Summarising Distribution of Activities in Timeline)

Please see Appendix 2.

9. Detailed Budget of the Project

Please see Annex 6.

10. Economic Indicators and Calculation

Featured in Business Plans. Please see Appendix 8.

11. Risks that May Impact on Achieving Goals and Mitigation Strategies

Risks:

- Inadequate expectation of the beneficiaries of the rapid and enormous profits that can inspire nihilism; the project will try to spread benefits as much as possible in order to mitigate such risk.
- Distrust of local residents with regard to objectives of eco-tourism.
- Economic instability in the world and in Georgia.
- High competition within the country and in neighbouring countries.
- Low level of education and awareness of the local population. Disturbing animals and birds.
- Dissatisfaction by the tourists of the local population.
- Disrespecting local customs and habits.

Risk mitigation strategy:

- Information provided to the local population about possible business development scenarios and potential revenues based upon existing experience from other regions of Georgia.
- Study tours of beneficiaries to other regions of Georgia which give possibility to see and to obtain information from beneficiaries of other regions concerning the benefits resulting from of eco-tourism development.
- Intensive trainings, study tours and co-operation with the project and National Park (NP) administration are key to the awareness raising and education of local people.
- Information in ecological issues as well as local customs and habits provided to tourists. So-called Info Desks will be set up at the National Park where instructions for tourists will be placed. Publishing a leaflet with relevant information for tourists is also recommended. Park administration should also be responsible for informing tourists.

12. Project Implementation Methodology Responsibilities of Implementing Parties

An organisation with proven qualifications will be selected for the implementation of this component of the project based upon an open tender process.

Under project implementation the selected organisation will ensure:

1. Implementation of activities necessary for guesthouse repair work and provide necessary equipment.
2. Legal registration of guesthouses and horse rental point.
3. Provide owners (personnel) with trainings in service standards and running businesses.
4. Trainings for guides and facilitating communicate between them and the guesthouses and tourist companies.
5. Signing the Memorandum of Mutual Co-operation between project beneficiaries and the administration of the Javakheti Protected Areas.
6. Establishment of market places² and connecting and involving local residents in the planning and operation of the market places.

² For the purposes of economising within the budget, the expenses necessary for the establishment of market places will become a component of the construction of the Javakheti National Park infrastructure and will be assigned to the same company.

The project's implementing organisation, in collaboration with the WWF and the APA, will use the following methodology approaches and consider the following principles in conducting its activities within the project:

Increase of awareness – which means intensive trainings, consultations and coaching activities for beneficiaries to ensure the project's success and sustainability of the investment.

Participatory planning – consideration of the interested parties' opinions and their involvement in the planning, implementation and monitoring processes. Herein, the implementing organisation ensures the active participation of the public and initiates co-operation between local people, local government and park administration for eco-tourism development.

Openness and publicity of activities: information regarding project implementation (financial and methodological) will be available for main stakeholders and will be presented to local communities upon a regular basis.

13. Substantiation of Project Sustainability

The overall positive development and growth rates of the tourism sector in Georgia are key for the project's sustainability.³ It is expected, therefore, that the demand for tourist infrastructure and services will also grow in the Javakheti Protected Areas. The villages where the project plans to invest (along main roads Armenia-Georgia, Turkey-Georgia) are located in favourable locations for such tourism business since it can be also expected that travellers using these routes have the potential to also become customers of the tourism services.

The overall positive development of the tourism sector in Georgia as substantiated above will contribute to the sustainability of the interventions. Given the current poor housing conditions in rural Georgia, however, cost-intensive investments will be necessary to establish guesthouses with at least a decent comfort standard. The project will try to minimise such investment costs by using local houses, labour force and material. As for construction work, local companies will be contracted and furniture procured from local carpenters and blacksmiths in order to inject money into the local economy and spread the benefits of the project.

The local people use horses as work animals and so the horse rental point will be established based upon the existing horse base. Establishing a horse rental point does not imply changing the role of the horses as the owners can use them for labour purposes when they are free and rent them when there is the tourist demand.

Both services, especially at the initial stage of development, should not be understood if tourism is to become the main source of income for the local residents. **At this stage, development of tourism in the target region will provide an additional source of income for the local population and contribute to the strengthening of commodity-money relations in the region.** In accordance with the development of the country and the growth of regional popularity, this sector will become the main source of income for some of the local residents within the next four-to-five

³ www.apa.gov.ge

years, as envisaged, and will facilitate the development of traditional sectors of economy under the multiplier effect which will also ensure the creation of new sectors.

As for market places, their purpose is to offer local products for sale and increase the income for all social strata of the local population. The population supports this direction of the project. At the first stage, market place customers will be primarily visitors who come to Georgia from Armenia. The dynamics of the tourist number coming from Armenia is incremental. In accordance with the data of the Georgian National Tourism Agency, for example, almost 300,000 people entered Georgia in 2011 at the Ninotsminda (Sameba) border point with a similar number also having left the country at that same border point. In future, after the opening of the Kartsakhi border point, visitors will be arriving from Turkey (local residents have already mentioned that they meet a great many cycling tourists from Turkey). All incoming and outgoing visitors can be considered as potential customers of the market places. Success of the market place near of the Kartsakhi Lake, will depend upon the opening of the border point and operation of the Javakheti National Park infrastructure.

14. Efficiency Indicators of Project Implementation

The following quantitative and qualitative indicators should be used for the evaluation of the effectiveness of project implementation:

- Three guesthouses in local traditional style are established and properly operational.
- A women's social enterprise is established in the village of Dadeshi with ten women employed.
- At least 150 beneficiaries are provided with services, consulting and trainings.
- The horse rental point already exists and has signed the agreement (about providing service to tourists in the Javakheti National Park) with the Agency of Protected Areas.
- Five guides are trained and qualified and offer their services in the National Park.
- Two market places are established and operating where products produced by at least 40 households are offered; a cost-recovery mechanism for running and maintaining the places has been tested and introduced.
- Beneficiaries have already contributed to offering tourist services.
- At least one foreign and ten local tourist companies have reflected local tour-products in their offers.
- Collaboration between the Park administration and people offering tourist services is enhanced.

15. Project Implementation Monitoring Chart and Methods

The purpose of project monitoring is to ensure compliance of project progress with the project plan. Monitoring results will be used as a final evaluation of the project. During the monitoring, significant attention will be devoted to study the issues as follows: deadlines for and quality of implementation

of actual activities, direct and indirect effects and impacts, evaluation of project sustainability and recommendations and proposals for the implementing (administrator) organisation.

Project monitoring will be carried out in two stages: the first will take place upon the completion of Stage 1 and the second will take place when the project is finished. Monitoring will consider the evaluation of field activities as well as the verification of financial data. The project implementer will inform the client in writing or verbally about the completion of each stage and the beginning of a new one. The quality of the construction work will be checked upon completion by an independent superintendence firm. The project's final assessment, when direct and indirect effects have been verified, will be conducted by the donor.

Selected appropriate indicators will be checked by means of interviews and survey questionnaires (with randomly selected informants) as the monitoring methodology in order to identify the effectiveness of project implementation and targeting the following groups:

- Beneficiaries
- Representatives of local authorities
- Population of target villages

Monitoring will be conducted by the project implementing agency in co-operation with the Javakheti National Park administration in the second year with long-term monitoring done by Park administration. Evaluation criteria of success and monitoring questionnaires about socio-economic sustainability and the attitudes of the local population will be used in the monitoring process. These questionnaires are used by units of the Agency of Protected Areas (please see Appendix 3).

16. Additional Information

16.1 Logistical aspects

During project implementation, the geographical and climatic conditions of the target region mean that construction and repair work can only be started from the month of May. By this time of period, the shortest road (Tbilisi-Tsalka-Ninotsminda), which connects the region to the capital, will be open and, as such, have a significant impact upon reducing transportation costs of the materials needed for project implementation.

16.2 Photos

Please see attached CD.

16.3 General information related to the mentioned sectors

Please see the document entitled *Feasibility Study on Relevance of Tourism Development Trends in the Javakheti National Park Supporting Zone*.

16.4 Other projects in the same sector which can be used for sharing of experience or collaboration

Projects supporting the business initiatives of local residents are being implemented in various regions of Georgia and in the buffer zones of Protected Areas. Amongst the most successful projects are: eco-tourism and local industry development projects implemented in the Tusheti, Lagodekhi, Borjomi-Kharagauli and Mtirala Protected Areas.

In terms of sharing experience, the Elkana Association's project on the development of tourism is very important. Samtskhe-Javakheti is one of its target regions. It is expected that guesthouses which will be established in Javakheti will be published by Elkana in an annual guesthouse catalogue. The organization can also provide the information on the website: www.ruraltourism.ge. Considering the fact that Elkana is a member of various international organisations (IFOAM, GENET, etc.), information posted on this website will reach a wide audience.

16.5 Why the locals cannot solve/eradicate the problems themselves and whether there are any attempts (from whom) applied (successfully or unsuccessfully)

The local living conditions are very low with the population in poverty and without opportunities for saving money or investing in entrepreneurial activities. As far as the locals up until only recently have not spoken the state language, the region has unfortunately been isolated from the rest of the country for this reason. The population in general still suffers from a lack of information and a low level of education.

Despite the fact that there is information that various international organisations are carrying out activities in this region, respondents could not remember any of them when questioned during field interviews.

The experience of other protected areas shows that some financial support is important at the initial stage for the development of tourism and local farming.

