

GEORGIA ECONOMIC PROSPERITY INITIATIVE (EPI) SCOPE OF WORK

I. Background

The Economic Landscape in Georgia¹

The decade after the collapse of the USSR was difficult for Georgia. The disruption of the Soviet economic system, internal and regional conflict, and high levels of corruption reduced Georgia's economy to less than 30% of what it had been during the Soviet period.² Despite its recent growth, Georgia's economy has still not returned to its Soviet-era levels. To this day, one of Georgia's leading exports is scrap metal extracted from the remains of the dead Soviet industrial base.

The Rose Revolution in 2003 brought hope for change. The new government embarked on a program of rapid economic and social reform. Tax, registration, and customs procedures were streamlined, and office operations for the responsible agencies were made more efficient and effective. As a result of these and other changes, Georgia's ranking in the World Bank's "*Ease of Doing Business*" survey has improved from 112th to 11th in four years.

A confluence of events during the period 2004 – 2007 brought about a period of rapid economic growth, with real GDP increasing by 1/3 and average nominal wages more than doubling. Among the factors contributing to this growth were:

- The positive effect of the government's reform efforts in stimulating investment both internally and from abroad.
- Construction of oil and gas pipelines from Azerbaijan across Georgia contributed through both the construction spending and the ongoing transit revenues from the oil and gas flows.
- Substantial inflows of funding into the banking system, fueling both business investment and consumer spending.
- World-wide economic growth that contributed to increases in the demand for minerals, which benefitted Georgia's extractive industries.

However, by the end of 2007, some issues began to become apparent.

¹ Unless noted, statistics cited throughout this section are taken from a series of publications on "*Georgian Economic Trends*" published by the Georgian-European Policy and Legal Advice Center (GEPLAC) (www.geplac.ge). The data presented here are presumed to be accurate, but have not been independently verified. Consequently, the data should be seen as representing tendencies, but not necessarily precise. Further, much of the GEPLAC data is stated in Georgian Lari (GEL). Over the past few years, the exchange rate between USD and most other currencies has varied considerably, and the dollar has tended to depreciate over that time period. Consequently, local currency data can become distorted when converted to dollar equivalents. Conversions to USD from GEL are calculated at the rate of \$1.00 = 1.60 GEL.

² "Georgia Poverty Assessment." World Bank, April 2009.

- In late 2007, the government used strong measures to quell a series of opposition demonstrations, and this had negative impacts on investor confidence.
- By early/mid 2008, global financial and commodity markets were weakening, and by late 2008 global markets of all types suffered major declines.
- In August 2008, the conflict with Russia caused significant physical damage, leaving approximately 28,000 internally-displaced persons, and causing substantial drops in FDI and GDP growth.

Even before these damaging political and economic events, fundamental problems remained in the structure of the economy. Approximately 1.1 million people of working age in Georgia are self-employed, most of whom are rural farmers living barely above a subsistence level. Self-employment in Georgia is generally not by choice, but by the necessity of no alternative employment. Out of an economically active population of approximately 2 million people, only about 570,000 (30% of active population) are hired wage-earners.

While the monthly income of wage-earners doubled from 2004 – 2007, income of self-employed workers increased less than 20%. Over the same period, income from the sale of agricultural products actually dropped by 26%. Average monthly wages for employed persons during the fourth quarter of 2007 was approximately \$300, while the combined average income for self-employment and sale of farm products was barely \$50 per month. Even after accounting for self-employment, total unemployment was nearly 17% at the end of 2008³, an increase of more than 3 percent from 2007 levels.

There are important gender-related differences when it comes to employment opportunities for men and women. Finding jobs is generally more difficult for women than it is for men. Compared to the public sector, the private sector offers more opportunities to earn high wages, but in both sectors women earn less than men. For instance, in 2005 the average income of women in the private sector stood at GEL 135 as opposed to GEL 211 for men. The disparity has not changed drastically since then.⁴ On a positive note, there are more women owning firms and more women in top management positions.⁵

Principal Components of the Georgian Economy

Nominal GDP for 2008 was 19.075 million GEL, or approximately \$12.8 billion⁶. After growing by more than 12 percent in 2007 and at the annualized rate of approximately 9 percent during the first half of 2008, GDP growth dramatically slowed starting in the second half of 2008, resulting in a yearly growth of only 2.3 percent in 2008 and a decline of 3.9 percent in 2009. Construction dropped by 23.9 percent during the first quarter of 2009, and manufacturing declined by 17.1 percent.

Four industry groups account for approximately 40% of total GDP: trade, industry, agriculture,

³ Georgian Department of Statistics

⁴ “Gender and Society: Georgia.” SIDA and UNDP, 2008, pp. 64-65.

⁵ “Enterprise Surveys, Georgia.” World Bank Group, 2009.

⁶ Central Bank Statistics

and transport.

Nominal Value of Output of Certain Key Industry Groups (2008)

Industry Sector	Value (GEL)	Value (USD)	Pct Chg 2007 - 2008
Trade/HotelRest	2,652.3 Million	\$1.66 Billion	22.3%
Industrial Production	2,583.4 Million	\$1.61 Billion	7.1%
Transport/Comm	1,911.4 Million	\$1.19 Billion	8.3%
Agriculture	1,703.9 Million	\$1.06 Billion	8.9%
Construction	1,008.5 Million	\$0.63 Billion	-11.6%

Trade, Hotels, and Restaurants

As with the other sectors analyzed here, the trade sector increased significantly since 2003, but has also suffered a major reversal during the early part of 2009. The sector increased by approximately 56% from 2003 – 2008, peaking at approximately \$1.66 billion. The first quarter of 2009 showed a decline of 18% over the corresponding period in 2008. While the recent conflict with Russia has complicated Georgia’s attractiveness as a destination for international tourism, many domestic tourism opportunities have significant potential but remain undeveloped or underdeveloped.

Industrial Production

In 2009, Georgia imported products valued at \$4.4 billion while exporting just \$1.1 billion. Total trade turnover decreased by 14.5% from 2007 and by nearly 30% from 2008. Other than food, nearly all of Georgia’s consumer products are imported. The largest categories of imported products include oil and gas, automobiles, wheat and other grains, tobacco products, electrical, data processing, telephone equipment, sugar, chocolate, and cocoa flavored products.

