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MAYORS FOR ECONOMIC GROWTH

2023 MID-YEAR BRIEF

3RD YEAR: JAN-JULY 2023

MAYORS FOR ECONOMIC GROWTH

Funded by the European Union

UNDP

“What the war did with Trostianets is a nightmare. Everything is damaged – health centers, dozens of houses, private buildings, and critical infrastructure. Trostianets was liberated, and we will rebuild it even better because Trostianets was always a flagship city in Sumska Oblast. We need our partners' support as never before. Our needs vary drastically since all the economic sectors were affected”

Volodymyr Zlepko

Deputy Mayor Trostianets, Response & Renewal

"Like little seeds of hope, the funding received in Drochia to retrofit our kindergarten blossoms into a safe haven for the youngest souls seeking refuge. In their laughter and playful footsteps, we witness the power of compassion transforming a building into a warm embrace, where Ukrainian refugee children find solace, joy, and a brighter tomorrow."

Nina Cereteu

Mayor of Drochia, Response & Renewal

“I am surprised at the results of the interviews! It seems the residents are really keen to get involved and they have a MUCH bigger understanding of the issue than what we have. The work helped us identify small but important issues to solve for the larger problem. We learnt to experiment to avoid larger mistakes in the future.”

Karine Simonyan

Local Economic Development Officer, Alaverdi, Urban Imaginaries

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“Our portfolio mission is for Ceadir-Lunga to transition to renewable energy with more local energy sources and energy independence. This is of utmost importance to Moldova at this point with an energy crisis, and we hope that our municipality can contribute our share and demonstrate how this can be done at the local level.”

Anatolie Topal

Mayor, Ceadîr-Lunga, Portfolio Journey

“We saw how important these improvements were, and how people were thankful to have such a cultural space in the city. All this gives us confidence to believe that we’ll continue further in our work, especially in engaging with community and rural residents.”

Ashot Tserunyan

Local Economic Development Officer, Charentsavan, Urban Imaginaries

RESULTS&EFFECTS SO FAR - MID 2023

400k+
local authorities are members of the M4EG in the 5 countries

46
towns/cities engaging 'deep' in demonstration projects for new trajectories of growth and making secondary cities more attractive for people and financing

320+
municipal staff engaged in learning journeys under the three main programmes – Portfolio Journey, Urban Imaginaries & Response & Renewal

8k
M4EG continue to have high engagement – with close to 8,000 participants so far on recorded workshops and events

100+
municipalities in Ukraine and Moldova supported since the start of the war, more than 25,000 IDPs and refugees directly supported

Urban Learning Center
online platform launched along with the online course "Foundations for Future Readiness"

540k
At least 540,000 people reached in Eastern Partnership in 2023 alone, with more than 150 communication products since 2021

BACKGROUND & STRATEGY

Countries of the Eastern Partnership (EaP) region (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova,[1] Ukraine) are emerging economies with uneven prosperity which makes the vulnerability of parts of the population a key challenge. Difficult geographical characteristics, the relatively small size of the economies, lack of diversification, and demographic challenges associated with emigration and low fertility rates combined with exposure to macroeconomic risks, create a complex development picture.

The Mayors for Economic Growth (M4EG) initiative was launched by the European Union (EU) in 2017 to support Mayors and municipalities of the EaP countries in becoming active facilitators for sustainable economic growth and job creation. The first phase of the initiative recorded high popularity: over 400 municipalities across the region had committed to the initiative's objectives, and over 250 local economic development plans (LEDPs) were designed. The M4EG Phase II, known as the "M4EG Facility", will build on and integrate lessons learned from the first phase while seeking to build synergies and avoid duplication with other local economic development (LED) programs already underway in the region. The first phase introduced an integrated approach to local economic development planning. However, these plans have not all generated the desired investments for transformation.

To achieve this result, the M4EG Facility aims to serve as a platform to enable and learn what it could take to bring about transformative change within towns and cities in the EaP. This entails that the LAs explore how to apply a strategic innovation framework with new tools and methods, including engaging in deep listening (enhanced stakeholder engagement to better grasp and tap into narratives that exist in society), co-creation with diverse groups of innovators, investors, and public servants, activate portfolios and manage them (dynamic management), and actively design bankable projects to attract private sector and other forms of financing, while simultaneously develop capabilities in local authorities.

During the implementation of the second phase of the initiative, the M4EG network intends to increase to 350 local authorities, and up to 70 seed-funds/innovation grants will be activated, and a cohort of local authorities will go through a process of "portfolio" development. At least three funding opportunities will be available to the local authorities in the network: the EU Call for Proposal for pilot projects (ref. 170157, 2021), the Call for Interest for Portfolio Journey and the Call for Interest for Urban Imaginaries/innovation project (2022), and one more call in 2023.

[1] Hereinafter 'Moldova'.

BASIC M4EG DATA

Title of project	Mayors for Economic Growth (aka M4EG Facility)
Contract Number:	ENI2020/416-147
Duration of project	48 months/4 years: 1 Jan 2021- 31 Dec 2024
Target Countries	Eastern Partnership Countries: Armenia, Azerbaijan, Georgia, Moldova, Ukraine
Reporting period	1 January-31 July 2023
Type of report	Mid-Year Brief (narrative update only)
Implementing Partner	UNDP
Purpose of Report	The report summarizes the achievements so far in 2023, identifies challenges, and outlines any mitigation strategies put in place by the project management. The progress report builds on the previously shared 2021 and 2022 Annual Report
Total project cost	€12,094,364
European Union	€11,800,000
UNDP	€294,364
SDG contribution (main)	**SDG8:** Decent work and economic growth, **SDG11:** Sustainable cities
Regional Programme Europe and CIS (2022-2025)	**Outcome 1:** #1: Structural transformation accelerated, particularly green, inclusive and digital transitions.
UNDP Strategic Plan 2022-2025	**Tier 2 Development Outputs:** E.2 Innovation capabilities built, and approaches adopted to expand policy options at global, regional, national and sub-national levels **Tier 3 Organizational Effectiveness:** 1.3 Cutting-edge strategic innovations and digital solutions cultivated for policy and programming

ABBREVIATIONS

CfP	Call for Proposals
CfI	Call for Interests
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations, the European Commission
DoA	Description of Action (i.e. the approved project description)
EaP	Eastern Partnership countries
EC	European Commission
EU	European Union
EUD	European Union Delegation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	Information and Communication Technology
IDP	Internally Displaced Person
IRH	Istanbul Regional Hub (of UNDP Regional Bureau for Europe and the CIS)
LA	Local Authority
LEDP	Local Economic Development Plans
LVR	Local Voluntary Reviews (of 2030 Agenda)
MEL	Monitoring, Evaluation and Learning
M4EG	Mayors for Economic Growth (Facility)
MOOC	Massive Open Online Course
NVR	National Voluntary Reviews (of 2030 Agenda)
SDG	Sustainable Development Goals of the 2030 Agenda
ToR	Terms of Reference
ULC	Urban Learning Center
UNDP	United Nations Development Programme

Note on definitions: depending on the country context and/or wording previously used in endorsed documents, the report uses local authorities, municipalities, and cities interchangeably.