16.6 Successfully implemented similar projects in similar areas

Identical projects along with the establishment of protected areas in various regions of Georgia have been implemented in buffers zones. The Tusheti Protected Areas can be used as an example. Before the establishment of the National Park, there was only one guesthouse operating in this region. Within the framework of the Tusheti National Park Establishment project, guesthouses, horse rental points, traditional handicrafts and development centres were financed at seven sites in the region, all of which are operating successfully. Many local residents used the successful business as examples and established guesthouses with their own efforts and resources. This is also expected in Javakheti. In accordance with the data of the Tusheti Protected Areas administration, there are 34 guesthouses serving visitors in Tusheti.

The Tusheti Protected Areas administration carried out various activities in co-operation with its business association in the following fields: marketing, development of service and creation of tourism products.

Tusheti is fifth place of the “World’s Top Ten Best Unknown Places” published by Yahoo Travel and CNN.⁴

Recommendations are for the project’s implementing agency to organise an introductory tour of the beneficiaries in the Tusheti Protected Areas.

16.7 Other alternatives

Alternatives are discussed in the analysis of other “Potential Tourism Trends – Chapter 6” of the *Feasibility Study on Promotion of Tourism in the Javakheti National Park Supporting Zone Villages* document.⁵

16.8 Criteria which should be met/fulfilled before investment

Before investing in guesthouses and the horse rental point, the owners will give warranties on their financial and material contributions. The exact amount of participation will be identified and Memoranda of Co-operation will be signed between Javakheti Protected Areas administration and beneficiaries.

⁴ http://travel.yahoo.com/p-interests-40712082;_ylt=Ak6lXkMpHtOHyyvwukZ1FeTqhpYMA
<http://edition.cnn.com/2011/12/06/travel/12-best-places-bt/index.html>

⁵ S. Tvaradze, *Feasibility Study on Promotion of Tourism in the Javakheti National Park Supporting Zone Villages*, WWF Germany, 2011.

Appendix 1 – Study Programmes in Accordance with Training Courses

Training Summary²

#	Section of Budget / Unit of Procurement	Amount (GEL)	Syllabus	Target Group
1	Basics of Protected Areas and Tourism, 1 day - 8 hours*			
1.1.	Trainer's salary (1 hour x 40.0 GEL x 8 hours)	320	<ul style="list-style-type: none"> • Zoning of protected areas • Essence, goals and objectives of the protected areas • Regulation: legal foundation, borders, the role of the local community, the regulatory basis • The main concepts: (1) operational plan, (2) allowed number of tourists, (3) limits of permissible ascendency, (4) legislation on protected areas of Georgia, (5) conservation of biodiversity, (6) sustainable use and (7) sustainable income • Classification of protected areas in accordance with IUCN • Tourism: (1) economic importance, (2) tourism products, (3) tourists' interests 	Guesthouses, horse rental point, Javakheti National Park administration, local guides, interested representatives of the community. In total, 25 participants.
1.2.	Prepare training hand-outs	150		
1.3.	Lunch for 25 participants (25*7)	175		
1.4.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 1 person + 2 nights accommodation x 60.0)	154		
1.5	Participants' travel (25 participants x 10 GEL x 2 days)	500		
	Total (in GEL)	1299		

² Prices of trainings can be changed according to implementing organization's view

#	Section of Budget / Unit of Procurement	Amount (GEL)	Syllabus	Target Group
2	Visitors Service and Guide Service, 2 days - 16 hours			
2.1.	Trainer's salary (1 hour x 40.0 GEL x 16 hours)	640	<ul style="list-style-type: none"> ▪ Preparation for receiving visitors, information about visitors: origins, special requirement for food, medical data, interests, list of obligations that should be fulfilled with the tourist groups ▪ Preparation for tour, meeting and greeting visitors, introduce tourists to rules of local conduct, prepare a schedule for tourists, select routes, evening entertainment programmes, logistical support ▪ Services for tourists, guide service: information and briefings before and during the trip, surprise and astonishment factor during planning, arrival/departure ▪ Evaluation, data collection and management after tourists leave, self-assessment and tourist questionnaires ▪ Set up programmes in accordance with tourist interests, tell interesting stories to tourist groups, introduce historic places to groups, informational sessions on strategy on Javakheti Protected Areas ▪ Interpretation, hiking trails guidance, layout and images of hiking trails on the map, selection of interesting points, preparing interesting information about each point, putting interesting places on the map and planning access trail, preparing field guide for trails, preparing signs and numbers of interesting places 	Guesthouses, horse rental point, Javakheti National Park administration, local guides. In total, 20 participants.
2.2.	Lunch for participants (20 persons x 7.0 GEL x 2 days)	280		
2.3.	Prepare training hand-outs	40		
2.4.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 1 person + 4 nights accommodation x 60.0)	274		
2.5.	Participants' travel (20 participants x 10 GEL x 2)	400		

days)			
Total (in GEL)	1634		

#	Section of Budget / Unit of Procurement	Amount (GEL)	Syllabus	Target Group
3	Interpretation, 1 day - 8 hours			
3.1.	Trainer's salary (1 hour x 40.0 GEL x 8 hours)	320	<ul style="list-style-type: none"> • How to demonstrate hospitability • How to select and conduct interesting evening entertainment programmes for tourists at the Tourist Centre • Management of interpretation trails and prepare informational booklets • How to select a tour and prepare an illustrated text with explanations 	Guesthouses, horse rental point, Javakheti National Park administration, local guides. In total, 15 participants.
3.2.	Lunch for participants (15 participants x 7.0 GEL x 1 day)	105		
3.3.	Prepare training hand-outs	30		
3.4.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 1 person + 2 nights accommodation X 60.0)	154		
3.5.	Travel expenses of participants (15 participants X10)	150		
Total (in GEL)		759		
4	Guide / Equipment, 2 days - 16 hours			
4.1.	Trainer's salary (1 hour x 40.0 GEL x 16 hours)	640	<ol style="list-style-type: none"> 1. Routes planning <ul style="list-style-type: none"> • what is a good guide? • draw up an agenda for groups • menu planning • budget and schedule planning (logistics) • prepare a checklist for equipment • safety issues • legal obligations of a guide • prepare meals, packaging and storage • break planning during trips • Special activities planning • Take notes about events 	Guesthouses, horse rental point, Javakheti National Park administration, local guides. In total, 15 participants.
4.2.	Lunch for participants (15 participants x 7.0 GEL x 2 days)	110		
4.3.	Prepare training hand-outs	30		
4.4.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 1 person + 3 nights accommodation x 60.0)	214		

4.5.	Travel expenses of participants (15 participants x 10 x 2 days)	300	<ul style="list-style-type: none"> • Draw up a questionnaire to evaluate the trip 2. Practical classes – Guide a trip • Assignment: prepare two three-day tours for a group of six persons; the tour should include hiking and horse riding • Play the role of a guide during trips 	
	Total (in GEL)	1294		
#	Section of Budget / Unit of Procurement	Amount (GEL)	Syllabus	Target Group
5	First Aid in Field Conditions, 2.5 days - 20 hours			
5.1.	Trainer's salary (1 hour x 40.0 GEL x 20 hours)	800	<p>Providing first aid in field conditions means to care for a patient in a non-standard situation. The field leader's responsibilities are very important when dealing with providing first aid in the field where the environment contains some risks.</p> <p>Content:</p> <ul style="list-style-type: none"> • Body's major systems – homeostasis • Shock and its management in the field 	Guesthouses, horse rental point, Javakheti National Park administration, local guides. In total, 15 participants.
5.2.	Lunch for participants (15 participants x 7.0 GEL x 3 days)	315	<ul style="list-style-type: none"> • Principles of actions in special circumstances • Access to primary medical examination • Secondary medical examination (overall estimation) • Respiratory tracts obstruction (in adults, children and infants) • Carry out artificial respiration (in adults, children and infants) • Reanimation and cordial massage (in adults, children and infants) • Reanimation and cordial massage in the field • First aid kit and equipment • Disinfection of water in the field 	
5.3.	Prepare training hand-outs	45	<ul style="list-style-type: none"> • Soft tissue injuries (wounds and disinfection, burns and ulcers) • Head and spine injuries (stagnancy and evacuation issues) • Minor head injuries (eyes, ears, nose, mouth, teeth) • Locomotive system injuries (tension, wrench, cracks, reduction and improvised fixation) • Other problems: poisoning, allergic reactions, attacks, diabetes, paralysis, stomach-intensive and abdominal problems) 	
5.4.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 1 person + 3 nights accommodation x 60.0)	214	<ul style="list-style-type: none"> • Problems caused by environmental factors (thermoregulation – hypothermia and hyperthermia, frostbite, water caused problems, lightning strike) • Secondary medical aid and evacuation (by land, water and air transport) • Field safety issues 	

5.5.	Travel expenses of participants (15 participants x 10 GEL x 3 days)	450	<ul style="list-style-type: none"> • Closure of the course and tests for participants • Field practice: wildlife trip (overnight in accordance with the scenario) 	
	Total (in GEL)	1824		