Foreign Trade						
In Million USD	2004	2005	2006	2007	2008	2009
Foreign Trade Turnover	2492.5	3355.4	4613.9	6447.3	7800.6	5513.3
Registered Export of Goods (FOB)	646.9	865.5	936.2	1232.4	1496.1	1135.0
Registered Import of Goods (CIF)	1845.6	2490.0	3677.7	5214.9	6304.6	4378.3
Balance	-1198.7	-1624.5	-2741.5	-3982.5	-4808.5	-3243.4

Source: GeoStat (2010)

Of the top ten exports in 2008 and 2009, four are extracted products – metals and mineral fertilizers – and one is a scrap iron. In 2002, two of the top ten exported products were aircraft and aircraft parts, but that industry has now disappeared. There are no manufactured products in the top ten, demonstrating that Georgia is not competitive in external markets for these goods (the category “Motor cars” represents items trans-shipped to other countries in the region).

Top Ten Export Products (Millions of USD)
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2007		2008		2009	
7202 Ferro-alloys	160	7202 Ferro-alloys	267	7202 Ferro-alloys	130
7204 Ferrous waste, scrap	97	7204 Ferrous waste, scrap	129	7108 Gold unwrought	116
2603 Copper ores	79	2603 Copper ores	118	8703 Motor cars	78
8703 Motor cars	70	8703 Motor cars	113	0802 Other nuts	70
7108 Gold unwrought	69	7108 Gold unwrought	100	7204 Ferrous waste, scrap	64
0802 Other nuts	65	3102 Mineral fertilizers	106	2603 Copper ores	62
2523 Cement	64	2208 Alcohol and spirits	59	3102 Mineral fertilizers	60
2208 Alcohol, spirits	57	2204 Wine from grapes	37	2208 Alcohol and spirits	54
3102 Mineral fertilizers	57	0802 Other nuts	32	2204 Wine from grapes	32
7404 Copper waste, scrap	37	2201 Waters, natural	31	2201 Waters, natural	25
Other products	477	Other products	504	Other products	444
Total	1,232	Total	1,496	Total	1,135

Source: GeoStat, Ministry of Economic Development and calculations by GEPLAC and USAID/Caucasus/Georgia.

The value of industrial production in 2008 was approximately \$1.61 billion, of which more than half can be accounted for by the exports of basic metals and minerals. Much of the recent growth in the value-added by these products comes not from increased volumes or greater inherent value, but from increased world market prices – a significant part of which has reversed during the past year. A key target for Georgia's economic future must be a reversal of the tendency to import high-value consumer and capital goods products while exporting low-value commodity products.

Transport and Communications

The value of transport and communications services was approximately \$1.19 billion in 2008, which is an increase of almost 50% in five years. Much of this change can be accounted for by two types of activities: oil and gas transit from the Caspian Sea to the Black Sea and the Turkish border through Georgian territory, and expansion of the telecommunications market as a result of mobile telephones and internet technologies. The opportunity for Georgia to serve as a regional transport center, particularly as a link between the oil-rich Caspian region and the Black Sea port of Poti, is seen as a major growth opportunity for the future. There are plans for the development of a major petro-chemical processing complex near the Black Sea Port of Poti, but the global economic downturn and the Russian conflict have put those plans on hold. Regional and local communication opportunities have also been generated by the completion of a trans-Black Sea fiber optic cable from Bulgaria to Tbilisi.

Agriculture

Agriculture accounts for approximately 9% of GDP, but provides income to more than half the population of Georgia. According to data from the Ministry of Agriculture, in 2006 Georgia had 656,000 farms with an average size of 1.70 hectares. Of these, there were 16,000 farms of 4 hectares or greater, which represent 40% of arable cropland in private hands (owned or leased). For farm households, monthly income from sale of farm products averaged just 27.2 GEL, or less than \$200 per year. This low level of productivity and income is the result of a number of factors including:

- Small land plots which do not allow for the efficient use of machinery and technology
- Traditional commodity products with low market value
- Low quality of products, further reducing market value and export potential, caused by poor productivity skills
- Inefficient post-harvest handling, resulting in loss of output and market value
- Poorly developed value chains which keep male and female farmers from realizing full potential value of the output
- Lack of extension services, including veterinary services
- Lack of information about markets and weak to no linkages to domestic, regional and global markets
- Lack of access to agricultural machinery and technologies

Construction

The upsurge in economic activity beginning in 2003-04 produced a corresponding increase in construction activity. The annual value of construction activity increased more than 70% from 2003 to 2008, peaking at approximately \$630 million in 2008. However, in the first quarter of 2009, construction activity dropped 23% from the corresponding period in 2008. Although some construction does continue, there is no evidence that it will return to its 2008 levels any time soon.

Advancing Georgia's Economy

As described previously, Georgia's economy has taken important steps forward over the past five years, but still suffers a number of chronic weaknesses that were only slightly mitigated during the boom period of 2005 – 2007. The structure of the economy is far too reliant on the production of low-valued commodities. A large majority of its consumer products are imported, and the value of the imports exceeds exports by more than three-fold.

Productivity and wages are extremely low, with the worst of this occurring in rural areas. Only about 30% of the active population is employed in wage-earning jobs, with the rest reliant on self-employment income (often involuntary self-employment), sales of agricultural products, remittances, and other social transfers. Much of the rural population lives below a subsistence level with monetary income only about \$50 per month. This can create particularly harsh circumstances for women, as they are often forced to seek low-paid jobs to help the household meet basic needs. As a result, women frequently bear a double burden of earning for the family as well as taking care of domestic household needs. In contrast, evidence has shown that Georgian men are less willing to opt for low-paid jobs or to take household responsibilities

traditionally associated with the role of women.⁷

These economic facts point to several goals that must be met if Georgia is to achieve sustained, broad-based economic growth equally benefiting both men and women.

- Build upon the gains made in economic governance, with a focus on institutionalizing achievements, capacity building, and sustainable gains in economic competitiveness with a particular focus on the use of new technologies to develop modern systems to deliver services and information to Georgian citizens.
- Increase economic competitiveness to increase output across all sectors, but including agriculture, with particular emphasis on higher value-added production and quality that can either replace imports or can be exported to international markets.
- Increase production of traditional food and staples crops and establish or strengthen linkages to domestic markets.
- Develop new international markets for Georgian products. The Georgian market is small, and the loss of Russian markets underscores the need for additional diversified markets in places such as Ukraine, Bulgaria, Turkey, and the Middle East.
- Increase productivity – most of all in the agricultural sector – to meet market demand for Georgian produced products.
- Strengthen and develop public and private sector economic institutions. This will include institutionalizing previous gains within the government and private sector to improve sustainability, broad-based institutional capacity building, access to information, and increasing the degree to which institutions and operations are guided by goals as opposed to personalities. This also includes forging long-term partnerships between local organizations and foreign universities, research institutes, think tanks, and other relevant partners.
- Enable a greater percentage of the population to understand previous reforms as well as government goals for further reforms which are designed to improve services to citizens and businesses.