MAYORS FOR ECONOMIC GROWTH

2023
MID-YEAR BRIEF

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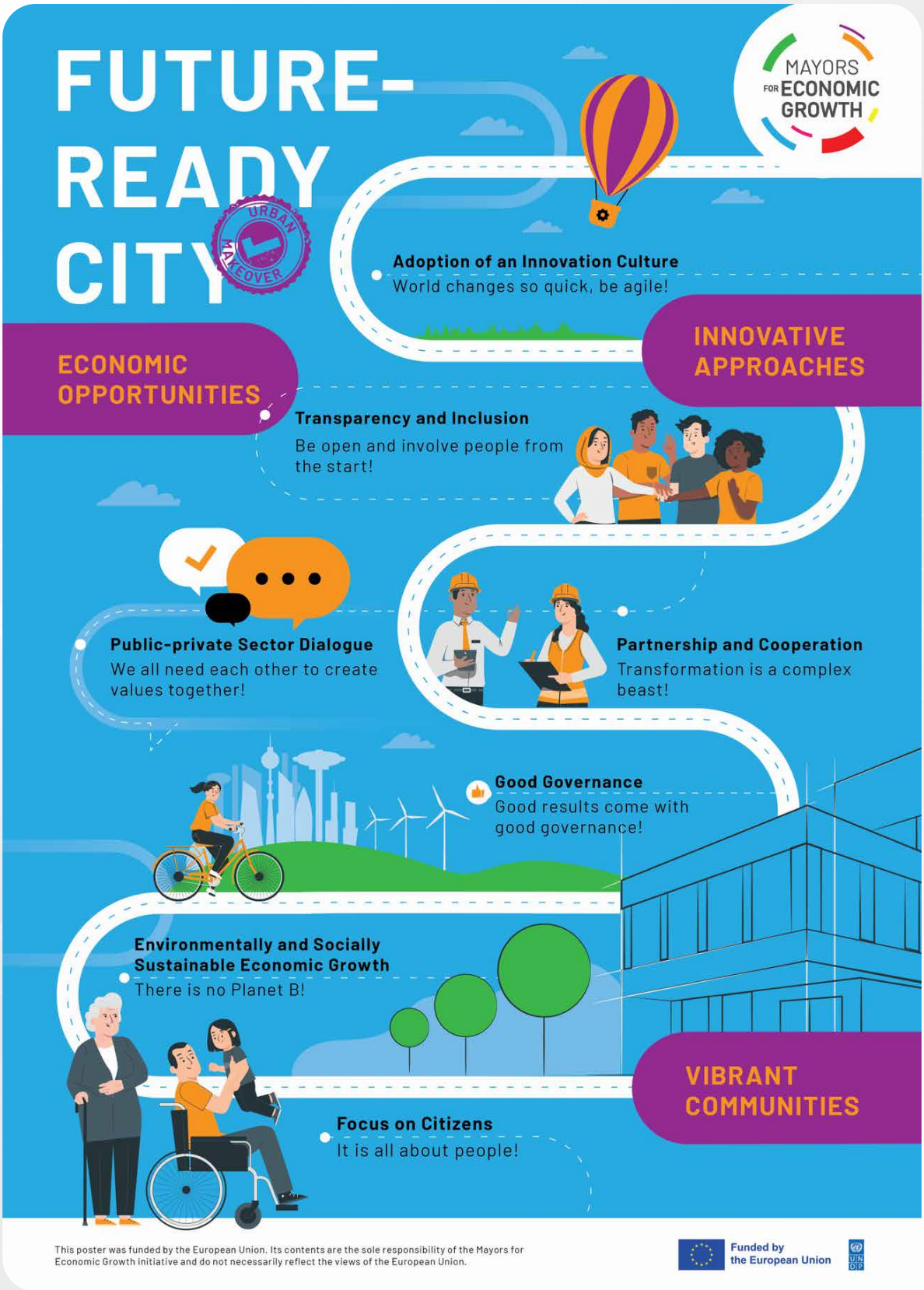

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MAYORS FOR ECONOMIC GROWTH

EXECUTIVE SUMMARY

The Mid-Year Brief presents an overview of the implementation of the activities under this project for the period 1 January-31 July 2023. As the report is a narrative brief interim update, focus is given to those activities under active implementation and key highlights since the start of 2023 only. A more detailed overview of all activities and indicators is found in Appendix 1 to this report.

The overall objective of the action is to enhance economic inclusive growth and job creation by supporting local authorities (LAs) in the Eastern Partnership (EaP) to become active shapers and facilitators for sustainable trajectories of growth. This is sought through strengthening capacities of local governments, creating inclusive innovation processes for design of investable projects that correspond to the developed LEDPs, and investing in portfolios of projects, in a way that bring tangible benefits to residents.

Component 1 – BROAD:

EaP municipalities are supported in their participation to the M4EG initiative

The broad engagement strategy offers networking, peer to peer and learning opportunities to the whole network. In the first half of 2023, the Urban Learning Center (ULC) under the Mayors for Economic Growth (M4EG) initiative finalized three key resources. The first deliverable was the "Foundations for Future Readiness" course, targeting municipal officials and policymakers. It offers a broad understanding of topics such as the green transition, smarter cities, and managing complex problems through eight modules, and was launched on July 26th, 2023. Alongside this, the “Pathways for Sustainable Growth” (P4EG) was developed as a new generation of local economic development plans, focusing on the green transition and economic growth within planetary boundaries. This package includes guidance documents, hands-on learning documents, and MOOC content, to be launched in October 2023. A Community Listening Guide was also created to tap into the needs and concerns of local residents, visitors, and city identity, to inform services, plans, and policies at the local governance level. The M4EG also continues to foster networking and peer-to-peer learning opportunities, with several successful events held and more planned. Challenges and learnings include the need for user-friendly content and a high interest in community engagement, with future plans focusing on scaling existing initiatives and tailoring learning resources to local needs.

Component 2 – DEEP

Municipal pilot projects building on existing LEDPs are successfully implemented

Municipal pilot projects have seen substantial progress as of June 2023, with 49 unique seed-funds/grants ranging from EUR 15,000 to EUR 225,000 being awarded to municipalities as members of M4EG. Most of these funds are paired with hands-on learning and design journeys to enhance initial ideas and project designs. Different programs under M4EG, such as Urban Imaginaries, Portfolio Journey, and Response and Renewal, are in various stages of implementation, embracing human-centered design, systems thinking, and experiential sharing among municipalities. In-person bootcamps and workshops have notably cut down on design and engagement time, increasing efficiency. A special spotlight on Mykolaiv, Ukraine, illustrates the adaptive nature of the city portfolios, with a shift towards a ‘blue and green’ transformation, and which has already secured additional funding from Denmark.

The new focus in 2023-2024 will be on identifying and mobilizing funding and financing opportunities, both through preliminary research and matchmaking events. Lessons learned indicate that a hyperlocal approach helps in adapting program processes to the local context and that in-person engagements are more effective. Challenges around size, scale, and the capacity of possible municipal projects have been noted, with recommendations for bundling/aggregation at the national level. Feedback also emphasizes the enhancement of digital skills of municipal staff and the importance of interactive and inspiration-generating processes.

Component 3 – CRISIS

Ukraine Crisis Emergency and Refugee Response, Recovery, and Resilience

The response to the Ukraine crisis since March 2022 has been multifaceted and seen an extensive collaboration between various entities at local and national levels. So far in 2023, 32 municipalities and 5,550 IDPs and refugees directly supported.

In Ukraine, Community Volunteers continued to be engaged in 2023, aimed at supporting local populations and internally displaced persons (IDPs). M4EG procured essential supplies like generators, beds, and other needed items for IDP shelters throughout Ukraine. M4EG also provided immediate support following the destruction of the Kakhovka Dam in June 2023.
In Moldova, efforts have been directed towards supporting Ukrainian refugees and local authorities who are grappling with multiple challenges. Social cohesion events have been organized, and measures have been implemented to provide access to information and public services like Wi-Fi hotspots and language and professional training courses. Improvements in energy efficiency of public buildings are underway, and special measures are being taken to strengthen local authorities' capabilities in crisis management.

The EU-M4EG Response and Renewal Grant Programme with its 18 partaking local authorities has been instrumental in supporting the initiatives in both Ukraine and Moldova, with an emphasis on immediate response and renewal and anticipation. This multifaceted approach, although faced with challenges like economic opportunities and psychological trauma, has aimed at providing a comprehensive response to the crisis, focusing on inclusion, sustainability, and adaptability.

Figure 1 UN Community volunteer supports health facility's work in Lviv, Ukraine

Figure 2 Icherisheher Azerbaijan, Portfolio Design Bootcamp - "Smart Old City"

Figure 3 Ceadir-Lunga's first (Moldova) E-tree as part of their energy transition portfolio, with Mayor and UNDP Resident Representative.

Figure 4 Charentsavan, Armenia, Reimagining public spaces and key heritage sites, during experimentation as part of Urban Imaginaries.

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MAYORS FOR ECONOMIC GROWTH

RESULTS & EFFECTS

so far in 2023

BROAD

EAP MUNICIPALITIES ARE SUPPORTED IN THEIR PARTICIPATION TO THE M4EG INITIATIVE

The broad engagement strategy offers networking, peer to peer and learning opportunities to the whole network.