#	Section of Budget / Unit of Procurement	Amount (GEL)	Syllabus	Target Group
6	Marketing and Sales, 1 day - 8 hours			
6.1.	Trainer's salary (1 hour x 40.0 GEL x 8 hours)	320	<ul style="list-style-type: none"> • Basics of marketing • Marketing tendencies of international tourism • Methods of retail sales 	Representatives of local guesthouses, horse rental point and Dadeshi women's social enterprise, staff from Javakheti National Park administration, local guides. In total, 25 people.
6..2.	Lunch for participants (25 participants x 7.0 GEL x 1 day)	175		
6.3.	Prepare training hand-outs	30		
6.4.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 1 person + 2 nights accommodation x 60.0)	154		
6.5.	Travel expenses of participants (25 participants x 10 GEL x 1 day)	250		
Total (in GEL)		929		
7	Rural Tourism, 3 days - 24 hours			
7.1.	Trainer's salary (1 hour x 40.0 GEL x 24 hours)	960	<ol style="list-style-type: none"> 1. Development of rural tourism, tourism expenditures, tourism trends and products 2. Types of guesthouses and their functions, offering accommodations to a tourist or a group of tourists 3. Use of local resources for tourism development 4. Enterprise financial management and analysis, micro credits, accounting principles 5. Registration of private enterprises, business management principles 6. Interiors of house and guesthouse, ethnographic spaces, handicrafts 7. Standards and minimum requirements for guesthouses 8. Decorative garden and its planning; exterior of houses and guesthouses, decorative space in the yard, plants 9. Characteristics of food services 10. Additional services, co-operation with tour operators and agencies, tourist offers 	Representatives of local guesthouses, horse rental point and Dadeshi women's social enterprise, staff from Javakheti National Park administration, local guides. In total, 25 people.
7.2.	Lunch for participants (25 participants x 7.0 GEL x 3 days)	525		
7.3.	Prepare training hand-outs	100		
7.4.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 3 persons + 5 nights accommodation x 60.0)	402		
7.5.	Travel expenses of participants (25 participants x 10 GEL x 3 days)	750		
Total (in GEL)		2737		

#	Section of Budget / Unit of Procurement	Amount (GEL)	Syllabus	Target Group
8	Basics of Bird Watching			
8.1.	Trainer's salary (1 hour x 40.0 GEL x 40 hours)	1600	General information about bird watching, bird evolution, anatomy, and physiology, zoogeography, habitats and environment, habits of birds (breeding, development, nutrition, etc.), migration, conservation, bird identification, bird watching equipment, trips to the field	Representatives of local guesthouses, horse rental point, and Dadeshi women's social enterprise, staff from Javakheti National Park administration and Agency of Protected Areas, guides from Georgian travel agencies working on bird watching. In total, 15 people.
8.3.	Trainer's accommodation expenses (6 nights x 60.0)	360		
8.6.	Travel expenses Tbilisi-Akhalkalaki–Tbilisi (1 way x 180.0 x 2 ways + 1 day field work x 120)	480		
8.7.	Lunch for participants (15 participants x 7.0 GEL x 5 days)	805		
8.8.	Travel expenses of participants (15 participants x 10 GEL x 5 days)	750		
	Total (in GEL)	3995		
9. Study Tour to other Protected Areas **				
9.1.	Participants' travel	3000	Introduce the activities of guesthouses and horse rental point of Tusheti and Tusheti National Park administration, meetings with local civic organisations, visit implementing projects	Representatives of guesthouses, horse rental point and Dadeshi women's social enterprise, staff from Javakheti National Park administration and local authorities. In total, 25 people.
9.2.	Accommodation and food for participants	5000		
	Total (in GEL)	8000		
10. Food Processing / Food Safety				

10.1.	Trainer's salary (1 hour x 40.0 GEL x 16 hours)	640	Getting started in food safety and food processing, hygiene and sanitation, assessment of the farm operation for food safety, post-harvest technology of fruits and vegetables, techniques of food preservation, processing, quality analysis of food products, packaging and marketing	Representatives of guesthouses, horse rental point and Dadeshi women's social enterprise, staff from Javakheti National Park administration, other interested farmers. In total, 30 people.
10.2.	Trainer's travel and accommodation expenses (Tbilisi-Akhalkalaki-Tbilisi 17.0 x 2 x 1 person + 3 nights accommodation x 60.0)	214		
10.3.	Lunch for participants (30 participants x 7.0 GEL x 2 days)	420		
10.4.	Travel expenses for participants (30 participants x 10 GEL x 2 days)	600		
10.5.	Training hand-outs/materials	200		
	Total in GEL	2074		

#	Section of Budget / Unit of Procurement	Amount (GEL)	Syllabus	Target Group
	Total amount in GEL	24545		
	Amount in EUR at current exchange rate of 1 EUR = 2.15 GEL	11416		
	Contribution from Agency of Protected Areas (GEL)	624		Note: Agency with its own effort can conduct a training in Protected Areas and the basics of tourism in the targeted villages.
	Funds to be financed by the project (EUR)	11 126		
* This training will be conducted by the Agency of Protected Areas in the targeted villages and all expenditures will be covered by the Agency.				
**The study tour prices are calculated in accordance with the case of the Tusheti National Park.				

Appendix 2 – Chart for Summarising Distribution of Activities in Timeline

Action/Activity	Executor	Selection Criteria:	Months										
			1 st month	2 nd month	3 rd month	4 th month	5 th month	6 th month	7 th month	8 th month	9 th month	10 th month	11 th month
Stage 1													
Activity 1.1 Select project implementing (administrator) agency	Project implementing agency in agreement with agency of Protected Areas	<p>Experience in development of rural eco-tourism and sustainable livelihoods:</p> <ol style="list-style-type: none"> 1. Experience in co-operation with international organizations and governmental institutions 2. Experience in working with the population of the Javakheti Region 3. Annual financial turnover of average 100,000 GEL for last three years 4. Experience in management of projects financed by international donor organizations 5. Experience in management of small infrastructural projects 6. Experience in management of projects oriented on organic farming products and safe food-processing 7. Experience in fundraising⁶ <p>Selected organization will ensure implementation of the main activities in accordance with the three components (guesthouses, horse rental point, market places).</p>											

⁶ Desirable is for the selected company to be able to find/attract additional funds from the donors in order to implement additional projects.

Action/Activity	Executor	Selection Criteria:	Months										
			1 st month	2 nd month	3 rd month	4 th month	5 th month	6 th month	7 th month	8 th month	9 th month	10 th month	11 th month
Stage 2													
<u>Activity 2.1</u> Prepare a project on reconstruction of the houses selected for guesthouses and agree with the client (project implementing agency and Agency of Protected Area)	Hired design organisation along with administrator organisation												
<u>Activity 2.2</u> Agree upon the reconstruction project with appropriate agency of local government	Administrator organisation												
<u>Activity 2.3</u> Select a construction company for implementation of the house reconstruction project	Administrator organization in agreement with project implementing agency	<ol style="list-style-type: none"> 1. At least three-years experience in construction 2. Experience of working in the region 3. Experience in the use of green design techniques 4. Annual financial turnover is at least 100,000 GEL for last three years 5. Proprietor of the appropriate material-technical base 											
<u>Activity 2.4</u> Implementation of reconstruction activities on the houses selected for guesthouses	Hired construction company along with administrator organization												

Action/Activity	Executor	Selection Criteria:	Months										
			1 st month	2 nd month	3 rd month	4 th month	5 th month	6 th month	7 th month	8 th month	9 th month	10 th month	11 th month
<u>Activity 2.5</u> Conduct training and organise study tours for guesthouse owners	Administrator organisation												
<u>Activity 2.6</u> Prepare and publish (in Georgian, Armenian and English languages) promotional information about guesthouses and tourist services	Administrator organisation												
<u>Activity 2.7</u> Register guesthouses as an entrepreneur	Administrator organisation												
<u>Activity 2.8</u> Sign memoranda of co-operation between guesthouses and Javakheti Protected Areas administration	Administrator organisation, Javakheti National Park administration												
Horse Rental Point:													
<u>Activity 2.9</u> Purchase horse gear	Administrator organisation												
<u>Activity 2.10</u> Trainings and study tours for horse rental point representatives	Administrator organisation												

Action/Activity	Executor	Selection Criteria:	Months										
			1 st month	2 nd month	3 rd month	4 th month	5 th month	6 th month	7 th month	8 th month	9 th month	10 th month	11 th month
<u>Activity 2.11</u> Registration as an entrepreneur	Administrator organisation												
<u>Activity 2.12</u> Sign memorandum of co-operation with Javakheti Protected Areas administration	Administrator organisation												
Market Places:													
<u>Activity 2.14</u> Identify and make a list of potential beneficiaries of market places	Administrator organisation along with local authorities												

Action/Activity	Executor	Selection Criteria:	Months										
			1 st month	2 nd month	3 rd month	4 th month	5 th month	6 th month	7 th month	8 th month	9 th month	10 th month	11 th month
<u>Activity 2.15</u> Training of potential beneficiaries and distribution of information amongst the population 1. Prepare brochure/leaflet and publish in Georgian and Armenian on how to use market places and distribute them within the local population (see comment above)	Administrator organisation Javakheti National Park administration												
<u>Activity 2.16</u> Transfer objects to Akhalkalaki and Ninotsminda municipalities and sign an agreement between the municipalities and project implementing agency	Administrator organisation along with project implementing agency												
<u>Activity 2.17</u> Promote operation of market places during the first month and work out local authorities' recommendations for proper operation of market places in future; test and introduce cost-recovery mechanism	Administrator organisation												