Georgia Specific Gender Considerations

A range of secondary material on gender was reviewed in advance of designing this activity. There were no extreme disparities found as far as the status and role of men and women are concerned in terms of their access to opportunities for business and livelihood opportunities. However, the following concerns were noted and deemed to deserve specific consideration:

- Finding jobs is generally more difficult for women than it is for men. Compared to the public sector, the private sector offers more opportunities to women, but in both sectors women earn less than men. For instance, in 2005 the average monthly income of women

⁷ “Gender and Society: Georgia.” SIDA and UNDP, 2008, p.88.

in the private sector stood at GEL 135 as opposed to GEL 211 for men. The disparity has not changed drastically since then.

- Women generally have less access to highly-paid employment and business opportunities while they outnumber men when it comes to informal and low-paid employment.
- Women often opt for lower-paid jobs to support their families.
- From the legal and regulatory point of view there are no laws or regulations that discriminate against either men or women. But social and cultural traditions often hamper women from gaining access to business opportunities.
- As of late, the trend of women owning firms and being in top management positions has been on the rise.

II. Summary

EPI will improve enterprise, industry, and country-level competitiveness by identifying and targeting key external and internal factors to enhance the growth rates and productivity of enterprises in the economy, thereby enhancing the economic well-being of workers in the economy. EPI will be implemented through the following components:

1. Expand and Deepen Georgia's Economic Governance Capacity and Country-Level Competitiveness
2. Improve the Competitiveness of Agriculture Sector
3. Improve the Competitiveness of Targeted Non-Agriculture Sectors

Assistance will be invested approximately equally to strengthen economic governance, and increase the competitiveness of targeted agricultural and non-agricultural private sectors. Linkages between components will be exploited to leverage opportunities and developmental impact of the project as a whole.

Cross-cutting activities, including but not limited to improved access to information, human capacity development, use of modern technologies, forging long-term linkages, and building local institutions, will be implemented in each component as appropriate to ensure sustainability of initiatives.

EPI will operate throughout Georgia to achieve the intended high-level results in rural and urban areas. The project will coordinate closely with the U.S. Government to identify and exploit opportunities to leverage resources and efforts. Specifically, EPI will establish and develop linkages with the new USAID New Economic Opportunities (NEO) project to incorporate small landholders into value chains targeted under Components 2 or 3 of this project. Similarly, EPI will coordinate with the new USAID Municipal Infrastructure Project (MIP) to plan and leverage investments in new infrastructure including irrigation canals and roads.

EPI is structured to achieve specific results and outcomes at the project level, and in each of the three components and cross-cutting activities. Some implementation *benchmarks* and *required outputs* are defined in this statement of work. Outputs are within the management control of the contractor. *Required Outputs* are required intermediate products that will be used by the contractor to achieve results (e.g., number of persons trained). Other outputs will likely be used

as well, including those mentioned in Section IV below. The term “result” is used to describe higher-level targets (e.g. \$ Investment facilitated). A *Targeted Result* is an established goal of the project, but is recognized to be outside of the complete control of the contractor. *Benchmarks* are targets with specific timeline goals and will be used to measure program effectiveness during implementation. “*Outcomes*” is used to qualitatively describe end-states expected to be achieved by the end of the contract. In most cases outcomes will not include specific targets. While the contractor may be able to meet the terms of the contract without achieving all *targeted results*, the overall success of the program will be measured against *targeted results* and *outcomes*.

III. Scope of Work

This contract has three primary components:

1. Expand and deepen Georgia’s economic governance capacity and country-level competitiveness;
2. Improve the competitiveness of targeted agriculture sectors;
3. Improve the competitiveness of targeted non-agriculture sectors.

The success of EPI as a whole will be measured by the attainment of the following five overarching targeted results. These high-level results shall be tracked by component, sub-component, and the targeted value chains.

1. Increased Productivity - Semi-annual increase in productivity in targeted sectors consistent with USAID-approved semi-annual targets. (PMP indicator)
2. Increased Employment - Semi-annual increase in employment in targeted sectors consistent with USAID-approved semi-annual targets. (PMP indicator)
3. Increased Foreign Debt and Equity Invested in Georgia - 10 major international investment transactions completed and attributable to assistance received from EPI; \$500 million investment attributable to EPI assistance, \$100 million of this in the agricultural sector (PMP indicator)
4. Increased Access to Local Finance - \$200 million in capital attributable to EPI assistance lent to enterprises operating in targeted sectors.
5. Increased Exports - \$150 million in exports (i.e., goods and services) facilitated and attributable to EPI assistance (PMP indicator). 100 companies in targeted sectors have significantly enhanced capacities to export products and services (PMP indicator)

Component 1 – Expand and Deepen Georgia’s Economic Governance Capacity and Country-Level Competitiveness: The Government of Georgia is eager to stimulate further economic growth and private sector competitiveness. Georgia’s progress in implementing economic reforms and the presence of a reform-minded Government provide a unique opportunity to build upon these achievements. Georgia’s unprecedented rise on the World Bank’s *Doing Business* indicators is an important accomplishment, but Georgia still ranks 90 of 133 countries in the

World Economic Forum’s competitiveness rankings, demonstrating the opportunity to deepen reforms in many areas.

The contractor will continue building the Government of Georgia’s capacity to identify and implement reforms that improve the economic environment. At the same time, the contractor will improve the private sector’s understanding of and participation in government reforms, and strengthen the relationship between public and private sector economic institutions. Work in this component shall focus on constraints or opportunities identified in the agriculture and non-agriculture sectors targeted under components 2 and 3, and other high-priority reforms identified by the Government of Georgia (GoG).