Urban Learning Center (ULC)

Three key resources under the ULC were finalized in the first half of 2023

A key deliverable for the M4EG so far in 2023 was the finalization of the first course under the ULC, "Foundations for Future Readiness". The Foundation Course recognizes that municipalities are at the forefront of today's changes, from our rapidly warming climate, to growing urbanization, as well as demographic shifts, to global pandemics and conflicts. To prepare for and adapt to an increasingly uncertain future, new tools and approaches can help municipalities be prepared for and support a sense of readiness for the changing future.

The Foundation Course introduces some of the key topics that will shape municipalities in the coming decades. The eight brief modules introduce the green and just transition including the EU's Green Deal, and smarter and inclusive cities, to approaches to managing complex problems and mobilizing municipal resources, funding and financing. The course provides a range of opportunities to learn; from video summaries and bite-sized content to interactive quizzes and activities to help you to apply these new learning to your own context.

The course is designed for a broad range of municipal officials, ranging from municipal policy makers and planners to political leadership and mayors, and offers an opportunity for all municipal changemakers to learn a new foundation of future-readiness.

The Foundation Course was drafted by Arup, Climate KIC, TalTech and UNDP and was subsequently reviewed and uploaded as well as re-tweaked by UNDP once online, before translated to six languages and further uploading to the online SparkBlue platform in separate language courses. The Course was launched on July 26th, 2023, with more than 130 people in attendance. The online course is expected to be rolled out with in-country workshops in fall 2023, starting with Armenia in August 2023. The content is expected to be further tweaked based on feedback from municipality staff.

[* Results are here referred to alignment with the results framework and are immediate and concrete, while effects are both intentional and unintentional, and they might manifest in more indirect ways.]

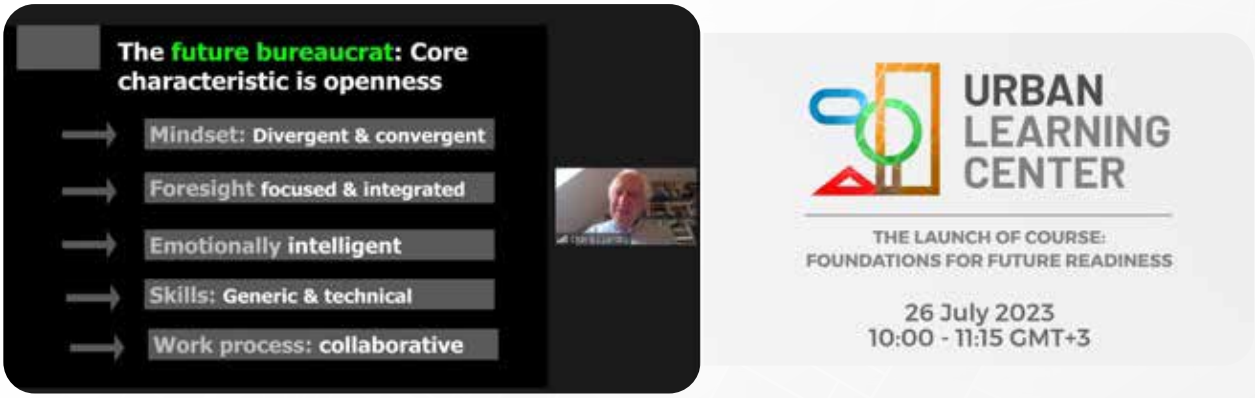


Figure 5 Charles Landry, a well-known city advisor and writer on urban issues spoke about the capabilities needed for bureaucrats at the launch event of the first course under the ULC..

The Foundation Course acts as a pre-requisite for the upcoming courses: “Pathways for Economic Growth”, “Green and Just Transition” and “Smarter and more inclusive cities and communities”. The Foundation Course may also act as a prerequisite or can be embedded in future call for proposals and grant programmes under the M4EG, or similar initiatives.

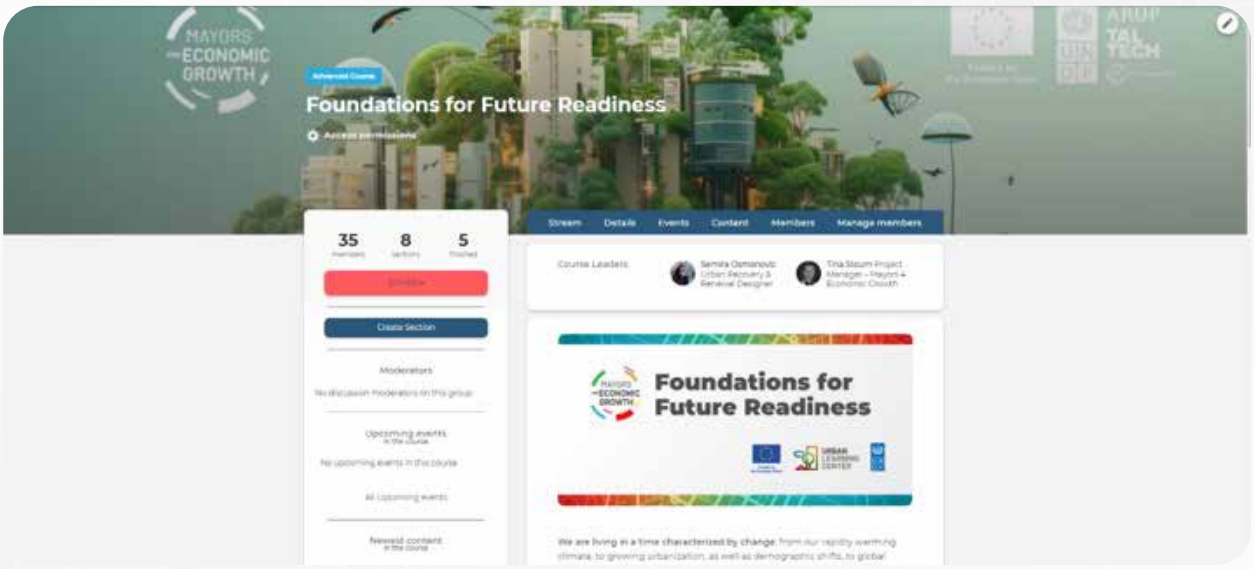


Figure 6 Foundation Course welcome page

Link to the online **Urban Learning Center Platform**

Link to the online **Foundation for Future Readiness Course**

Link to the **recording of the Foundation Course Launch**

Pathways for Economic Growth (P4EG)

Another key resource finalized under the ULC was the new generation of local economic development plans under the M4EG, now known as “Pathways for Sustainable Growth”, with sustainability heavily focusing on the green transition and economic growth within the planetary boundaries. The new name reflects the identity of M4EG with a focus on prosperous and thriving municipalities beyond traditional economic growth paradigm only, and the often unknown possible pathways to revitalize or explore new paths for local development.

As noted in the 2022 Annual Report, the P4EG is a new generation of local economic development plans driving transformation change in towns and cities by increasing local leadership, capability and engagement through building institutional and individuals’ professional strengths in the region. To create municipalities that allow people, businesses and the planet to thrive, it is important to develop a new foundation of concepts, skills and approaches that can help us to adapt to our changing future.

The P4EG is now a package with three products:

1. Template Guidance document and template for municipalities to draft their P4EG, with instructions for each section, also includes some case studies (approx. 100 pages)

2. Hands-on Learning Document: supplements the Guidance/Template with a step-by-step process of developing the P4EG Strategy (approx. 65 pages)

3. MOOC P4EG content: course content to be available on SparkBlue for M4EG members and others and supplemented by in-country workshops as relevant (approx. 30 pages)

At the time of this report, UNDP is in a process of final internal review and drafting a chapeau document to combine the three products to one final package for design and translation. The P4EG package, including the online course will be officially launched at the M4EG Forum in Batumi in October 2023.

As shared in previous reports, Baghdati in Georgia piloted the P4EG methodology and finalized their P4EG in spring of 2023. The document is undergoing a standard finalization and approval process at the local government level, and a designed output in Georgian and English will be prepared for further dissemination. One immediate spill-over effect is that one of the identified projects in the P4EG that of a Wine Lab recently confirmed funding of GEL 500,000 from the GIZ.

Community Listening Guide

Social or community listening is as seen in the DoA a key capability that the M4EG aims to introduce and test with its members. The term 'community listening' is now the preferred across the board within the country contexts and languages, in comparison to the earlier used 'deep' or 'social' listening as it had potential negative connotations around surveillance by state authorities within certain contexts.