Action/Activity	Executor	Selection Criteria:	Months										
			1 st month	2 nd month	3 rd month	4 th month	5 th month	6 th month	7 th month	8 th month	9 th month	10 th month	11 th month
<u>Activity 2.18.2</u> Media tour	Administrator organisation along with Agency of Protected Areas												
<u>Activity 2.18.3</u> Introductory tour for tour operators	Administrator organisation along with Agency of Protected Areas												
<u>Activity 2.18.4</u> Preparation of tourist maps	Administrator organisation												
<u>Activity 2.18.5</u> Establishment of women's social enterprise in village Dadeshi	Administrator organisation along with local authorities and other interested NGOs												
<u>Activity 2.18.6</u> Teach Georgian and English to beneficiaries	Administrator organisation along with Javakheti National Park administration												

Appendix 3 – Questionnaire on Public Perception and Monitoring and Evaluation of Social Impact

Proficiency Test

1. Do you live near the Protected Area?

Yes

No

2. What is the distance between your house and the border of the Protected Area?

Less than 1 kilometre

Less than 5 kilometres

Less than 10 kilometres

More than 10 kilometres

3. What is the main purpose of the Protected Area?

Improvement of living environment of people

Provide people with firewood

Provide people with pasture

Attract visitors (tourists)

Protect wildlife and plants

Preservation of cultural and natural heritage

4. Which animals or birds inhabit the Protected Areas located near you?

Wolf

Bear

Leopard

Lion

Deer

Eagle

Other (please specify)

5. Which rare species of tree or plant is found in the Protected Area located near you?

6. Do you know who is responsible for managing the Protected Area?

Yes

Ministry of Environment and National Resources of Georgia

Department of Forestry

Agency of Protected Area

Ministry of Agriculture

The Board of Council (*Sakrebulo*)

Administration of Protected Area

No

7. Have you ever heard about the Agency of Protected Areas?

One answer

Yes

No

8. Have you ever heard about the administration of Protected Areas?

One answer
Yes
No

9. What are your sources of information about the Agency of Protected Areas?

Media
Hearsay
Friends/family members
I work in this system

10. What are your sources of information about the administration of Protected Areas?

Media
Hearsay
Friends/family members
I work in this system

11. How much have national resources (pastures, forests, fish, wild animals, fruits, berries, mushrooms, etc.) changed near your place of residence for last two-to-three years?

Answer
Worsened
The same
Improved
I do not know

Expectations and Fears

12. Do you think that Protected Areas will make any profit for you or your family?

One answer
Yes
No
I do not know

13. What are your hopes (expectations) with respect to the Protected Area?

Answer
Better protection of environment (improve living conditions for people)
Better protection of natural resources (forest, fish, water, pastures, etc.)
Attract visitors
Creation of new jobs and income

14. Will you have problems due to Protected Areas?

One answer
Yes
No

15. What are the problems caused by the Protected Area?

Answer
Restriction on use of pastures
Restriction on cutting trees

Restriction on hunting
Restriction on fishing
Restriction on collecting fruits, berries and mushrooms
Restriction on the only source of subsistence
Will increase danger from wild animals
Other (please specify)

Profit and Loss

16. Do you or any of your family members use the Protected Area? Do you have any interests?

Answer

Yes
No

17. What are the resources of the Protected Areas you or any of your family members use?

Yes

Resources
Pastures
Hay
Wood/firewood
Hunting
Fishing
Collecting berries, mushrooms and other wild products
Sand/stones
Water
Other (please specify)

No

Social Economic Sustainability

18. Are you satisfied with the quality of your life?

Very satisfied
Partially satisfied
Neither satisfied nor dissatisfied
Partially dissatisfied
Completely dissatisfied
I do not know

Participation in Project Management/Small Grant Programmes

19. Do you or your adult family members participate in decision-making process for your village?

One answer
Yes
No

20. Have you ever been provided with any information about the Protected Areas?

Yes
No

21. If yes, please specify the source:

Administration of Protected Areas
Other environmental organisations
Local authorities
NGOs
Media
Other (please, specify):

22. What activities in relation to the Protected Areas have you or any of your family members been involved in?

Activities
Answer
Discussions on the Management Plan
Discussions on Pasture Management
Discussion about using other resources in the Protected Areas
Discussions on other issues related to Protected Areas
Public Awareness Programme
Training
Other (Please Specify):
None

23. Have you ever heard about small grant programmes which have recently been implemented (or are still under implementation) in the Protected Areas?

Yes
No

24. Did you participate in the competition to receive grants?

One Answer
Yes
No

25. If YES, how would you assess the organisation's fairness in selecting the winner of the micro-projects?

The competition was fair
The competition was unfair
Minor violations were noted
I do not know/hard to answer

26. If you did not participate in the competition, what was the reason?

I had no hope to win
I did not have enough information about the competition
I did not want to participate
I do not know/hard to answer

27. Do you agree with the following statements?

The results of the micro-projects implemented by the Agency of Protected Areas in our region are as follows:

Quality of life has improved for many families
Yes
No

Influenced positively in the development of the region
Yes

No

Contributed to breed rare species

Yes

No

Only a few families have benefited from it

Yes

No

Contributed to restoration of traditions

Yes

No

Contributed to the creation of opportunities for eco-tourism

Yes

No

Historical monument was rescued from demolition

Yes

No

Stopped youth drain from the villages

Yes

No

Socio-Demographic Questions

28. Your Gender:

Female

Male

29. How old are you? (Put your age)

30. Your education:

One answer

Elementary education

Secondary education

Secondary technical education

Incomplete higher education

Higher education

31. Your social status:

One answer

Public servant

Worker

Pupil/student

Retired

Temporarily unemployed

Entrepreneur

Other, please specify

32. Region (Indicate place of your residence)

Appendix 4 – List of Potential Guides

Guides have been selected by an expert during the process of IPP development. Different persons showed interest and were interviewed. Not all of them met the minimum criteria of selection (language skills, communication skills, willingness for collaboration with the National Park, etc.). Four persons were ultimately identified who could become guides after respective trainings are conducted.

#	Full Name	Address	Contact
1	Stephan Simonyan	Ninotsminda, village Zhdanovo	599 95 24 29
2	Ervand Sumbulian	Ninotsminda, village Zhdanovo	599 17 21 13
3	Mushavan Tsarukian	Ninotsminda, village Epremovka	598 02 00 16
4	Grigor Akopian	Akhalkalaki, village Sulda	790 94 58 19

Appendix 5 – Business Plans

Guesthouse 1 - Business Plan

1. Preamble

The village of Kartsakhi is located in the Municipality of Akhalkalaki in the southern part of the Javakheti Highland, near Khozapini (Kartsakhi) Lake, 1,860 metres above sea level and 30 km from Akhalkalaki. In accordance with the census conducted in 2002, 891 residents lived in the village. The potential guesthouse is located at the outskirts of the village of Kartsakhi, some 400-500 metres from the main road.



In total, the guesthouse will have three rooms, including a living room and two double bedrooms, which enables four visitors to be accommodated at the same time.

1.1. Legal Status

When the guesthouse is established, Genzel Abagian will be registered as an entrepreneur under Georgian legislation. It would, however, be better for him to be registered as the sole proprietor.

1.2. The Purpose

Creation of additional income for Abagian residing in the Javakheti National Park Supporting Zone; namely in the village Kartsakhi located near to Lake Kartsakhi.

1.3. Key to Success

Abagian will undertake the following measures in order to achieve success in this initiative:

- Establish the guesthouse in accordance with standardised terms and conditions of guesthouses. The guesthouse should be embedded in the local context and should be a real alternative to existing hotels. Guesthouses should give guests a sense of local traditions and should prolong the enjoyment of nature.
- Communicate with various tourism agencies and tour-operators.
- Offer high-quality (ecologically pure) food to visitors.

The results of these measures will be that Abagian will gain his niche in the local tourism market.

2. Marketing

2.1. Target Market

The target market of Abagian's guesthouse is as follows:

- Local tourists: visitors who come to see the Javakheti National Park in summer (the previous years' experience shows that visitors stay for approximately three-to-five days).
- Repatriating visitors: a large part of residents who left the village years ago. Their houses are destroyed or in disarray. They come to the village in the summer, typically, and stay with relatives; others are unable to visit because they have no place to overnight. The guesthouses can be offered as a service to these types of visitors as well.
- Foreign tourists/travellers: visitors who come to Georgia through tourist agencies or individually and visit the region to see the Javakheti National Park. These types of tourists can also be cyclists from Turkey who will also need a place to overnight.
- Birdwatchers: experts or amateurs interested in bird watching; they come from all over the world.
- Weekend visitors: foreign and Georgian visitors visiting the region at the weekends.

2.2. Pricing Policy

Guesthouse service prices are shown below in Table 1. Estimated prices were calculated based upon the experiences of guesthouses located in the region and the prices of services rendered to one visitor.

Table 1

#		Visitor GEL
1	Price for one day, without meals	20
2	Price for one day, breakfast included	25
3	Price for one day, 2 meals included	35
4	Price for one day, 3 meals included	45

Table 2 represents the calculation of services rendered to one tourist. The calculation was made under standards of tourist services and in accordance with prices existing in the region (this calculation will vary depending upon the availability of products produced at home).