Implementation Methodology

Under this component, the following nine areas will be targeted for economic governance interventions:

- Improve Regulatory Environment and Licensing
- Strengthen Property Rights
- Enhance Investment Sector Economic Governance
- Enhance Economic Governance in the Area of International Trade and Customs
- Strengthen Tax Systems
- Strengthen Procurement and Privatization Systems
- Improve Agricultural Policy Environment
- Establish a Core Team of Local Specialists to Assist in Implementing Reforms

The contractor shall design and implement interventions to strengthen Georgia’s business environment in the context of the above nine targeted areas. Interventions, including drafting laws, legislation, policies and regulations, will positively impact the competitiveness of agriculture and non-agriculture sectors targeted by this project under components 2 and 3. In certain instances interventions to improve the enabling environments of targeted sectors might expand beyond the nine areas listed above. Similarly, some interventions to improve economic governance might not directly benefit the targeted sectors. The impact of improving the business environment for each targeted sector will be measured in light of attaining the intended results of components 2 and 3.

In addition to improving the business environment for components 2 and 3, the contractor shall identify 15 of the 110 indicators tracked in the World Economic Forum’s (WEF) Annual “*Global Competitiveness Report*” that will improve as a result of this project. The contractor shall also quantify the expected change in each identified WEF indicator over the life of the project, and as of project completion. While WEF’s indicator set is not without flaws, its comprehensive nature, its economic rationale, and its global applicability make it a relevant tool to target and measure a broad reform agenda. The following list of WEF indicators is indicative of the areas that the Contractor might target for improvement:

Indicator	Ranking
1.01 Property rights	109
1.02 Intellectual property protection	100
1.05 Judicial independence	117

1.09	Efficiency of legal framework in settling disputes	91
1.10	Efficiency of legal framework in challenging regs	102
1.19	Protection of minority shareholder’s interests	117
5.05	Quality of management schools	106
5.07	Local availability of research and training services	122
6.01	Intensity of local competition	115
6.03	Effectiveness of anti-monopoly policy	125
6.08	Agricultural policy costs	103
6.14	Degree of customer orientation	119
8.01	Financial sophistication	96
8.02	Financing through local equity market	125
8.03	Ease of access to loans	96
8.08	Regulation of securities exchanges	117
9.01	Availability of latest technologies	93
9.02	Firm-level technology absorption	115
11.01	Local supplier quantity	130
11.02	Local supplier quality	129
11.07	Production process sophistication	101
11.08	Extent of marketing	97
12.01	Capacity for innovation	119
12.03	Company spending on R&D	124
12.04	University-industry collaboration in R&D	122

While improvements in WEF or other similar indicators are a major objective of EPI, it is recognized that factors outside the scope of this contract may influence changes in these types of indicators. As a result, the contractor shall strive to meet set targets by completing actions defined in GoG approved actions plans that could reasonably be assumed to improve standings. Some WEF indicators are also relevant to the work of other USAID programs. For example “quality of management schools” is related to USAID/Caucasus/Georgia Office of Health and Social Development activities, and “judicial independence” is related to USAID/Georgia Office of Democracy and Governance activities. If applicable areas are chosen for targets, the contractor shall coordinate with the relevant activities.

Areas Targeted for Economic Governance Interventions

The following nine areas will be targeted for economic governance interventions. To develop potential interventions the contractor shall coordinate with key persons in the GoG, USG, other donor partners and diplomatic missions, and the private and nongovernmental sectors to identify pressing constraints to the business enabling environment. In partnership with the GoG and USAID, agreed upon reforms will be identified and targeted. The contractor shall develop appropriate implementation methodologies to direct the development and execution of action plans.

- Improve Regulatory Environment and Licensing
The contractor shall support the implementation of needed regulatory reforms in the financial and non-financial sectors and streamline licensing systems in collaboration with the GoG and private sector leaders.

Required Outputs:

Completion of approved annual action plans to direct reforms in the regulatory environment and licensing systems, including clear benchmarks and targets.

Results Targets:

Priority reforms drafted and approved through a consultative process (PMP indicator).
Capacity of appropriate GoG personnel developed sufficiently to implement and enforce targeted reforms.

Outcomes:

GoG has the capacity to independently identify priority regulatory and licensing reforms and to develop associated action plans. This in turn results in clearly defined annual action plans for regulatory and licensing reforms; clearly defined roles for the GoG; and a clear understanding of and ownership by the GoG, parliament, and citizens of the regulatory reform process.

▪ Strengthen Property Rights

The contractor shall address key issues in the area of property rights, including intellectual property rights (IPR), for businesses, individuals, and investors. This assistance will include, but not be limited to, strengthening rights within legal frameworks; improving the perception and understanding of property rights by public and private sectors; and promoting broader awareness of current property rights protections to the private sector. Working with the GoG, the contractor shall also promote compliance with international property rights conventions by identifying areas of property rights concern for businesses and individuals, and designing and implementing solutions to resolve such concerns.

Required Outputs:

Completion of approved annual action plans to improve understanding of, and compliance with, international property rights in Georgia, including clear benchmarks and targets.

Results Targets:

Property rights of businesses, individuals and investors are strengthened through improvements in legal framework and enforcement of new and or revised laws. Capacity of appropriate GoG personnel developed sufficiently to implement and enforce targeted reforms.

Outcome:

GoG and private sector comply with international property rights, including IPR.

▪ Enhance Investment Sector Economic Governance

The contractor shall support the implementation of needed reforms to strengthen the GoG's ability to maintain a well regulated economy conducive to for foreign and domestic investment. This could include assistance to improve protection of minority shareholder rights, intellectual property rights (IPR) protection, auditing and reporting standards, and anti-monopoly policies. The contractor shall also continue building the capacity of the GoG

to develop an investment action plan and investment options/proposals, which could include completion of initial feasibility studies within highly promising areas. This shall be closely coordinated with the work to promote investments under components 2 and 3.

Required Outputs:

Completion of approved annual action plans to strengthen Georgia's legal and regulatory environment conducive to foreign and domestic investment, including clear benchmarks and targets. Assistance to the GoG to develop an investment promotion action plan. A mechanism to link private enterprise to financial investors is established or strengthened.

Results Targets:

Foreign and domestic investment flows in Georgia increase in response to improved economic governance and targeted investment promotion by the GoG. Capacity of appropriate GoG personnel developed sufficiently to implement and enforce targeted reforms. Private sector able to reach potential investors.

Outcome:

Georgia's investment regulatory environment is viewed by both domestic and international investors as modern, efficient, effective, and friendly to both small and large scale direct and indirect investors. The Georgian government has in place the staff, capacity, and plan to capitalize on this perception and to successfully promote investment opportunities. Georgian private sector attracts investment.