Social listening refers to any activity and methodology applied by the municipality to tap into needs, interest, worries, and underlying narratives from the residents, visitors and generally the city or town identity that could help inform services, plans, policies at the local governance level.

Figure 7 Kamianets-Podilskyi, Ukraine, was one of the cities that tested tools as part of the peer-to-peer City Learning Circle.

Based on the City Learning Circle conducted at the end of the 2022 and the ongoing social listening activities undertaken by cities part of the Portfolio Journey (often interviews of stakeholders by the municipality or partner to design and evaluate activities), the Agirre Lehendakaria Center (ALC) of Bilbao, and UNDP, together with Professor Jayne Engle of McGill University, co-wrote a Community Listening Guide for municipality staff and partners. The Guide is publicly available online here, and UNDP intends to further translate the guide and its tools to a concrete learning offer for municipalities under the ULC in end of 2023.

In April 2023, the experience of the two Ukraine cities who were part of prototyping the City Learning Circle with testing of community listening tools from October through December 2022 were shared in this blog:
https://innovation.eurasia.undp.org/community-listening-is-not-a-luxury/

Networking and Peer-to-Peer

The M4EG continues to offer in-person and online networking and peer-to-peer opportunities to interested members at both regional and country level.

Below are a handful of examples so far in 2023. Please see the country specific communications reports from June 2023 for more information (available in **this Google folder**).

Tbilisi Economic Forum (30 - 31st May)

The Tbilisi Economic Forum is an annual event hosted by the Tbilisi Municipality and for the first time, the M4EG was a co-host of the event. The M4EG team worked alongside the municipality to help frame the forum around the green and digital transformation as well as helped bring in international speakers and ensured visibility of other municipalities from across Georgia, especially some of the M4EG grant recipients (Batumi, Kutaisi, Samtredia, Poti). The M4EG was featured in three of the sessions in addition to the opening. The Forum had more than 100 speakers with approximately 1,000 people in attendance.

Figure 7 Opening of the 2-day Tbilisi Economic Forum, co-hosted by the M4EG

Lviv Urban Forum (29 - 30th June)

In early spring 2023, the Lviv Municipality reached out to the M4EG to ask whether the platform would be interested in co-hosting and supporting the planned Lviv Urban Forum. Considering the scope of the event with many of the close to 200 members in Ukraine planning to attend and the international attendance, the M4EG saw the opportunity to leverage the event for further networking as well as to introduce existing and future offers of the M4EG. As part of co-hosting, the M4EG was part of several sessions at the Forum, including a general presentation of the initiative, the learning offers under the ULC, including the P4EG (Press Release). Additionally, a separate workshop session on peer-to-peer learning and listening was held with over 40 participants, including local authorities, urban designers and architects. The level of engagement was high, and numerous attendees expressed their appreciation for the Community Listening tool and requested supporting material, stating their intention to integrate it into their ongoing and future initiatives as a means to foster community participation.

Figure 8 and 9 From Lviv Urban Forum: a) M4EG presented in plenary, b) in-person workshop run by M4EG team on community listening and peer2peer exchanges among municipal staff and partners.

M4EG leveraging EaP city work of strategic importance

The M4EG is increasingly seen as a valuable platform for its members. The M4EG Secretariat is from time to time approached by members and their partners with ideas on collaboration and leveraging ongoing initiatives. Considering the flexible nature of the M4EG with an overarching aim and North Star to support EaP cities to explore new trajectories of green and just growth, the M4EG has been able to allocate minor project funds and or staff time to support inter alia:

Lviv City – 1st local review of SDG implementation in Ukraine

As members states presents their National Voluntary Reviews (NVR) as part of the monitoring approach of the 2030 Agenda, Lviv presented its Local Voluntary Review (LVR) of SDG implementation as the first ever city to do so in Ukraine, and ahead of the High-Level Political Forum (HLPF) in New York in July every year. The M4EG supported the review of the document, its translation, design and dissemination through global channels.

City Investment Profiles

A number of members have reached our to M4EG to support with the preparation, review and or translation, design and outreach of their city investment profiles, particularly with a focus on better reaching private sector entities and international actors. In spring 2023, M4EG supported Rustavi (Georgia) with the review, design and outreach of its updated investment profile. More members are likely to follow, also seeing the new focus of the M4EG in mor tailored support to access additional funding and financing for local authorities.

Figure 11 In Georgia, municipalities were offered a practical workshop on research methods.

M4EG leveraging links with academia

In cooperation with the Institute of Applied Social Psychology in Georgia, M4EG hosted six interns – MA students, who have been engaged with Georgian signatories. Particularly, one team worked on research capacity development and another team helped Baghdati municipality to conduct survey under P4EG process to fill data gaps and get insights from the local residents.

Figure 12
ULC Inspiration Session on Tallinn's experience

Inspiration Session with Tallinn City

At the end of 2022, Tallinn City reached out to the M4EG secretariat which led to several discussions on how to bring in Tallinn City's experience to share with the M4EG network, especially on SDG localization, participatory city planning, and generally as Tallinn is known as a frontrunner on e-governance and digital transition. On March 30th 2023, an ULC Inspiration Session: Tallinn's Transformation Journey was held with more than 150 online participants. Watch the recording **here**.

Show & Tell for Urban Imaginaries 'graduates' (12 July)

Started as a practice in 2022, the Show & Tell event is a space for the municipalities to showcase ongoing learning and effects of their M4EG engagement, to pitch their ideas, and recognize their active engagement. On 12 July, the five cities in Ukraine and four in Azerbaijan under the Urban Imaginaries cohort 2 (co-led by Center for Public Impact and UNDP) presented the results of their learning and testing journey and shared how their interventions were tweaked to better respond to residents needs and interests. Approximately 70 people joined online. Many reflected the need and ask for applying Human Centered Design approaches more widely in their municipalities. Watch the Show & Tell Recording **here**.

2023 Forum

Preparations are ongoing for the M4EG Forum: Future Forward: Accelerating Urban Transformation, to be held in Batumi, Georgia on 4-5 October 2023. An estimated 200 people will attend from the M4EG network and national and international partners.

Changes introduced and/or difficulties to overcome

• The online ULC platform (through SparkBlue) required additional time for the M4EG Secretariat (UNDP) to learn and to adapt the technical content for the first course to be as user friendly as possible. As each language version requires its own course set up with individual modules, a total of seven courses had to be created. To ensure delivery, this required 10 UNDP personnel (part of M4EG or volunteers outside) to be trained and learn the back-end of the platform, as well as additional support for uploading content by supervised interns, and a short-term consultant from the region to review and improve the learning and user journey and platform for optimal execution. Approximately 20 UNDP personnel from the relevant Country Offices volunteered to do a test learning journey for the Foundation Course to check relevance and user experience.

What are we learning and seeing?

• Opportunities to scale and leverage existing initiatives: M4EG will continue to identify ongoing initiatives and events that already targets M4EG members and topics that can be scaled and leveraged with M4EG support, this could happen through technical support, liaising with international or regional speakers and experts, to communication and human resources support.