Table 2

List	Number	Price/Number	GEL
Fixed Number			
Electricity	7	0.16	1.12
Gas or wood			1
Labour for food preparation		30+45+45	3.4
Labour for laundry		60 minutes	1.7
Labour for washing dishes		15+15+15	1.2
Labour for cleaning rooms		30 minute	0.85
Detergent for linen	50 gr	4 GEL/600 gr	0.33
Dishwashing liquid	20 gr	2 GEL/200 gr	0.1
Bathroom/toilet washing/ disinfection means	50 gr + 50 gr	0.25 l + 0.25 l	0.5
Bathroom/toilet means (liquid soap, shampoo, toilet paper, trash bag)			2.05
Serviettes		1.3l/1 package	0.15
Fixed Expenses in Total			11.28
Breakfast Price	Number	Market Price	Sum
Tea	1 cup	0,15 GEL/per cup	0.15
Coffee	10 gr		0.5
Sugar	30 gr		0.1
Bread	250 gr	0.15 GEL/250 gr	0.15
Jam	40 gr	4 GEL/200 gr	0.8
Curds and Cheese	50 gr	8 GEL/1 kg	0.5
Honey	50 gr	16 GEL/kg	0.8
Milk and Fruit	250 ml/gr	1,5 GEL/litre	0.38
Butter	20+20 gr	2.5 GEL/200 gr	0.5
Juice	250 ml	3 GEL/litre	0.75
Egg	2	0,35 GEL/one	0.7
Breakfast Price			5.33
Lunch and Dinner Prices	Number	Price	Sum
Bread	200 gr	0.12 GEL/200 gr	0.12
Potatoes	350 gr	1.2 GEL/kg	0.42
Rice	150 gr	1,5 GEL/kg	0.23

Meat	200 gr	12 GEL/kg	2.4
Onion	100 gr	1 GEL/kg	0.1
Tomatoes	150 gr	2 GEL/kg	0.3
Cucumber	150 gr	2 GEL/kg	0.3
Carrot	100 gr	2 GEL/kg	0.2
Greens, salt, pepper and etc.			0.25
Cake	50 gr	4 GEL/kg	0.2
Fruit	200 gr	3 GEL/kg	0.6
Tea	1 cup	0,15 GEL /cup	澆 乳 澗
Coffee	10 gr		0.5
Sugar	30 gr		0.1
Juice	250 ml	3 GEL/litre	0.75
Mineral Water	0.25 bottle	1 GEL/bottle	0.25
Fat	0.7 l	2.5 GEL/bottle	1.75
Lunch Price			8.62
Dinner Price			8.62
Total Expenses			33.85

2.3. Advertisement

The following promotional activities are planned within the framework of the Development of Tourism in the Javakheti National Park Supporting Zone project worked out within the framework of the Establishment of the Javakheti National Park in Georgia project: media-tours and preparation and distribution of advertisement-informational materials. Information about guesthouses will be also posted on the website of the Agency of Protected Areas (www.apa.gov.ge).

If the guesthouse meets the standards, the information about this guesthouse can probably also be posted on the websites of the Elkana Rural Tourism Association (www.ruraltourism.ge) and the Municipality of Akhalkalaki (www.akhalkalaki.ge).

3. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - Location of the village - Owner's motivation - Ecologically clean environment and foods produced by the locals - Conditions meet the standards - Neighbourhood with the Javakheti National Park - Location in the region of migratory birds - Location at the border with Turkey 	<ul style="list-style-type: none"> - Lack of experience in the field of service - Lack of required skills - Severe weather conditions - Knowledge of Georgian and English languages at a low level

Opportunities	Threats
<ul style="list-style-type: none"> - Possibility of financial support from the project - Local market potential - Opportunities for developing winter tourism - Prospective for co-operation with Protected Areas - Access to trainings and consultation within the frame of the project 	<ul style="list-style-type: none"> - Strengthening of competitors and emergence of new competitors in the market - Market volume growth at a slow speed - Political situation in the country - Changes in customers' demands and attitudes

4. Strategy and Brief Outline of Project Implementation

The strategy of Abagian's guesthouse is to succeed by offering quality services and creating a family environment for visitors. The project will support him through the following activities:

The project will only provide equipment that is essential for the tourism experience but going beyond local standard. This includes, for example:

- (i) Construction work for rooms to guarantee privacy, cleanliness and an atmosphere that is homey but professional
- (ii) Heating system in the rooms
- (iii) Good beds with proper mattresses
- (iv) Clean bathrooms including outlets for toilets, sinks, floor drainage, etc.
- (v) Boiler and shower in bathroom
- (vi) Electric kettle in tourist common room for making coffee or tea at their leisure

Equipment such as bins, carpets, dishes and the like should be provided by the owner. The owners will have to contribute through labour force to the renovation work and will be responsible for the renovation and the furniture of the court yard.

4.1. Competitive Advantage

Location: the guesthouse has a unique location. It is located nearby the main road connecting Georgia-Turkey and near Kartsakhi Lake. This gives opportunity for a visitor to arrange trips to the Javakheti National Park to observe birds. A beautiful view of the village is seen from the yard. It is also possible to set up a place for outdoor cooking and a comfortable place in the yard with benches. The living conditions will be in accordance with guesthouse standards.

Diversity of services: the guesthouse will offer a warm family environment with a variety of traditional dishes and the full package of National Park services.

Meals: Abagian runs his own farm where he produces his own dairy and meat products which will be used for catering. Simultaneously, he will offer tourists the traditional dishes and honey products produced by the local members of the beekeepers association.

4.2. Marketing Strategy

4.2.1. Sales Strategy

Abagian's guesthouse is involved in the tourism development component of the Establishment of the Javakheti National Park in Georgia project and includes the preparation and distribution of informational-promotional materials about Javakheti tourism offers and the organisation of media tours and bringing interested companies for on-site visits. In future, the organisation of these events will be with the Javakheti National Park administration or other business entities.

4.2.2. Sales Forecast

In general, the guesthouse will be able to serve visitors by the end of the tourist season in the first year. Considering the fact that this business will be new, the number of visitors in the first year will be about 20-30.

The advertising campaign planned under the project will be finished by the second year. It is forecast to contribute to the popularity and increase of visitors to the Javakheti National Park as well. At the same time, the guesthouse will be operating throughout the whole year and will receive visitors during both bird migration seasons. The minimum number of visitors by that time is envisaged to be 90 per year.

By the third year, the tourist flow will be steadily increased due to growing popularity of the region and its developed infrastructure (railway, highways, service facilities) alongside the enhanced image of the guesthouse.

4.3. Project Implementation Plan

Year 1	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Prepare project on repair work												
Implementation of repair work												
Purchase necessary equipment												
Installation of equipment												
Fixing of the yard												
Participate in preparation of promotional materials												
Participate in distribution of promotional materials												
Opening of the guesthouse												

5. Management

Abagian will supervise the everyday routine of the guesthouse and will be responsible for:

- Logistics of the guesthouse
- Management of finances
- Offering and organising additional services
- Marketing and sales
- Maintenance of the good condition of the guesthouse

His spouse will be responsible for:

- Receiving visitors and handling their accommodations
- Planning the menu and making and serving the meals
- Ensuring the cleanliness and tidiness of the guesthouse

6. Financial Plan

Year 1

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Incomes													
Income from receiving a visitor								315	315	450	0	0	1080
Expenses for receiving a visitor								78,96	78,96	112,8			270,72
Expenses for a visitor's meals								157,99	157,99	225,7			541,68
Total	0	78,05	78,05	111,5	0	0	267,6						

Year 2

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Incomes													
Income from receiving a visitor				675	450	225	900	900	225	675	0	0	4050

Expenses for receiving a visitor				169,2	112,8	56,4	225,6	225,6	56,4	169,2			1015,2
Expenses for a visitor's meals				338,55	225,7	112,85	451,4	451,4	112,85	338,55			2031,3
Total	0	0	0	167,25	111,5	55,75	223	686	55,75	167,25	0	0	1003,5

Year 3

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Incomes													
Income from receiving a visitor				900	540	315	900	1350	360	900	0	0	5265
Expenses for receiving a visitor				225,6	135,36	78,96	225,6	338,4	90,24	225,6			1319,76
Expenses for a visitor's meals				451,4	270,84	157,99	451,4	677,1	180,56	451,4			2640,69
Total	0	0	0	223	133,8	78,05	223	334,5	89,2	223	0	0	1304,55

Profit and Loss Account

	Year 1	Year 2	Year 3
Income from sales of services	1080	4050	5265
Price of rendered services	812,4	3046,5	3960,45
Gross profit	267,6	1003,5	1304,55
Gross profit %	68.61%	74.20%	74.06%
Indirect costs	0	0	0
Untaxed profit	267,6	1003,5	1304,55
Profit tax (20%)	53,52	200,7	260,91
Net profit	214,08	802,8	1043,64
Other expenses (dividends, etc.)	0	0	0
Retained profit	214,08	802,8	1043,64

Budget for Equipment Necessary for the Guesthouse

Budget			
Name of Equipment/Work to be Implemented	Unit	Unit Price	Total Price
Refrigerator (subject to funding availability)	1	900	900
Boilers/pans (set)	1	300	300
Blender	1	120	120
Soft furniture/local handicrafts/pottery	1	1100	1100
Receiver/reception	1	300	300
A table with chairs (locally manufactured)	3	450	1350
Carpet for living room	1	250	250
Wardrobe in the bedroom (locally manufactured)	2	220	440
Mirror	2	50	100
Bedside table (locally manufactured)	2	150	300
Water heater	1	250	250
Litter bin (x5)	5	10	50
Pillows	5	20	100
Linen	8 set	50	400
Towel	10	18	180
Blanket	4	30	120
Mattress	4	90	360
Vacuum Cleaner (subject to funding availability)	1	120	120
Bench (locally manufactured)	2	90	180
Folding beds (subject to funding availability)	1	130	390
Waste bins for the yard	3	50	150
Total			7460

Guesthouse 2 - Business Plan

1. Preamble

The village of Sulda is located in the Municipality of Akhalkalaki, on the Javakheti Highland, at 1,900 km above sea-level. It is situated 30 km from Akhalkalaki. In accordance with the census conducted in 2002, 915 residents lived in the village.