▪ Enhance Economic Governance in the Area of International Trade and Customs

The contractor shall help the Ministry of Finance improve customs compliance, appeals, and the dispute resolution processes to increase revenues and improve perceptions of customs efficiency. Also, in coordination with the Ministry of Finance and business associations, the contractor shall implement solutions to improve customs procedures and codes, including establishment of a regional single window for facilitating cross-border customs clearance operations. The contractor's services shall include institutionalization of customs clearance time/cost studies; development and implementation of training programs for government officials; facilitation of regional dialogue on single border operations management and streamlined regional customs clearance procedures; and further development of IT systems to enhance customs operations.

Required Outputs:

Completion of approved annual action plans to improve customs operations, training, compliance, revenue collection efficiency, and dispute resolution, including clear benchmarks and targets. Analysis of current customs systems, codes, procedures, compliance, appeals, and dispute resolution processes including government satisfaction with and business perceptions of customs systems. Development of a methodology to institutionalize yearly customs time and cost measurement studies. Analysis of regional trade flows and opportunities including the feasibility of, and steps needed to develop a regional single window and operations. Facilitation of regional government to government dialogue on customs operations.

Targeted Results:

Lower cost to trade goods across borders as a result of USAID assistance (F/PMP indicator).
Reduction in year on year number of calendar days to trade goods across borders (F/PMP indicator). Customs cost and time studies institutionalized. Public and private sector officials trained in relevant trade areas (F/PMP indicator).

Outcome:

The government has both the capacity to maintain and drive continual improvements in domestic and regional customs operations. The time and cost to businesses for completing Georgian and regional customs operations are globally competitive, and businesses perceive customs operations as both fair and highly efficient.

▪ Strengthen Tax Systems

In close collaboration with the Ministry of Finance, State Revenue Agency, and business associations, the contractor shall implement solutions to improve tax collection procedures, develop tax advisory services, and improve the tax dispute resolution process. The contractor shall provide assistance to the Ministry of Finance to develop and implement an improved tax code, with a focus on improving the tax climate for SMEs. This component may include activities to improve tax payer rights, information, and advocacy services; increase transparency and efficiency in tax collection; enable improved identification and case management of non-filers and non-payers; facilitate greater understanding, enforcement predictability, and compliance with the tax code; and continue improvement in human capacity, systems, and procedures related to tax code enforcement. The contractor's effort shall be guided by the Fiscal Blueprint from the European Commission.

Required Outputs:

A comprehensive assessment of Georgia's current tax collection procedures and systems. Completion of approved annual action plans to strengthen Georgia's tax systems, including clear benchmarks and targets.

Targeted Results:

Sustainable mechanism to provide information to the private sector on tax issues implemented. Improved tax code implemented. Improved tax climate for SMEs. Tax revenues collection efficiency increased. Improved transparency of tax systems and enforcement methodologies. Decrease in average time required to file taxes (PMP indicator). Increase in voluntary tax compliance rate (PMP indicator). Improved perception of taxpayers that the process is efficient (PMP indicator).

Outcome:

Tax law, regulations, codes, operations, enforcement, and dispute resolution serve the revenue collection needs of the GoG, while not being prohibitive to foreign and direct investment and the operations of SMEs in the formal sector.

▪ Develop Procurement and Privatization Systems

In close collaboration with the Office of the Prime Minister, the Ministry of Economic Development, the State Procurement Agency, business associations, and other donors, the

contractor shall support the GoG's development of transparent and open procurement and privatization procedures. This component shall be coordinated with the cross-cutting e-governance initiatives, and with any other USAID assistance in this area.

Required Output:

Completion of approved action plan to assist with implementation of an improved, transparent, and efficient procurement and privatization systems, including clear benchmarks and targets.

Targeted Results:

Transparent procurement and privatization systems established and functioning. Public sector officials trained to maintain and use the system.

Outcome:

GoG procurement and privatization systems and procedures are transparent, well designed, and well implemented. Required human capacity and maintenance programs are in place to sustain and modify systems as needed in the future.

▪ Improve Agricultural Policy Environment

The contractor shall conduct a comprehensive assessment of the current agricultural policy environment, including food safety and quality. Concluding the assessment, the contractor shall develop targeted interventions to improve the regulatory and policy environment, thereby supporting growth in agriculture production, value-added processing, and access to regional and global markets (as appropriate and consistent with targeted agriculture value chains in Component 2). The Contractor shall assist the Ministry of Agriculture to formalize groups of small holders as described under Component 2.

Required Outputs:

A comprehensive assessment of the current agricultural policy environment as described above, and a detailed list of targeted interventions to implement needed reforms in the agricultural policy environment. Completion of approved action plan to improve agricultural policy, including clear benchmarks and targets.

Targeted Results:

Agricultural policy is improved by the GoG through a consultative process with the business community. Small holders establish viable legal groupings to more efficiently participate in growing agriculture sector.

Outcome:

Regulatory and policy constraints to agricultural development are removed, small holders are established actors in the agriculture sector.

▪ Establish a Core Team of Local Specialists to Assist with Implementing Reforms

USAID has learned that there is great value in having technical assistance available on demand ~~for~~ to support reform champions in the GoG. The contractor shall establish and utilize a core team of local specialists to assist the GoG with new reform priorities. These

specialists could be grouped into areas such as Competitiveness Analysis and Reform Targeting; Regulatory / Licensing; Procurement and Privatization; Tax; Customs; Property Rights; Commercial Disputes; Finance, Banking and Insurance; IT System Development; Human/Institutional Capacity Development; Provision of Information; and Policy Analysis.

Outputs:

Reforms team established; operational guidelines agreed upon with GoG counterparts.

Targeted Results:

Reforms identified and implemented (F/PMP indicator)

Outcome:

Champion in the GoG have ready access to key advisors, outside of government institutions and structures, that provide requested support to shape and move economic reforms.

Component 2 – Improve the Competitiveness of Targeted Agriculture Sectors: Resolution of long-standing problems in the agricultural sector has the potential to bring powerful and wide-reaching benefits to Georgia. Agriculture dominates the economic landscape in Georgia, making assistance to this sector critical. A litany of issues inhibits productivity and growth in the agricultural sector. Among these are limited market information and access to knowledge, small farm size, inefficient production practices, poor post handling practices, limited access to capital and financial services, limited access to inputs and extension services, poor infrastructure and limited access to domestic and regional markets. The contractor shall target selected agriculture value chains and strengthen participatory private enterprises to improve the competitiveness of targeted value chains and that of Georgia as a whole. The chosen value chains shall include at least four core product groups essential to improving the competitiveness of agriculture in Georgia, and at least two new or innovative product groups, where efforts may allow Georgia to seize upon sectors with high growth-potential. The overall goal is to increase the competitiveness of private enterprises in the agriculture sector by improving productivity and connecting or deepening the connection of Georgian products to viable market opportunities.