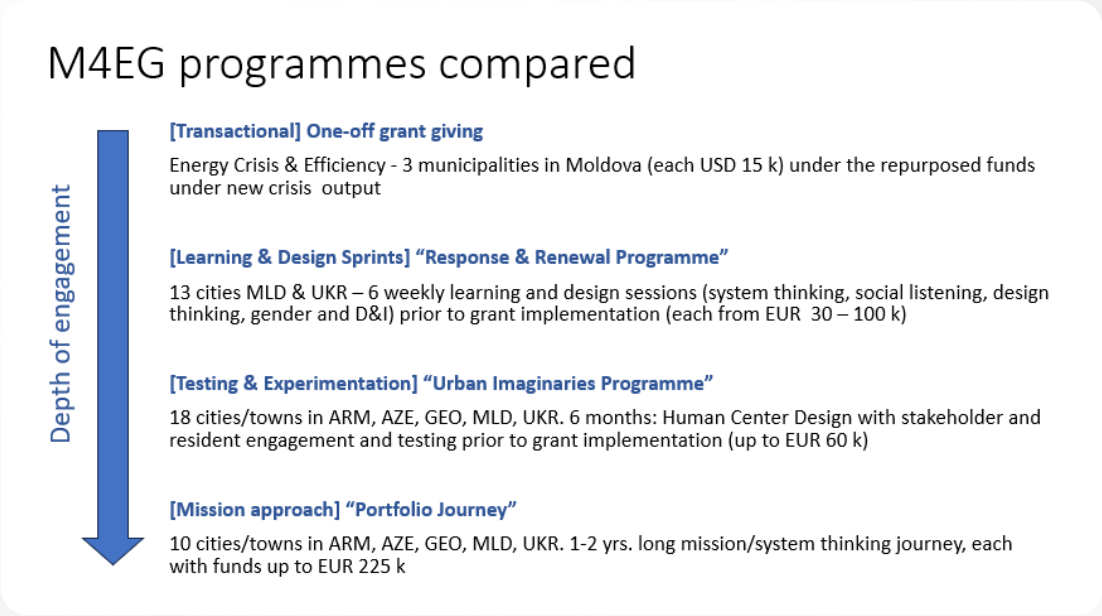
• Urban Learning Center: so far, the response from local authorities is that they recognize the importance of the learnings provided by ULC, while continue to call for further adapting the language and contextualize approaches and tools, especially within the country-based learning cohorts. Hence, it is crucial to ensure that the upcoming offers are aligned with the diverse needs and existing initiatives, to avoid duplication and instead providing complementary support, and demonstrate openness to incorporate existing initiatives into the ULC. The M4EG Secretariat intends to tailor to a local best fit as much as possible, and can note already now that for future programming, additional resources ought to be allocated to translating materials and context to best localize the content and approaches, this would entail additional support to more in-country events with peer-to-peer elements.

• Community Engagement and listening: M4EG team sees a relatively higher appetite than expected around new or different forms of engaging stakeholders through 'community listening', both as part of planning and strategy formulation as well as 'check-ins' with residents and other stakeholders on ongoing initiatives and services by the municipality.

DEEP
MUNICIPAL PILOT PROJECTS BUILDING ON EXISTING LEDPs ARE SUCCESSFULLY IMPLEMENTED

As of June 2023, a total of 49 unique seed-funds/grants have been granted to local authorities as members of M4EG. The amount of these ranges from EUR 15,000 to EUR 225,000 per municipality. All of these seed-funds, with the exception of a few, are coupled with hands-on learning and design journeys with the intention to improve the municipalities' initial ideas and project design.

Below is a brief visualization of the existing programmes under the M4EG and their level of engagement, both from the municipality side, UNDP and technical providers as relevant. As part of the project monitoring plan of 2023, the M4EG team intends to capture both project results and effects, including their contribution to attracting further opportunities for the municipalities engaged (i.e. new partnership and funding/financing secured).



Please note that the EU led M4EG grants issued in 2021 are not included in this overview. The grants allocated under the Response and Renewal Programme are seen below under the crisis, response and renewal output.

Urban Imaginaries

The Urban Imaginaries are under full implementation now that cohort 2 have finalized their testing journey. As noted in the previous report, the programme introduces Human Centered Design and is a co-creation journey together with the Center for Public Impact. Below is an overview of the municipalities part of cohort 1 and cohort 2 of the programme, their intervention's focus, status and further notes and spill-over effects. This overview will be updated in coming reporting cycles.

Country	Mamber	Focus of intervention	USD budget (in agreement)	Value of the signed agreement (USD)[2]	Comments and results/effects so far
ARM	Alaverdi	Cultural Life: Renewal of Cultural House	69,247	69,247	Ongoing. Blueprint of construction approved by central government and tender finalized. Vendor to start construction work. Secured state subsidiary funding of USD 140,000. Hence, total funding of the project is now approx. USD 210,000.
ARM	Ashtarak	Public Transportation Mobility: Public transport reform	69,247	69,247	Ongoing. Renovation begun (covered by existing municipal budget) of bus stops. Blueprint on technical specifications for bus stops finalized, and route network plan tested. Initially secured central government funding, however, plans on hold until the latter finalizes the regional mobility plans. Hence, will downscale and focus on children's school transportation. Negotiations with European vendor is ongoing for the delivery date of 1 large flagship bus.
ARM	Charentsavan	Public Square: Re-imag-ining Central Street	69,247	69,247	Ongoing. Blueprint is ready, vendor is to start renovation of green space, with a focus on new revenue generation activities (e.g. rent out space for open air concerts, café space etc.). Municipality cost-sharing for irrigation system. Central government funding for renovation of adjacent roads approved.
AZE	Mingachevir	Green Transition: Sustainable Lighting	60,000 (approx.)	NA (UNDP procures)	The municipality managed to secure additional funds from the Covenant of Mayors after initiating the M4EG engagement. Procurement initiated.
AZE	Naftalan	Resilience: Municipal Service to the Commu-nity, accommodation	60,000 (approx.)	(UNDP procures)	Procurement documents under development. Consultations ongoing with relevant government entities.
AZE	Sabail	Inclusive Growth: "Second Breath" – Support Center for Women released form Correctional Facilities	60,000 (approx.)	(UNDP procures)	Additional support from State Employment agency of Azerbaijan. The agency provides 40 envelopes (assets (equipment, tools, furniture) that are needed to support micro business). Initiated procurement.
AZE	Urva	Inclusive Growth: Establishment of locally produced brand and tourism destination mapping	60,000 (approx.)	9,616.52 (UNDP procures)	During the design and testing phase of the UI, additional funds of USD 25,000 from the State Tourism Agency leveraged for 10 entrepreneurs (USD 2,500 per person). Procurement initiated.
GEO	Poti	Inclusive public spaces: Park Multifunctionality & Adapted public space for all	64,800	60,004.63	Ongoing. Leveraged an additional USD 42,500 from private sector (TBC Bank).
GEO	Rustavi	Entrepreneurial ecosystems and piloting green municipal services	59,930	59,930	Ongoing. Tested ideas of Metaverse Academy and High-Tech Learning Center with partners. Working on green municipal services.
GEO	Samtredia	Sport infrastructure for health	64,800	60,015	Construction work on the old swimming pool is ongoing. Municipality supple-mented with own funds (GEL 316 967) to renovate entire building.

[2] Please note that many agreements are signed in local currency as per policy and as they contain two or more tranches, the currency exchange rates at the transfer will impact final amounts provided.

Country	Mamber	Focus of intervention	USD budget (in agreement)	Value of the signed agreement (USD)[2]	Comments and results/effects so far
GEO	Tskaltubo	Public spaces for cultural interactions	64,800	60,004	Ongoing.
MLD	Cahul	Waste management: Improve waste disposal platforms and recycling	60,000	74,512	Procurement Ongoing. During project implementation cost optimization were found to double the number of build platforms from 5 to 10. The project implementation is now in two phases going in parallel since August. Firstly, procurement of materials and preparation of construction works. Secondly, the tender process of waste containers and modular sets to sort different type of waste (plastic and glass). The estimated time to finalize the project implementation is December 2023.
MLD	Calarasi	Sustainable Waste Collection Platforms (public awareness & recycling through art)	60,000	91,103	Ongoing. Due to local corruption case of senior management of the municipality, UNDP had to stall the implementation to evaluate the situation. The contract for the funds has now been re-signed after an updated risk evaluation (May-June 2023). The construction of the waste platforms is going according to plan. Procurement was initiated, the company was selected and started the works in August 2023, the estimated time to finalize the project implementation is December 2023.
UKR	Lviv	Comprehensive service system (psychological support, employment, lifelong learning and social integration, incl. of IDPs)	54,300	54,300	Ongoing. Agreement signed in May 2023. The project staff recruited, and currently the team is conducting procurement (trainers, construction company, equipment, production of promotional video etc.).
UKR	Melitopol	Consultation Point (admin and social services): "Open Assistance Space “SAME TUT”	60,000	60,000	Ongoing. Agreement signed in May 2023. In the process of identifying consultants on social issues and IDPs employment and entrepreneurship development and procuring equipment and furniture for Consultation Point “SAME TUT”.
UKR	Poltava	Communication Space "POLTAVA GREEN OPEN GARDEN" for integration of IDPs	56,000	56,000	Ongoing. Agreement signed in May 2023. The team is conducting procurement (equipment, production of project promotional materials, etc.), and is in the process of planning events and training activities and repair and construction works to establish a Communication Space "POLTAVA GREEN OPEN GARDEN".
UKR	Sumy	Model electronic patient support system “Digital Clinic” in medical institutions of Sumy	59,700	59,700	Ongoing. Agreement signed in May 2023. The recruitment and procurement processes have been launched. Soon to conduct interviews and workshops with different stakeholders and to purchase respective equipment for development a prototype of an application that will pass a testing phase.
UKR	Trostianets	Educational and Advisory Centre - institutional assistance to entrepreneurs and SMEs	41,000	41,000	Ongoing. Agreement signed in May 2023. The recruitment and procurement processes have been launched. The team will conduct repair works to establish an Educational and Advisory Center for Businesses in the Trostianets Territorial Community and will purchase all necessary equipment and furniture for its functioning. Training activities and events will be organized and held to strengthen entrepreneurship activities in the community.