The house is located nearby the highway connecting Georgia and Turkey. It consists of two rooms and is surrounded by a rather large yard. In total, the guesthouse may have two double bedrooms which means four visitors can be accommodated at the same time.

1.1. Legal Status

When the guesthouse is established, Silvert Akoian will be registered as an entrepreneur under Georgian legislation. It would, however, be better for him to be registered as the sole proprietor.

1.2. The Purpose

Creation of additional income for Akoian residing in the Javakheti National Park Supporting Zone; namely, in the village of Sulda.

1.3. Key to Success

Akoian will undertake the following measures in order to achieve success in this initiative:

- Establish guesthouse in accordance with standard terms and conditions of guesthouses.
- Communicate with various tourism agencies and tour operators.

- Offer high-quality (ecologically pure) food to visitors.

2. Marketing

2.1. Target Market

The target market of Akoian's guesthouse is as follows:

- Local tourists: visitors who come to see the Javakheti National Park in summer (the previous years' experience shows that visitors stay for approximately three-to-five days).
- Repatriating visitors: a large part of residents who left the village years ago. Their houses are destroyed or in disarray. They come to the village in the summer, typically, and stay with relatives; others are unable to visit because they have no place to overnight. The guesthouses can be offered as a service to these types of visitors as well.
- Foreign tourists/ travellers: visitors who come to Georgia through tourist agencies or individually and visit the region to see the Javakheti National Park. These types of tourists can also be cyclists from Turkey who will also need a place to overnight.
- Birdwatchers: experts or amateurs interested in bird watching; they come from all over the world.
- Weekend visitors: foreign and Georgian visitors visiting the region at the weekends.

1.2. Pricing Policy

Guesthouse service prices are shown in Table 1. Estimated prices were calculated based upon the experience of guesthouses located in the region and the price of services rendered to one visitor.

Table 1

#		Visitor GEL
1	Price for one day, without meals	20
2	Price for one day, breakfast included	25
3	Price for one day, 2 meals included	35
4	Price for one day, 3 meals included	45

Table 2 represents the calculation of services rendered to one tourist. The calculation was made under standards of tourist services and in accordance with prices existing in the region.

Table 2

List	Number	Price/Number	GEL
Fixed number			
Electricity	7	0.16	1.12
Gas or wood			1
Labour for food preparation		30+45+45	3.4
List	Number	Price/Number	GEL
Labour for laundry		60 minutes	1.7
Labour for washing dishes		15+15+15	1.2
Labour for cleaning rooms		30 minutes	0.85

Detergent for linen	50 gr	4 GEL /600 gr	0.33
Dishwashing liquid	20 gr	2 GEL /200 gr	0.1
Bathroom/toilet washing/ disinfection means	50 gr + 50 gr	0.25 l +0.25 l	0.5
Bathroom/toilet means (liquid soap, shampoo, toilet paper, trash bag)			2.05
Serviettes		1.3l/1 package	0.15
Fixed Expenses in Total			11.28
Breakfast Price	number	Market Price	Sum
Tea	1 cup	0,15 GEL/per cup	0.15
Coffee	10 gr		0.5
Sugar	30 gr		0.1
Bread	250 gr	0.15 GEL/250 gr	0.15
Jam	40 gr	4 GEL/200 gr	0.8
Curds and Cheese	50 gr	8 GEL/1 kg	0.5
Honey	50 gr	16 GEL/kg	0.8
Milk and Fruit	250 ml/gr	1,5 GEL/litre	0.38
Butter	20+20 gr	2.5 GEL/200 gr	0.5
Juice	250 ml	3 GEL/litre	0.75
Egg	2	0,35 GEL/one	0.7
Breakfast Price			5.33
Lunch and Dinner Prices	number	Price	Sum
Bread	200 gr	0.12 GEL/200 gr	0.12
Potatoes	350 gr	1.2 GEL/kg	0.42
Rice	150 gr	1,5 GEL/kg	0.23
Meat	200 gr	12 GEL/kg	2.4
Onion	100 gr	1 GEL/kg	0.1
Tomatoes	150 gr	2 GEL/kg	0.3
Cucumber	150 gr	2 GEL/kg	0.3
Carrot	100 gr	2 GEL/kg	0.2
Greens, salt, pepper and etc.			0.25
Cake	50 gr	4 GEL/kg	0.2
Fruit	200 gr	3 GEL/kg	0.6
Tea	1 cup	0,15 GEL/cup	0.15
List	Number	Price/Number	GEL
Coffee	10 gr		0.5
Sugar	30 gr		0.1
Juice	250 ml	3 GEL/litre	0.75

Mineral Water	0.25 bottle	1 GEL/bottle	0.25
Fat	0.7 l	2.5 GEL/bottle	1.75
Lunch Price			8.62
Dinner Price			8.62
Total Expenses			33.85

1.2. Advertisement

The following promotional activities are planned within the framework of the project: media tours and the preparation and distribution of advertisement-informational materials. The information about guesthouses will be also posted on the website of the Agency of Protected Areas (www.apa.gov.ge).

If the guesthouse meets the standards, the information about this guesthouse can probably also be posted on the websites of the Elkana Association's Rural Tourism (www.ruraltourism.ge) and the Municipality of Akhalkalaki (www.akhalkalaki.ge).

2. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - Location of the village - Owner's motivation - Ecologically clean environment and food produced by the locals - Conditions meet the standards - Neighbourhood with Javakheti National Park - Location in the region of migratory birds - Location at the border of Turkey 	<ul style="list-style-type: none"> - Lack of experience in the field of service - Lack of required skills - Severe weather conditions - Knowledge of Georgian and English languages at a low level
Opportunities	Threats
<ul style="list-style-type: none"> - Possibility of financial support from the project - Market potential - Opportunities for developing winter tourism - Prospective for co-operation with Protected Areas - Access to trainings and consultation within the frame of the project 	<ul style="list-style-type: none"> - Strengthening of competitors and emergence of new competitors in the market - Market volume growth at a slow speed - Political situation in the country - Changes in customers' demands and attitudes

5. Strategy and Brief Outline of Project Implementation

The strategy of Akoian's guesthouse is to succeed by offering high quality services and creating a family environment for visitors. The project will support him through the following activities:

The project will only provide equipment that is essential for the tourism experience but going beyond local standard. This includes for example:

1. Construction work for rooms to guarantee privacy, cleanliness and an atmosphere that is homey but professional
2. Heating system in the rooms
3. Good beds with proper mattresses
4. Clean bathrooms including outlets for toilets, sinks, floor drainage, etc.
5. Boiler and shower in bathroom
6. Electric kettle in tourist common room for making coffee or tea at their leisure

Equipment such as bins, carpets, dishes and the like should be provided by the owner. The owners will have to contribute through labour force to the renovation work and will be responsible for the beautification of the courtyard.

Special trainings according to Appendix 1 will be also provided.

5.1. Competitive Advantage

Location: the guesthouse has a unique location near the highway connecting Georgia-Turkey and near the Sulda Wetland Sanctuary. This is a great opportunity for visitors to organise trips to the Sanctuary and the Javakheti National Park to observe birds. It is also possible to set up a place for outdoor cooking and a comfortable place in the yard with benches. The living conditions will be equivalent to guesthouse standards.

Diversity of services: the guesthouse will offer a warm family environment and a variety of traditional dishes as well as a full package of National Park service.

Meals: Akoian runs his own farm where he produces his own dairy and meat products which will be used in the catering. Simultaneously, he will offer tourists traditional dishes and honey products produced by local members of beekeepers association. It is also possible that he develops horse renting and bicycle renting services because he owns horses and bicycles.

5.2. Marketing Strategy

5.2.1. Sales Strategy

Akoian's guesthouse is involved in the components of the Establishment of the Javakheti National Park in Georgia project's Supporting Zone Tourism Development and includes the preparation and distribution of informational-promotional materials about Javakheti Tourism offers, and the organisation of media tours and bringing interested companies for on-site visits. In future, the organisation of these events will be with Javakheti National Park administration or other business entities.

5.2.2. Sales Forecast

In general, the guesthouse will be able to serve visitors by the end of the tourist season in the first year. Considering the fact that this business is new, the number of visitors in the first year will be about 20-30.

The advertising campaign planned under the project will be finished by the second year. It is forecast to contribute to the popularity and increase of visitors to the Javakheti National Park as well. At the same time, the guesthouse will be operating throughout the whole year and will receive visitors during both bird migration seasons. The minimum number of visitors by that time is envisaged to be 90 per year.

By third year, the tourist flow will be significantly increased due to growing popularity of the region and the development of infrastructure (railway, highways, service facilities) alongside the enhanced image of guesthouse. It is foreseen that the number of visitors served will be at least 115-120 per year.