The contractor shall develop a tool to guide the consideration and selection of the agriculture value chains to target for improvement. The tool will consider the following factors (and possibly others):

- Potential and existing markets (e.g., domestic, regional and global)
- Total investment (e.g., donor, government and private sector) required to be competitive in targeted markets
- Resident capacity to exploit nontraditional interventions and/or technologies
- Business acumen and willingness to adopt change
- Expected participation of or reliance on horizontal actors, including but not limited to:
 - Providers of financial products and services
 - Transportation providers
 - Marketing, management and strategic advisors
 - Audit, financial and consulting firms
- Expected participation of or reliance on vertical actors, including but not limited to:
 - Input providers

- Agriculture services aggregators and providers (e.g., middle buyers, mechanization services, post harvest handlers)
- Value-added processors or producers
- Extent to which the enabling environment hinders or enables value chains

Within the first 120 days of performance, the contractor shall present to USAID its findings and recommendations on agriculture value chains. In partnership with the GoG and USAID, and building on the achievements of recent USAID agricultural activities in Georgia, targeted agriculture value chains will be selected to achieve the greatest probable development impact (*i.e.*, EPI's five high-level targeted results) relative to available funds and depth of anticipated interventions.

Subsequently, the contractor shall facilitate and promote the required regulatory environments, business processes and operations, financing (including access to credit, equity raising schemes, grants, public private partnerships), appropriate and applicable technologies, market access mechanisms and linkages, management and human capacity, and vertical and horizontal market linkages to enable the development of the targeted agriculture value chains.

Successful strengthening of targeted agriculture value chains will be dependent upon or contribute directly to the integration of small farmers, vocationally trained artisans or laborers, business students, and others yet to be determined, into value chains. In light of this, the contractor will seek and exploit opportunities to collaborate with other U.S. Government funded activities and draw other USAID-funded beneficiaries into targeted value chains to leverage the development impact of U.S. Government funds invested in Georgia.

Sub-Component Benchmarks:

- Average revenues across 3,000 farms (primarily 5 hectares and more) and 100 agribusinesses increased by a minimum of 20% as a result of the direct assistance received through EPI by 18 months; the increase must be sustainable (PMP indicator).
- Average revenues across 8,000 (the previous 3,000 and an additional 5,000) farms and 300 agribusinesses (the previous 100 and an additional 200) annually increased by minimum of 10% as a result of the direct assistance received through EPI after 18 months; the increase must be sustainable (PMP indicator).
- At least 40 agricultural and enterprise service providers delivering assistance and training benefitting a minimum of 30,000 farms and 300 agribusinesses by 30 months, and continued assistance for the life of the project (PMP indicator)

Working primarily through and supporting Georgian intermediary organizations (e.g., agricultural service and input providers, associations, cooperatives and partnerships, agricultural colleges and other educational institutions, financial service providers, NGOs), the contractor shall encourage and support the delivery of a wide range of services intended to enhance growth and productivity across many different agricultural product groups. It is USAID's intention that these services will, to the maximum extent possible, be delivered through Georgian organizations

in a manner most likely to result in sustained service delivery after the end of EPI. Within this assistance, the contractor shall look for opportunities to facilitate cooperation between local and international education providers, input suppliers, and related institutions.

The contractor shall ensure that a minimum of 30,000 farmers benefit through training and technical assistance (offered primarily through the Georgian intermediary organizations) in production, marketing, post-harvest handling, and/or the application of technology to farm production, with the goal of increasing the revenues of these farms and enabling the sustainable provision of technical assistance and access to information. The contractor shall ensure that the assistance is made available to both men and women in an equitable manner.

While mid size and large farms and agribusinesses are primary target for this program, the small farms also will be assisted through different TA and service provision. In addition, at least 300 agribusinesses, principally those processing, packaging, collecting, selling, exporting, and transporting agricultural products, will be assisted with the goal of increasing their revenues. The contractor shall utilize joint action plans to coordinate activities with USAID's New Economic Opportunities (NEO) Initiative, which will raise incomes of small-scale farmers. Although it is often preferable and less risky to assist existing enterprises, where critical market gaps exist, it may be necessary to assist with the start-up of new enterprises and/or institutions. As part of its project management system, the contractor shall establish a database and data collection program to track clients served and the results of the assistance provided with USAID resources.

The contractor, in collaboration with the USAID Office of Energy and Environment, shall ensure that climate-friendly technologies are used when possible.

Required Sub-Tasks:

While the contractor will have significant flexibility in identifying needed interventions and developing an implantation methodology for achieving results, the following sub-tasks will be required to be implemented under this component. Some additional outputs and results are detailed below, but others are directly related to the component-level outputs and results detailed above.

- Sustainable Access to Information and Agricultural Services

Information asymmetries are problematic across the Georgian economy, but they are especially pronounced in the agricultural sector. Farmers and agribusinesses must have access to the information required to make sound business decisions. Therefore, a critical component of improving agricultural competitiveness will be the contractor's development of a system to ensure access to relevant and timely information required for business decision-making. Assistance in this area could also include dissemination of knowledge and successful agricultural practices, business models and technologies indentified as highly promising or promoted by the project or other donors, private sector or government activities. Development of this component shall be coordinated with Ministry of Agriculture and linked with the ICT component to ensure appropriate ICT and mobile technologies are used, and shall include establishing an Agricultural Market Information System. This component shall establish a link with the USAID-funded Access to Mechanization Program, Millennium

Challenge Georgia-supported Farm Service Centers and USAID-funded Farmer to Farmer program to leverage enhanced technology for agricultural production.

The contractor shall improve provision of agricultural services to farmers and agribusinesses. Reliable and qualified service providers shall be identified and given assistance to strengthen and expand their service delivery capabilities. The contractor shall support provision of services demanded by the market and develop and implement models that are sustainable, although full cost-recovery from the first day may not be practical. This could include establishing an agricultural center of excellence; strengthening extension services and improving research capacity; expanding vocational and/or university programs in agriculture; enhancing provision of agricultural services through input suppliers and nurseries; and assisting producers to meet food safety regulations.

Required Outputs:

Completion and execution of actions plans to expand access to agricultural services and information; at least 40 agricultural and enterprise service providers delivering a combination of assistance and training courses to a minimum of 30,000 farms and 300 agribusinesses.