Portfolio Journey

The Portfolio Journey is a two to three-year long program for in-depth learning and implementation. The program is based on systems thinking, which uses a "portfolio approach" to address complex problems that cannot be solved through traditional project management methods alone. The participating municipalities receive implementation funds of up to €225,000, and each with dedicated support from technical partner Chora and UNDP to assist with portfolio design, activation/implementation and dynamic management.

Country	Mamber	Mission – North Star	# of options[3] designed	# of options under implementation	Status of implementation	# of options under implementation	Learning & Effects so far
ARM	Areni	Sustainable Tourism	7	5	Seed-fund phase implementation	Low Value Grant of USD 125,000	Through initial activities on outreach and stakeholder engagement, the LA team identified new possible cultural gems as tourist attractions and refined the other options. Expertise is on board (business and ethnographic). Tender on branding, small grants to potential entrepreneurs, and preparations for activities at annual wine festival are ongoing.
ARM	Gyumri	Cultural Tourism	7	5	Inactive, seed Agreement pending	USD 70,000 NA	Design of options (online) took longer than expected. Due to political context and bureaucratic slowness of the city council, contracting period took longer than expected. To fasten the pace, agreed that UNDP will run procurement of 2 options.
ARM	Kapan	Participatory Community Wellbeing	18	5	Inactive, seed Agreement pending	USD 70,000 NA	Potential to leverage diaspora support, crowdfunding and crowd investing as well as subvention funding. Community listening in March-April. Bootcamp held in April. Discussions on agreement type as per UNDP rules, and finding the optimal local implementing partners, including which municipal non-profit/foundation, is expected to soon be finalized.
AZE	Icherisheher	Smart Old City	14		Inactive, seed	USD 60,000	UNESCO is interested in partnering, and the portfolio approach and team can help with such pitching. In addition, the regional economic development public union (under the Aliev Foundation) is a potential partner with their focus on public sector projects. Clearly, the administration team can access a wide scope of donors and funding opportunities.

[3] As described in previous reports and publications, 'options' in the portfolio approach methodology can be described as 'mini-projects with learning hats' that together make up a coherent effort to learn about the problem space and identify pathways of change.

Country	Mamber	Mission – North Star	# of options designed	# of options under implementation	Status of implementation	# of options under implementation	Learning & Effects so far
AZE	Khirdalan	Entrepreneur-ship and Talent	4		Just initiated, seed phase	USD 60,000	A constructive collaboration between two EU funded initiatives, M4EG and VET for Future has been created in implementing one of the positions in the municipal portfolio. This has helped to attract the Ministry of Education and State Vocational Education Agency as additional partners for the municipality.
GEO	Batumi	Startup Ecosystem	6	6	Active, seed phase. New large iteration under discussion for renewing of selected physical space	USD 33,375	Leveraged additional city hall funding to misc. startup ecosystem events. MoU signed and ongoing partnership with Georgia innovation and Technology Agency (GITA), Startup Grind. Potentially, Batumi would be a good option for the EU access to finance for SMEs as an additional funding stream. Through the 2nd amendment of the LoA, city will receive funds to advance its work on the activated options. On 27-28 May city co-hosted the 2nd Startup Summiit & Worl Cup Competition, funded through municipal budget.
GEO	Kutaisi	Smart Eco City	8	6	Active, seed phase	USD 68,750	City team receives anecdotal interest from existing and potential partners on their new EcoSmart city vision. In general, need further support with building capabilities and thinking systematically.
MLD	Ceadir-Lunga	Energy Transition	7	4	Active, initiated growth phase	Phase I: USD 67,425 Finished in 2023 Phase II: USD 141,261 in process	Polish Challenge Fund 60k EUR secured and new partnership with Polish renewable energy tech park. Additional potential technical support from the Covenant of Mayors, discus-sions ongoing.
UKR	Mykolaiv	Deep Blue Transition	5		Inactive, seed	USD 149,950	Secured additional funding support of 300k from the Danish Innovation Facility. Currently, different EU and national channels are investigated to assess the portfolio potential for further development and financing options.
UKR	Ternopil	TBC			Inactive, design phase initiated		Re-started the programme in July 2023 with a modified portfolio approach. Portfolio design in fall 2023, activation in late 2023 expected.

Ceadîr-Lunga Portfolio
Energy Transition

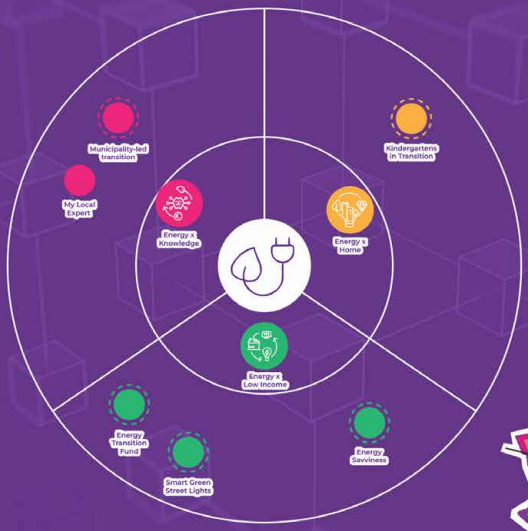
MAYORS FOR ECONOMIC GROWTH – [CHÔRA] – Funded by the European Union | UNDP

Portfolio Position 3
ENERGY X KNOWLEDGE
Municipality-led transition: The aim of the project is to train existing experts in the field of green energy in the municipality, by organising further training courses and exchanging experiences with other cities or countries.

Portfolio Position 1
ENERGY X LOW INCOME
Smart Green [Street] Lights: Implement a proof of concept using a selected street and intersection of an optimised street light operation system that uses renewable energy.

Energy Savviness - awareness campaign: Create and run an information campaign targeted at households to highlight alternatives to traditional and high cost technologies, energy solutions and habits.

Energy Transition Fund: Create a tool to support the socially disadvantaged by setting up a support fund for the population.



Portfolio Position 2
ENERGY X HOME
Kindergartens in Transition: Promote energy efficiency principles and to build real-life use cases and examples for transitions that work. Participating Kindergartens will receive a tailored training and information approach and a complementary energy audit relevant to their house and energy use category. Building on this they will propose their own energy transition plans in collaboration with families and neighbours.

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[Portfolio approach]

TEAM | **Ceadîr-Lunga:** Anatoli Topal, Stamov Mihail, Kara Valentin, Oleg Fazli, Jelezoglo Irina, Ciolac Liubov, Mihalciuc Irina
UNDP: Tina Stoum, Valentin Croitoru, Oksana Vlasenko, Mircea Nita **Chora:** Ekin Karel, Emilia Lischke

Batumi Portfolio
Start-up Ecosystem

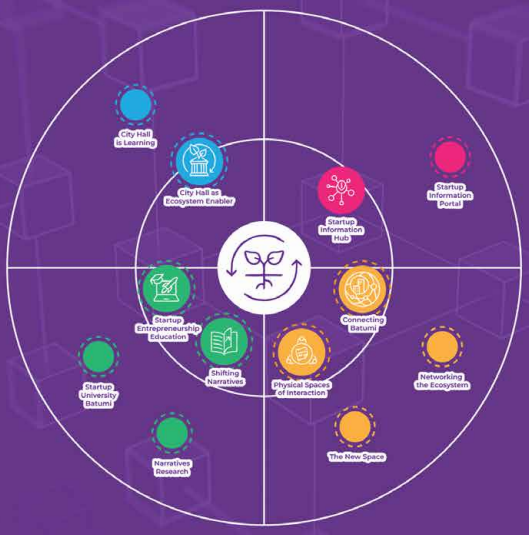
MAYORS FOR ECONOMIC GROWTH – [CHÔRA] – Funded by the European Union | UNDP

Portfolio Position 6
CITY HALL AS ECOSYSTEM ENABLER
City Hall is Learning: Design a learning program for Batumi City Hall core team to acquire knowledge on start-up ecosystems, municipalities' roles in them. This program will include a study trip, four+ workshops with selected start-up expert speakers.