5.3. Project Implementation Plan

Year 1	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Prepare project on repair work												
Implementation of repair work												
Purchase necessary equipment												
Installation of equipment												
Fixing of the yard												
Participate in preparation of promotional materials												
Participate in distribution of promotional materials												
Opening of the guesthouse												

6. Management

Akoian will supervise the everyday routine of the guesthouse and will be responsible for:

- Logistics of the guesthouse
- Management of finances
- Offering and organising additional services
- Marketing and sales
- Maintaining the good condition of the guesthouse

His spouse will be responsible for:

- Receiving visitors and handling their accommodations
- Planning the menu and making and serving the meals
- Ensuring in the cleanliness and tidiness of the guesthouse

7. Financial Plan

Year 1

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Incomes													
Income from receiving a visitor								315	315	450	0	0	1080
Rent horses								60	60	90			210
Rent bicycles								30	30	36			96
													0
Total	0	405	405	576	0	0	1386						
Expenses for receiving a visitor								78.96	78.96	112.8			270.72
Expenses for visitor's meals								157.99	157.99	225.7			541.68
Technical maintenance of bicycles								3	3	3.6			9.6
Total	0	239.95	239.95	342.1	0	0	822						

Year 2

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Incomes													
Income from receiving a visitor				675	450	225	900	900	225	675	0	0	4050
Rent horses				150	90	30	240	240	30	150			930
Rent bicycles				60	36	30	90	90	30	60			396
													0
Total	0	0	0	885	576	285	1230	1230	285	885	0	0	5376
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	

Expenses for receiving a visitor				169.2	112.8	56.4	225.6	225.6	56.4	169.2			1015.2
Expenses for visitor's meals				338.5	225.7	112.8	451.4	451.4	112.8	338.55			2031.3
Technical maintenance of bicycles				6	3.6	3	9	9	3	6			39.6
													0
Total	0	0	0	513.7	342.1	172.2	686	686	172.2	513.75	0	0	3086.1

Year 3

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Incomes													
Income from receiving a visitor				900	540	315	900	1350	360	900	0	0	5265
Rent horses				210	120	60	240	300	60	210			1200
Rent bicycles				90	45	39	90	120	45	90			519
													0
Total	0	0	0	1200	705	414	1230	1770	465	1200	0	0	6984
Expenses for receiving a visitor				225.6	135.36	78.96	225.6	338.4	90.24	225.6			1319.76
Expenses for visitor's meals				451.4	270.84	157.9	451.4	677.1	180.5	451.4			2640.69
Amortisation of bicycles				9	4.5	3.9	9	12	4.5	9			51.9
													0
Total	0	0	0	686	410.7	240.8	686	1027.5	275.3	686	0	0	4012.35

Profit and Loss Account

	2012	2013	2014
Income from sales of services	1386	5376	6984
Price of rendered services	822	3086.1	4012.35
Gross profit	564	2289.9	2971.65
Gross profit %	68.61%	74.20%	74.06%
Indirect costs	0	0	0
Untaxed profit	564	2289.9	2971.65
Profit tax (20%)	112.8	457.98	594.33
Net profit	451.2	1831.92	2377.32
Other expenses (dividends and etc.)	0	0	0
Retained profit	451.2	1831.92	2377.32

Budget for Equipment Necessary for the Guesthouse

Budget			
Name of Equipment/Work to be Implemented	Unit	Unit Price	Total Price
Refrigerator (subject to funding availability)	1	900	900
Boilers/pans (set)	1	300	300
Blender	1	120	120
Soft furniture/local arts/pottery	1	1100	1100
Receiver/reception	1	300	300
A table with chairs (locally manufactured)	3	450	1350
Carpet for living room	1	250	250
Wardrobe in the bedroom (locally manufactured)	2	220	440
Mirror	2	50	100
Bedside table (locally manufactured)	2	150	300
Water heater	1	250	250
Litter bin (X5)	5	10	50
Pillows	5	20	100
Linen	8 set	50	400
Towel	10	18	180
Blanket	4	30	120
Mattress	4	90	360
Vacuum Cleaner (subject to funding availability)	1	120	120
Bench (locally manufactured)	2	90	180
folding beds (subject to funding availability)	1	130	390
Waste bins for the yard	3	50	150
Total			7470

Market Place – Operational Plan

1. Preamble

The establishment of market places has a significant role in the component of tourism development in the Javakheti National Park Supporting Zone villages. This will give the opportunity for local residents with very low incomes to sell locally manufactured products, souvenirs and other items typical of the region. It should be noted that both market places are planned to be established near the main roads connecting Georgia with Turkey and Armenia; specifically, nearby Kartsakhi Lake and in the village of Zhdanovo.

Souvenirs of local origin, alongside potential for producing and selling them, were investigated by the consultant during the initial study. The establishment of a women's enterprise is planned under the project as well with the purpose of reviving the manufacture of local souvenirs.

The market places will also give the opportunity for local beekeepers and cattle breeders to sell the products manufactured by them.

1.1. Objectives

- Increased income of the local residents as well as additional profits
- Promote the involvement of local residents in the tourism business and make a friendly environment for visitors
- Introduce tourists to local traditional heritage and provide access to these goods
- Promote the Javakheti National Park

1.2. Key to Success

Location: both market places have favourable locations; that is, nearby Georgia's borders and the Javakheti National Park.

Status: trading places like this do not exist in this area

Concept: different from the usual trade points. Market places will be a combination of trade, local/traditional handicrafts show and tourist resting places where products and handicrafts will be for sale. Springs, toilet facilities and parking will be established at the market places.

The market places will offer tourists local products, ecologically pure foods and handicrafts which are almost impossible to buy elsewhere.

2. Direct and Indirect Beneficiaries:

The establishment of the market places will lead to profits for direct as well as indirect beneficiaries as follows:

Direct Beneficiaries:

- Javakheti National Park Supporting Zone village peasant farms where locals produce ecologically pure cheese and other dairy products
- Local women making crafts
- Members of the Javakheti Beekeepers Association
- The Dadeshi village women's social enterprise
- Visitors to the Javakheti National Park

Indirect Beneficiaries:

- Transit passengers passing through the border of Georgia
- Local population
- Local municipalities

3. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - Location close to Georgia's borders - Location nearby the Javakheti National Park - Diversity of products for sale in the region - Existence/support of the Javakheti National Park tourism development programme 	<ul style="list-style-type: none"> - Lack of practical experience in trade - Distance from the residents' dwelling houses to the market places - Lack of continuous chain of product manufacture - Seasonal work of market places
Opportunities	Threats
<ul style="list-style-type: none"> - Access to a new segment of the market - Based upon an increased number of visitors to Georgia, an opportunity to increase the number of potential customers - Absence of competitors at the market - Potential for growth of market size based upon tourism growth and transit flows - Potential for creation of new tourist routes due to developed infrastructure in the region - Interests of tourist companies in using of the region's tourism potential 	<ul style="list-style-type: none"> - Market growth at a low speed - Environmental conditions (unstable weather and harsh climate of high maintains) - Variability of customer demands - Decreased number of visitors due to delay of opening of Turkey cross-border point - Uneven political situation in the country (decreased number of visitors)

4. Project Implementation

The project implementing agency and the Municipality of Ninotsminda already have undertaken negotiations about the allocation of the sites for the market places. When the construction is

complete, the market places will be transferred to the local municipalities. It will be advisable for the municipalities to manage the market places with local initiative groups.⁹

The following activities will be conducted as a means of project implementation:

1. Allocate sites for the market places
2. Prepare a construction project and agree it with the local authorities
3. Conduct a memorandum of transfer and management of market places with the Municipalities of Akhalkalaki and Ninotsminda
4. Search for and register local souvenir producers and farmers
5. Conduct interviews with beneficiaries about their participation in the operation of market places
6. Establish local initiative groups and providing members with training
7. Provide training in sales for interested resident representatives
8. Define product assortment and compile preliminary findings
9. Establish market places and transfer them to the local government
10. Conduct a memorandum on the usage of market places between the Javakheti Beekeepers Association, the women's enterprise and local authorities
11. Prepare a Market Place Operation Plan

5. Brief Outline of Management

The market places will be managed by the Municipalities of Akhalkalaki and Ninotsminda in co-operation/participation with the initiative groups created from members of the local interested population.

Together with the local authorities, the initiative groups will select the residents of the local population who will use the market places for selling their products. At the same time, the market place usage schedule will be made in agreement with these residents.

The Javakheti National Park Supporting Zone Tourism Development organisation along with the local government and the initiative groups will develop a guidance document and ensure the involvement of potential beneficiaries in the trainings provided under the project.

Selected beneficiaries will meet the following criteria:

1. Should be a resident of one of the Javakheti National Park Supporting Zone villages

⁹ See details in the Promotion of Tourism in the Javakheti National Park Supporting Zone Villages project.

2. Should have his own products, manufactured by him on his farm
3. Should not be involved in a wholesale trade
4. Should agree and fulfil the established rules for the operation of the market places
5. In case of handicrafts, the products should be made from local materials

Permanent locations at the market places should be allocated for the members of local Javakheti Beekeeping Association and the Dadeshi women's social enterprise in order to sell their products.

6. Marketing Plan/Strategy

From the marketing point of view, the most important point is to allocate a proper site for the market places which will lead to a large flow of customers during the tourist season.

6.1. Target Market

The target market of the market places is as follows:

- Local tourists: visitors who come to see the Javakheti National Park in summer (the previous years' experience shows that visitors stay for approximately three-to-five days).
- Repatriating visitors: a large part of residents who left the village years ago. Their houses are destroyed or in disarray. They come to the village in the summer, typically, and stay with relatives; others are unable to visit because they have no place to overnight. The guesthouses can be offered as a service to these types of visitors as well.
- Foreign tourists/ travellers: visitors who come to Georgia through tourist agencies or individually and visit the region to see the Javakheti National Park. These types of tourists can also be cyclists from Turkey who will also need a place to overnight.
- Birdwatchers: experts or amateurs interested in bird watching; they come from all over the world.
- Weekend visitors: foreign and Georgian visitors visiting the region at the weekends.
- Transit passengers: as far as the market places are located on transit roads, customers will also be transit passengers from Armenia and Turkey.