Targeted Results:

Efficiency in agriculture markets is sustainably improved by access to near real-time demand and pricing information; farmers have access to affordable service providers to increase on-farm productivity and improve post harvest handling techniques; farmers and agribusiness professionals trained; increased hectares utilizing improved agricultural practices.

Outcome:

Sustainable provision of needed services and information to farmers and agribusiness; Increased market efficiency due to productivity increases; production processes more sophisticated; university-industry collaboration in extension activities improved.

▪ Develop Appropriate Model to Unify Small Holders into Groups

Working with the Ministry of Agriculture, the contractor shall develop a model to bring together numbers of small holders into unified groups (e.g., farmer associations, cooperatives, producer organizations). Such model will be structurally appropriate in the context of Georgian societal norms and perceptions, be legally recognized, be able to leverage purchasing and selling powers, have access to financial services, and link into appropriate food production value chains.

Required Outputs:

In partnership with the Ministry of Agriculture, a model that will bring together numbers of small holders into unified groups as described above.

Targeted Results:

Small holders establish viable legal groupings to more efficiently participate in growing agriculture sector.

Outcome:

Small holders are established actors in the agriculture sector.

Component 3: Improve the Competitiveness of Targeted Non-Agriculture Sectors: A dynamic economic environment, information asymmetries, and a nascent private sector provide high-impact opportunities to improve the competitiveness of Georgia's non-agricultural private sector as well. The Georgian private sector has changed dramatically in recent years. Domestic and regional tourism opportunities continue to grow, and the information, communication, and technology industry in Georgia has the potential to contribute significantly to multiple economic sectors, and to flourish as a stand-alone sector in the economy. However, a debilitated industrial capacity, weak and limited market linkages, limited access to capital, developing business acumen, and the lack of information among other constraints is limiting the expansion of Georgia's private sector. The global economic downturn has unfortunately contributed to the challenges in Georgia and heightened the urgency to improve productivity and competitiveness in Georgia, given a significantly more competitive global environment and scarcity of resources.

This component should build upon work completed under previous USAID/Caucasus-Georgia competitiveness and private sector development activities. The overall goal of this component is to increase the competitiveness of private businesses by improving productivity and connecting, or deepening the connection of, Georgian products to viable market opportunities.

The contractor shall target selected non-agriculture private sector value chains and strengthen participatory private enterprises to improve the competitiveness of targeted value chains and that of Georgia as a whole.

The Contractor shall develop a tool to guide the selection of non-agriculture value chains to target with development assistance. ICT shall be one of the sectors evaluated. The tool will consider the following factors and assign to them some quantitative measure, supported by qualitative justification, to provide a clear summary of investment options:

- Potential and existing markets (e.g., domestic, regional and global)
- Total investment (e.g., donor, government and private sector) required to be competitive in targeted markets
- Resident capacity to exploit nontraditional interventions and/or technologies
- Business acumen and willingness to adopt change
- Expected participation of or reliance on horizontal actors, including but not limited to:
 - Providers of financial products and services
 - Transportation providers
 - Marketing, management and strategic advisors
 - Audit, financial and consulting firms
- Expected participation of or reliance on vertical actors, including but not limited to:
 - Input providers
 - Aggregators and dealers (e.g., middle buyers)
 - Value-added processors or producers
- Extent to which the enabling environment hinders or enables value chains

Within the first 120 days of performance, the contractor shall present to USAID its findings and

recommendations on non-agriculture value chains. In partnership with the GoG and USAID, the tourism sector plus four other value chains will be selected to achieve the greatest probable development impact (*i.e.*, EPI's five high-level targeted results) relative to available funds, and breadth and depth of anticipated interventions.

Subsequently, the contractor shall ensure that the required regulatory environments, business processes and practices, financing (including access to credit, equity raising schemes, grants, and public-private partnerships), appropriate and applicable technologies, market access mechanisms and linkages, management and human capacity, and vertical and horizontal value chain linkages are in place to enable the development of the targeted VCs.

Successful strengthening of targeted VCs will be dependent upon or contribute directly to the integration of small businesses, vocationally trained artisans or laborers, business students, and others yet to be determined, into value chains. In light of this, the Contractor will seek and exploit opportunities to collaborate with other USAID funded activities and draw other USAID-funded beneficiaries into targeted value chains to leverage the development impact of U.S. Government funds invested in Georgia.

Objective - Increase competitiveness of targeted VCs by directly strengthening key enterprises and or stakeholders

Sub-Component Benchmarks:

- Average revenues across at least 500 small, medium, and large enterprises in targeted non-agriculture sectors increase by a minimum of 25% as a result of the assistance received through EPI by 18 months into the contract, and a minimum annual increase of 20% thereafter. (PMP indicator)
- At least 10 business service providers delivering high quality productivity-enhancing services to industries by 24 months into the contract and continuing thereafter.
- Service providers delivering combination of individualized assistance and training courses benefitting a minimum of 500 enterprises in priority industrial and service sectors by 12 months into the contract, and continued assistance for the life of the project.

Required Sub-Tasks:

While the contractor will have significant flexibility in identifying needed interventions and developing an implantation methodology for achieving results, the following sub-tasks will be required to be implemented under this component. Some additional outputs and results are detailed below, but others are directly related to the component-level outputs and results detailed above.

- Improve the Competitiveness of the Tourism Sector
The contractor shall remove (or identify for removal by a competent body) constraints and foster development of the tourism sector, with a focus on domestic and regional tourism.

This component may involve developing linkages between agriculture and tourism, and developing the connections to regional tour operators in the South Caucasus countries. The contractor shall also examine the possibility of low-cost European airlines operating in Georgia in collaboration with the Department of Tourism. An early output from work in this sector shall be the development of a tourism marketing action plan at the business level to increase productivity and sales of tourism-related businesses.

Outputs:

Competitiveness analysis of tourism sector; 3-year tourism development and marketing action plan; capacity building of public and private sector

Results:

Government of Georgia accepted action plan for tourism development; improved perceptions of tourism services and infrastructure; increased tourism expenditures; increased number of tourists; increased productivity of tourism sector (PMP indicator); increased profits (PMP indicator)

Outcome:

A coherent and comprehensive tourism development action plan is put in place, resulting in improved tourism services, infrastructure and profits.