Portfolio Position 2
START-UP ENTREPRENEURSHIP EDUCATION
Start-up University Batumi: A start-up/entrepreneurship culture plug-in in the Batumi formal education system. An entrepreneurship and start-up course at a Batumi University. Make start-ups a part of the formal university programs, for example within the Business School.

Pre-accelerator program

Portfolio Position 1
SHIFTING NARRATIVES
Narratives Research: Research project on dominant narratives pertaining to a start-up ecosystem among local youth aged 14-29 years.



Portfolio Position 8
START-UP INFORMATION HUB
Start-up Information Portal: Design a web platform that serves as an information hub for both investors and young entrepreneurs interested in Batumi. A tool for the Municipality to be "present" online and attract and engage with stakeholders.

Portfolio Position 3
PHYSICAL SPACES OF INTERACTION
The New Space: Create a new physical space different than all existing start-up spaces in Batumi, that has an informal vibe, is attractive in terms of location and ambience for young talent. The space will be enabled by the Municipality but designed and run by an independent start-up coalition.

Portfolio Position 4
CONNECTING BATUMI
Networking the Ecosystem: Establish a pulse of networking events and activities that connect existing communities and attract new energy to Batumi.

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[Portfolio approach]

TEAM | **Batumi:** Archil Chikovani, Rusudan Zhozhadze, Shorena Paghava, Natia Miminoshvili
UNDP: Elina Järvela Tinatin Tkeshelashvili **Chora:** Ekin Karel, Mariela Atanassova

Figure 13 Portfolio Cards illustrating the mission in Ceadir-Lunga & Batumi

Brussels Sensemaking

In April 2023, nine municipalities part of the Portfolio Journey came together to share experiences and effects so far. The first cohort of four municipalities (Areni, Batumi, Ceadir-Lunga, Kutaisi) did a sensemaking workshop where they applied the UNDP and Chora Sensemaking Protocol in practice, while the cohort two municipalities got a hands-on training on how to carry out the workshop through various listening and facilitation roles. This was the first of a kind hands-on practice of capturing learning and effects so far, and how this intelligence can be used for the next iteration of their portfolios. To read more about what emerged in the 2-day session, please see this blog: **Did portfolios enable something in the city system that was not there before**?.

Figure 14 Sensemaking workshop in Brussels with 9 cities represented.

Portfolio Design Bootcamps in Armenia and Azerbaijan

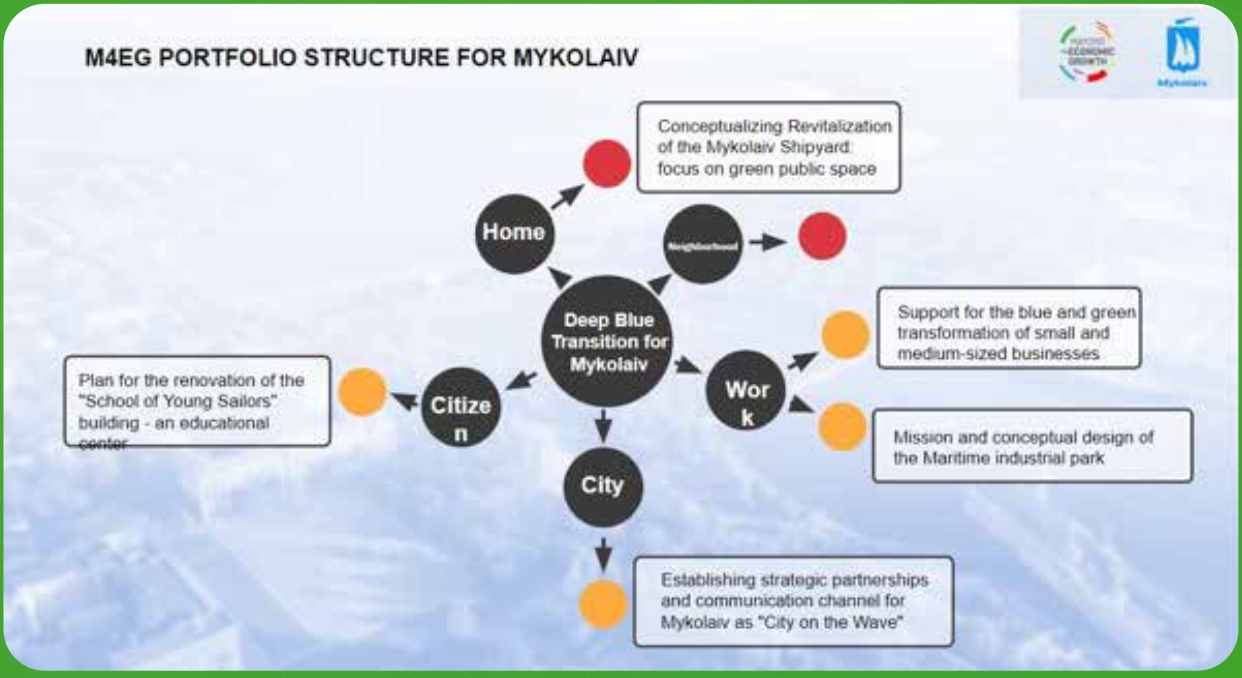
All portfolio city missions are designed through a process of: a) initial stakeholder engagement and listening, b) sensemaking and intelligence gathering of existing projects, resources and capabilities within the local authority, and c) a bootcamp to learn about system thinking and the M4EG portfolio approach for 'urban makeover' and design the areas of focus and interventions ('options'). In 2022, these were conducted online, while in 2023 it was possible to hold the bootcamp for Khirdalan (March), Kapan (April), and Icherisheher (May) in person. The bootcamps each had a high attendance of up to 10 municipal staff with Mayors and Deputy Mayors actively engaging and, in some cases, included additional outreach to relevant partners and stakeholders.

Figure 15 Icherisheher Portfolio Bootcamp

Figures 16 and 17 1) Kapan Municipality Team presenting their new city vision for "participatory community wellbeing'at EU Team Syunik event. 2) Gyumri,equitable and Resilient Cultural Tourism Portfolio

Spotlight: Mykolaiv, Ukraine – “Deep Blue Transformation”

Mykolaiv stopped its portfolio work after the onset of war in Ukraine in end February 2022, and the work was re-started upon request of the city team in late 2022. UNDP tweaked the standard process to have a crisis portfolio lens and made a tailored design approach with the city team (blog reference: **“Applying system thinking to a crisis context”**. Their mission focus is a ‘blue and green’ transformation building on the city’s identify as a port city within the new crisis and recovery realities. The portfolio linked up to and embedded the many other efforts ongoing with other partners, including the pro-bono work of the urban planning agency One Works, as well as Denmark. The portfolio has already secured an additional USD 300,000 from Denmark. The city team is actively engaged, including already sharing their reflections on mission approach to an international audience of peers in June 2023 (blog reference: **“Taking the pulse on the emerging practice of portfolios”**.



New focus in 2023: Funding and Financing Opportunities

A new activity on mobilizing funding and financing was agreed at the Steering Committee meeting in February 2023. In discussions with DG NEAR, the focus in 2023 and 2024 will be on:

1. Identification of M4EG pipeline of investable and fundable projects;
2. Identification of potential funding and financing programmes for members, special focus on the sustainability of the grantees;
3. Potential lighter preparation of the cases to be attractive for additional financing (support pitch decks, presentations, framing, applications as relevant)
4. General matchmaking and investor events/forums

Consultations took place with DG NEAR, Covenant of Mayors East, Arup, Bankers Without Boundaries, TransCap Initiative, Center for Public Impact, UNCDF, EBRD and AFD, to understand expectations and issues around municipal financing. Initial research was conducted to map key DFI/IFIs present and active in the region and their financing streams, vehicles and requirements as well as current examples of municipal financing cases in the region to learn from. The research also looked at investment opportunities and potential of cohort 1 portfolio cases and recommendations.