7. Project Sustainability

The positive attitudes of the residents (which were revealed during the interviews with the locals), the favourable locations of the market places and the foreseen annual growth of transit flows are the conditions for project sustainability.¹⁰ It is key that a cost-recovery mechanism is tested and

¹⁰ For more details, please see *Feasibility Study on Promotion of Tourism in the Javakheti National Park Supporting Zone Villages* by S. Tvaradze, 2011, WWF Germany.

introduced for maintaining the market place. The project will cover such costs on an interim basis but not longer than 12 months after the site has been set up.

7.1. Project Financial Sustainability

The Establishment of the Javakheti National Park in Georgia project will cover the costs of designing and building the market places. The local governments of Akhalkalaki and Ninotsminda will allocate the sites for market places and ensure their maintenance as well.

In accordance with our study and under surveys of other regions, 20% of passengers use market places. An average amount spent by a passenger at market places is 2-3 GEL. Visitor growth at the market places located nearby the road connecting Georgia and Armenia is expected to be an average of 20% in 2012 according to the forecast of the Georgian National Tourism Agency. The number of visitors coming from the Sameba (Ninotsminda) cross-border point, therefore, will increase from 277,652 to about 333,000, with approximately 66,600 visitors making use of the market places. If one visitor spends about 1-3 GEL, the income from the market places will be around 133,200 GEL in the first year. In next years, the growth of income will be in direct proportion to the number of visitors coming from Armenia and Turkey alongside the number of National Park tourists. The expanded range of goods available for sale at the market places will influence the increase of income.

Horse Rental Point – Business Plan

1. Preamble

The target village Zhdanovo is part of the Javakheti National Park's Support Zone and is administrated by the Municipality of Ninotsminda. The village is located next to the Armenian border (2 km), adjacent to Madatafa Lake. Its location offers Armenian tourists as well as tourists coming from Tsalka a starting point for visiting all parts of the Javakheti Protected Areas. Tourists can start the horse tour from Zhdanovo, visit the Madatafa Lake Sanctuary, continue to the Bughdasheni Lake Sanctuary and then the Khanchali Lake Sanctuary. From Khanchali, tourists can ride to the National Park's visitors zone in the Zagranichni Kanyon and spend the night in an eco-camp which will be established at the entrance to the Kanyon.

Its location gives the opportunity for the village to become a tourism product supplier for Javakheti Protected Areas visitors. In particular, the local residents own horses and, consequently, can earn additional income from renting out their animals to the tourists.

The horse rental point will be involved in the chain of tourist services in the Javakheti National Park Supporting Zone villages and become a part of the entire service. It should be noted that the horse service is one of the most popular services in other regions.

1.1. Legal Status

Erdvan Sumbulian, the owner of the horse rental point, will be registered as a sole proprietor and, if required, will hire horses from his uncles and other villagers under the agreement.

1.2. The Purpose

The establishment of the horse rental point by the local residents in the Javakheti National Park Support Zone village Zhdanovo.

1.3. Key to Success

The following actions will be taken to insure the success of the initiative:

- Select the right horses, test them and determine their suitability for visitor services
- Purchase comfortable horse gear. Gear purchased under the project will be handed over to and owned by the Javakheti National Park Administration. Horse operators can rent the equipment upon a seasonal basis against a fixed fee (either per tour/day, week, month, full season)
- Communicate with various tourism agencies and tour operators
- Collaborate with the Javakheti Protected Areas administration and distribute appropriate leaflets in information centres, market places, etc. Bookings could be arranged through the Park's visitor centre.

2. Marketing

2.1. Target Market

The target market of the horse rental point is as follows:

- Local tourists: visitors who come to see the Javakheti National Park in summer (the previous years' experience shows that visitors stay for approximately three-to-five days)
- Foreign tourists/travellers: visitors who come to Georgia via tourist agencies or individually and visit the region to see the Javakheti National Park
- Birdwatchers: experts or amateurs interested in bird watching coming from all over the world
- Weekend visitors: foreign and Georgian visitors visiting the region at the weekends

2.2. Pricing Policy

The pricing policy is and will be customer-oriented. The proposed horse rental rates for this project are shown below in Table 1:

Table 1

#		Visitor GEL
1	Rent for one day	20
2	Guide service for one day	25

Note: The price has been determined from the consultant’s experience and based upon the analysis of existing rates in other protected areas. At the same time, the consultant questioned the local residents about horse rental rates during the field studies. Of course, the prices are not static and demand-supply regulation will change them from time to time.

2.3. Advertisement

Within the framework of the Development of Tourism in the Javakheti National Park Supporting Zone project worked out within the framework of the Establishment of the Javakheti National Park in Georgia project, the following promotional activities are planned: media-tours and preparation and distribution of advertisement-informational materials which will include information about horse rental points as well. The information will be also posted on the websites of the Agency of Protected Areas (www.apa.gov.ge), and the Municipality of Ninotsminda (www.ninotsminda.ge). At the same time, the owners of rental points will co-operate closely with the Javakheti Protected Areas administration. Information about offered services and prices will be available in leaflets distributed at the Tourist Information Centre located in the administration building of the Javakheti National Park. It also recommended distributing the same type information in the Harp Lake National Park Visitors Centre.

3. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - Motivation of local residents - Ecologically clean environment - Location close to the Javakheti National Park and near to suitable paths for equestrian tourism - Location in the region of migratory birds - Location at the border of Armenia 	<ul style="list-style-type: none"> - Lack of experience in the field of service - Lack of necessary skills - Severe weather conditions - Knowledge of Georgian and English languages at a low level
Opportunities	Threats
<ul style="list-style-type: none"> - Possibility of financial support from the project - Market potential; the local tourist market has the potential to grow - Prospective for co-operation with Protected Areas - Access to trainings and consultation within the frame of the project 	<ul style="list-style-type: none"> - Strengthening of competitors and emergence of new competitors in the market - Market volume growth at a slow speed - Political situation in the country - Changes in customers’ demands and attitudes

4. Strategy and Brief Outline of Project Implementation

The families selected to establish the horse rental point:
Village Zhdanovo – Ervand Sumbulian

This person will provide a selection of horses for visitor services and sign appropriate agreements with the residents of the village. The WWF and the Javakheti Protected Areas administration will conduct agreements with beneficiaries where all of the functions and obligations of both parties will be determined. The precondition of project start will be Sumbulian’s registration as a taxpayer.

Beneficiaries will be involved in:

- Preparation of leaflets: the administrator along with beneficiaries will develop leaflet text and design promoting the horse rental point
- Events organised by the Javakheti National Park administration
- Trainings on tourism services and business issues

4.1. Competitive Advantag

At this stage, the horse rental point will not have any competitors in that it will be the only business of its kind in the entire region. In the nearest future, however, other residents will also start renting out horses within a similar service. This will create a competitive environment which will positively affect the quality of service and its rates.

4.2. Marketing Strategy

4.2.1. Sales Strategy

The horse rental point is involved in the tourism development components of the Establishment of the Javakheti National Park in Georgia project and includes: preparation and distribution of informational-promotional materials about Javakheti tourist offers and organising media tours and bringing in interested companies with the abovementioned events carried out with the Javakheti National Park administration or other business entities in the future.

4.3. Project Implementation Plan

Year 1	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Purchase horse gear												
Registration as entrepreneurs												
Conduct Memorandum with Javakheti National Park administration												
Participate in trainings and study tours												
Participate in marketing campaigns												

5. Management

Sumbulian will supervise the horse rental points in the village of Zhdanovo.

Year 3	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Incomes													
Income from horse rental service				450	120	150	240	510	270	360	0	0	2100
Income from guide service				150	60	60	90	180	90	120			750
													0
Total	0	0	0	600	180	210	330	690	360	480	0	0	2850
Horse Rental Rate				300	80	100	160	340	180	240			1400
													0
Total	0	0	0	300	80	100	160	340	180	240	0	0	1400

Profit and Loss Account

	2012	2013	2014
Income from rendered services	750	1800	2850
Price of rendered services	400	920	1400
Gross profit	350	880	1450
Gross profit %	87.50%	95.65%	103.57%
Indirect costs	0	0	0
Untaxed profit	350	880	1450
Profit tax (20%)	70	176	290
Net profit	280	704	1160
Other expenses	0	0	0
Retained profit	280	704	1160

7. Budget for Necessary Equipment (GEL)

#	Name of Equipment	Number	Unite Price	Amount
1	Saddle (set)	4	500	2000
	Total			2,000

Appendix 6 – Project Budget

Budget Article	Budget Details			Amount to be financed by the project	Tax from the amount	Contribution by implementing organization
	Unit price	Nr. of Units	Total			
1. Project administration expenditures of the implementing organization						
Project Coordinator						
Project Assistant						
Other						
2. Guesthouses repairs expenditures						
2.1. If applicable Equipment of guesthouses						
3. Establishment of social Enterprise (please indicate the details)						
4. Leaflets						
5. Equipment of horse renting facility (e.g. horse gear)						
6. Trainings						
7. Media Tour						
8. Introductory tours for tour operators						
9. Preparation of tourist Maps						
10. Leaflets about usage of market places						
11. Other						
12. Bank service charges						
13. If applicable Profit of the implementing organization						
Total Amount				90000⁵		

⁵ The amount to be financed by the project including taxes shall not exceed EUR. 90 000,-.