▪ Improve Competitiveness of the ICT Sector

Information and communication technology is important not only for its potential for economic growth and employment, but more importantly, because of the transformative nature of ICT in other industries. Internet and telephone technologies can expand access to price information for agricultural producers, assist compliance with tax filings and other registration requirements (e-government and e-business applications), and assist businesses with accessing external markets, etc. ICT shall be used to improve competitiveness in the agriculture and non-agriculture sectors targeted under Components 2 and 3.

The contractor shall identify viable enterprises in the ICT sector. Working through associations and business service providers, the contractor shall assist with upgrading operations, process improvement activities, obtaining international certifications on recognized quality standards, and establishing linkages with external markets.

The contractor shall pursue opportunities to create technology and innovation centers drawing on capabilities and resources of major multinational ICT corporations. Where feasible, centers should be developed in partnerships with local and international investors. Sub-awards may be used to facilitate these developments, but leveraged with local and foreign investment to the maximum extent possible.

Output:

Yearly training and capacity development action plans for ICT companies benefitting from linkages to targeted agriculture and non-agriculture sectors; yearly assessment and action plan for the development of public-private partnerships; capacity building of public and private sector

Results:

Increased productivity of ICT sector (PMP indicator); increased revenues (PMP indicator); improved access to ICT technologies and innovation

Outcome:

The ICT is an established sector that provides competitively priced quality products and services to Georgian enterprises, and the GoG.

IV. Special Considerations

Cross-cutting Activities

Analysis, access to information, human capacity development, use of modern technologies, forging long-term linkages, and building local institutions are critical themes of EPI and shall be used as tools to improve the effectiveness and efficiency of assistance.

1. Information and Knowledge Sharing:

The contractor shall improve availability of economic and market information about Georgia and the neighboring countries. This component will facilitate a broader understanding of Georgia's economic reform and how businesses and individuals can benefit from such reforms. Assistance shall include the development of systems and sustainable activities to promote greater understanding within the public and private sector (including media) of government reforms and regulations and work to enhance the capacity within the public and private sector to analyze policy options and international experience related to economic policy and reform.

Initiatives shall include but not be limited to the following:

- Assist Georgian “think-tanks”, universities, and/or government statistical agencies in their ability to collect and analyze relevant economic data.
- Assist print and broadcast journalists in their ability to collect, interpret, and disseminate relevant data about the economy and competitiveness in cooperation with a new USAID Media Project.
- Increase and improve public-private sector dialogue on business and policy issues.
- Carry out periodic public events that inform the business and government communities about key economic trends, issues, problems, and opportunities

While implementing these and other similar public information activities, the contractor shall maintain an independent and unbiased perspective, be an advocate for economic reform and openness, and not be seen as supporting a particular political party or position on economic policy matters.

Output:

Recurring dialogues in and between the government, businesses and citizens fosters greater

cooperation and support to further improve economic governance.

Targeted Result:

Increased percent of citizens knowledgeable about key reforms and policies (PMP indicator);
Policies/regulations/administrative procedures analyzed (F/PMP indicator)

Outcome:

Sustainable mechanisms to analyze and provide economic information established, leading to enhanced capacity within media, parliament, and partner organizations to analyze and provide information on economic reforms and developments.

2. *Information Technology and E-Governance Initiatives:*

The contractor shall pursue opportunities to leverage ICT, technology transfer, and E-Governance technologies. Specific partners may include the Prime Minister's Office, Ministry of Finance, Ministry of Economic Development, Ministry of Agriculture, Ministry of Regional Development and Infrastructure, Parliament, Ministry of Justice, Unified Data Agency, Central Bank, Regional and Municipal Government Authorities, business associations, and leading industries. The contractor shall identify and implement public and private sector information technology improvements, use of mobile technology, technology transfer, and e-governance initiatives. In addition to the development and implementation of ICT and e-governance solutions, activities may include the development of training curricula and programs.

Required Output:

The Georgian ICT sector provides innovative solutions that greatly enhance the implementation of EPI, and the competitiveness of targeted sectors. .

Targeted Results:

High-impact ICT interventions are implemented and utilized to achieve program target results.

Outcome:

The ICT sector is recognized and performs as a competitive solution provider to Georgian enterprises and the GoG.

3. *Establish University Partnerships and Public-Private Sector Partnerships:*

The contractor shall promote partnerships between local institutions and US universities, and utilize public-private sector partnerships when appropriate. The focus of university partnerships shall be to strengthen local agricultural, private-sector, and educational institutions to improve competitiveness through capacity building, technical assistance, and institutional development. University or other partnerships may also be used to leverage short-term technical expertise. Specific areas may include assistance to improve training for agronomists, animal breeders, and veterinarians, and develop sustainable provision of agricultural services. The Contractor shall present options to USAID for using public-private sector partnerships to support the objectives outlined under components 1, 2 and 3.

Required Output:

High-impact partnerships that will greatly enhance the ability of the project to meet its target

results and achieve sustainability

Targeted Results:

Lasting partnerships established between Georgian education institutions and businesses or business sectors.

Outcome:

Long-term sustainable partnerships are formed between businesses and educational institutions that promote demand driven curriculum, skills and technology development.

4. Grants-Under-Contract:

The contractor shall utilize grants-under-contract across all areas of the EPI contract in order to facilitate the achievement of program objectives with a particular focus on working through Georgian institutions and ensuing sustainability. The Contractor shall provide a mechanism for “grants-under-contract” consistent with USAID policy. Cost-sharing should be required for grants.

Illustratively, grants shall be used to achieve objectives such as:

- A. Strengthen local firms, institutions or organizations to enable the development of training programs; sustainable provision of information or needed services; or to perform economic research and/or analysis that will help achieve program goals.
- B. Facilitate GDAs or the establishment of other partnerships with international organizations, universities, business or associations that will help to achieve program goals.
- C. Enable the adoption of new technologies, practices, and/or provide infrastructure in order to establish new business models that can be replicated in Georgia. These types of business development grants should not be used to promote further utilization of technologies or practices already widely in use in Georgia. The project should work to facilitate access to credit, investment, or other forms of financing when promoting existing technologies.
- D. Assist with the procurement of priority government IT systems to enable greater operational efficiency and the improved delivery of services.
- E. Improve access to finance through the creation of sustainable financial service mechanisms.

Required Outputs:

At least \$6 million in sub-awards are made in order to achieve core results of EPI and develop appropriate financial services mechanisms.

Targeted Results

Grants to facilitate institutional development, improved economic competitiveness, enable the utilization of modern IT systems, and increased lending.

Outcome:

Strengthened local economic institutions, improved economic competitiveness and improved access to finance.