

## SCHEDULE 1

### Project Description

The objective of the Project is to improve infrastructure services and institutional capacity to support increased contribution of tourism in the local economy of the Samtskhe-Javakheti and Mtskheta-Mtianeti regions.

The Project consists of the following parts:

#### Part 1: Infrastructure Investment

(a) Provision of Investment Subproject Financing, on a grant basis, to Participating LSGs to finance Investment Subprojects for urban regeneration of old towns and villages in the Samtskhe-Javakheti and Mtskheta-Mtianeti regions including, but not limited to, restoration of building facades and roofs, public spaces, museums, roads and water supply, and enhancement of cultural and natural heritage sites (as well as tourism facilities and access to and presentation of sites).

(b) Provision of Investment Subproject Financing, on a grant basis, to Participating LSGs to finance Investment Subprojects for the creation of public infrastructure to attract private sector investments in tourism or agribusiness in the Samtskhe-Javakheti and Mtskheta-Mtianeti regions including, but not limited to construction of roads, sidewalks, and water, sanitation, communications and public facilities.

#### Part 2: Institutional Development

Provision of goods, non-consultant services, consultants' services, and Training, as well as financing of Operating Costs to enhance the institutional capacity and performance of GNTA, NACHP, Georgia National Museum, the Project Implementing Entity, and other concerned local and regional entities to carry out activities including the following:

(a) Setting up of a destination management office in each of the regions of Samtskhe-Javakheti and Mtskheta-Mtianeti to assist in the creation of an institutional framework to ensure proper destination management, public-private-partnership and sustainability of investments made in each region.

(b) Development and implementation of marketing and promotion tools in each of the Samtskhe-Javakheti and Mtskheta-Mtianeti regions to promote each region as a new sustainable tourism destination and to assist in creating a mechanism for community participation, stakeholders' consultation and involvement of local government in developing tourism in the region.

(c) Preparation of sustainable site management plans for cultural heritage sites financed under the Project as well as provision of on-the job training to NACHP.

(d) Provision of Training for skilled workforce development and capacity building to selected beneficiaries (including hotel staff, tour operators and guides, and officials at the GNTA, NACHP, Georgia National Museum and the Project Implementing Entity) aimed at producing an integrated workforce development program around the skills needed in tourism-related businesses in the Samtskhe-Javakheti and Mtskheta-Mtianeti regions.

(e) Provision of cultural heritage advisory services to the NACHP aimed at: (i) overseeing the preparation process of Mtskheta World Heritage Site master plan, in compliance with the World Heritage Committee's decisions; (ii) establishing advisory service on the World Heritage Sites Tentative List for Georgia and providing assistance to NACHP in preparing nomination files for inscription; (iii) providing on-the-job capacity building to NACHP and municipalities on cultural heritage preservation and site management plans; and (iv) promoting cultural heritage as an unique tourism product in both the national tourism strategy and the global Silk Road initiative (which initiative is being led by the United Nations World Tourism Organization to revive the historical silk route).

(f) Provision of business start-up/expansion advisory service to tourism and agribusiness medium and small enterprises to enhance their business development capacity, and build credit with local and national financial institutions.

(g) Enhancing capacity for performance monitoring and evaluation activities in the tourism sector in the Samtskhe-Javakheti and Mtskheta-Mtianeti regions (including, designing and conducting seasonal surveys to determine the number and origin of visitors, spending activities, and satisfaction levels, and gathering baseline data from both formal and informal tourism enterprises) and introduce ways to monitor the effectiveness of efforts as well as monitoring the Project's results indicators annually.

(h) Provision of technical assistance to the Project Implementing Entity for outreach and public awareness campaigns, preparation of feasibility studies of potential Investment Subprojects, and design and construction supervision and financing of Operating Costs.