Going forward, the M4EG Secretariat will validate the preliminary research, look further into national and bilateral funding programmes, and identify more feasible funding streams. A tender was launched in June 2023 for a partner to co-create an advanced cohort from Urban Imaginaries programme, to scale the learning, capability, and funding and financing opportunities of the grants under implementation. When a pipeline is clearer, the Secretariat intends to organize national roundtable events with funders and IFIs with mayors at the forefront.

Portfolio	Areni Sustainable Tourism	Batumi Start-up Ecosystem	Ceadîr-Lunga Energy Transition	Kutaisi Eco-Smart City
Financing Opportunity Examples	1) EU4Business Innovative Tourism and Technology Development for Armenia Grants for SMEs 2) EBRD Advice for Small Businesses, Team Europe EaP window: Technical support for business development and scaling 3) Startup Factory Program through support from GIZ, software company SAP and the Business Angel Network of Armenia (BANA)	1) IFC Startup Catalyst platform is designed to invest in incubators, accelerators, and seed funds supporting innovative early-stage startups in emerging markets through mentoring, networking, and funding. A new pool of $60 million to support incubators, accelerators, and seed funds in the most nascent venture ecosystems. 2) TBC Bank JSC through the DCFTA Facility funded by the EIB Supports micro-entrepreneurs and small SMEs. Amount of loans: Guarantee Facility Up to EUR 225,000. Microfinance: up to EUR 25,000 3) EIB Investments in SMEs and mid-cap funds through equity or debt funds, co-finance, microfinance Eligibility: Successful venture capitalists & companies in their early stages and in their expansion and internationalization phase	1) Moldovan Sustainable Energy Financing Facility (MoSEFF) €42 million credit line facility from the EBRD to participating financial institutions (PFIs) in Moldova for on-lending to businesses seeking to invest in energy efficiency and renewable energy projects Private Moldavian firms can receive €25,000 to €2,000,000 of loans for renewable energy projects. Between 5 percent and 20 percent of the loan can be given as a grant. Tech alignment: e.g insulation, boilers, solar PV 2) EIB Loans under the Energy Lending Policy Covers investment costs up to 3 years and EIB covers up to 50% of project total cost with EIB loans starting at €25 million Topics: e.g Energy Efficient new and renovated buildings Public lighting Projects	1) EBRD Green Cities Programme: Apply and develop a green city funding proposal for EBRD Green Cities: Sustainable infrastructure investment, facilitating and stimulating public or private green investments in: water and wastewater, urban transport, district energy, energy efficiency in buildings 2) EIB Framework loans. a source of long-term financing that is flexible enough to handle changes in the investment programme over time. They can be used to finance multiple small and medium sized projects, usually in the range of EUR 1-50m, over a period of normally 3-5 years. Framework loans are used to finance tens or even hundreds of projects in different sectors. Framework loans are the most flexible financial instrument for cities and regions.

Figure 18 Initial mapping of possible funding and financing opportunities of initiated portfolio cities.

Changes introduced and/or difficulties to overcome

• To ensure an adaptive and agile approach of the portfolios under implementation, UNDP together with Chora designed a Dynamic Management Framework that includes monthly Learning Logs, Sensemaking and Community Engagement. To ensure relevance and usability, additional training sessions on how to use these tools to feed decision making about the ongoing interventions and the next phases of the portfolio continue to take place for both cohort 1 and 2.

• Ternopil, selected back in December 2021 for Portfolio Journey, restarted their engagement on 31 July, 2023, with a kick-off meeting with Mayor and city team.

What are we learning and seeing?

• Going 'hyperlocal' to help identify the best fit requires UNDP and partners to continuously check relevance and adapt the programme processes to the local context. This requires an intentional focus on building a learning and change mindset within the municipality team, technical partner and UNDP.

• Anecdotally, UNDP and technical partners see that the engaged municipalities are increasing in-house capabilities to manage projects, communicate their vision, engaging with residents. In the portfolio cities, there is also a growing value add where the municipality is taking upon a connector role within their city system, especially in terms of engaging the private sector. The Secretariat intends to capture this more closely going forward.

• The in-person bootcamps, although more costly, were considerably more effective, in certain cases cutting down the design and engagement time by several months.

• On funding and financing, it is clear that many portfolios require more time and experimentation to be mature enough especially for financing, i.e., pre-identification of so-called bankable projects. Here, grant funding opportunities would be easier to tap into currently as seen in several cases already (e.g., Polish Fund in Ceadir-Lunga). In addition, it is important to understand the local context of funding and financing opportunities and investigate the potential that municipalities have in securing international, regional or local funding and financing contributions. The mapping research highlighted challenges around size and scale of possible municipal projects, not to mention the absorption and delivery capacity of many municipalities. It may be worth when preparing future cases, to consider any opportunities for bundling/aggregation at national level.

• Overall very good feedback on the interactive, knowledge and inspiration generating processes from participants from Portfolio Journey and Urban Imaginaries. Anecdotal feedback that digital skills enhanced among many participants having to engage through online and interactive tools that was new to them (e.g., online workshop in Miro, using online folders for knowledge management etc.)

CRISIS

UKRAINE CRISIS EMERGENCY AND REFUGEE RESPONSE, RECOVERY AND RESILIENCE[4]

In Ukraine, most of the repurposed funds were delivered in 2022 as seen in the 2022 Annual Report. A few activities continued on a smaller scale, including the Community Volunteers, due to good feedback on their work's relevance and effects. 12 volunteers continued their role as part-time in 2023. These volunteers continue to work closely with municipal and regional authorities to support crisis coordination, including mobilization and distribution humanitarian aid to war-affected local populations and IDPs, including food and non-food items, accommodation of IDPs, provision of basic services. Partnership and support provided by the UNV Office in Ukraine and the UNV Regional Office.

Additional needed items were delivered to IDP shelters also in 2023. More specifically, the Secretariat procured eight generators for IDPs in four regions of Ukraine (Zakarpattia, Ivano-Frankivsk, Lviv, and Rivne oblasts) for as well as beds, mattresses, and textile items for IDPs in 5 regions of Ukraine (Sumy, Zaporizhzhia, Ivano-Frankivsk, Lviv, and Rivne oblasts).

The destruction of the Kakhovka Hydroelectric Power Plant Dam (hereinafter Kakhovka Dam) in Kherson Oblast on 6 June 2023 led to massive flooding, forcing dozens of thousands of people to flee, and impacting at least 37 towns and villages which have been reported fully or partially flooded, according to the Ukrainian authorities (source UN OCHA, as of 7 June 2023). The M4EG has quickly responded to support three affected communities through the provision of five generators that were needed and requested by the municipalities. Such equipment supplies electrical power to mobile water purification systems. One coupled mechanism can cover the daily drinking water needs of up to 1,000 people. The system can produce up to 5,000 liters of water per day. Based on the on-site data gathering, the M4EG Facility managed to reach and support 1,157 people (unique, non-repetitive) with clean water daily.

In Moldova, the Secretariat continues to support the refugee response efforts in the country and bolstering the resilience of local authorities in the network. A key focus is on making sure Ukrainian refugees who are now in RM feel included and supported. Many local authorities part of the M4EG network are faced with complex challenges such as an energy crisis, a shrinking economy and high inflation. These communities and towns are finding it hard to support refugees while dealing with their own tasks and responsibilities, and a continued strain on human and financial resources.

[4] Please note that this output is new and is not reflected in the DoA and Annex 3 yet, a formal amendment to the contract is forthcoming. The output is agreed by DG NEAR and the project's Steering Committee.

Activities implemented since January 2023

Social cohesion events:
At the beginning of 2023, a "Friendship for Peace" took place in Ceadîr-Lunga, building a bridge between youngsters from Ukraine and Moldova. Against the backdrop of the ongoing Russian invasion of Ukraine, children from Ceadîr-Lunga and their counterparts from affected by the war Ukrainian regions gathered on the green field to share their passion for football. 88 boys participated in the football tournament, comprising three teams of refugee children and five teams of local children from the Gagauzia region.

"We wanted to give these children a sense of normality amidst chaos, to remind them that the power of friendship and unity knows no boundaries", - remarked Ivan Ghenov, who spearheaded the initiative in Ceadîr-Lunga. "Through this friendship football match, we aimed to restore their faith in brighter days and create lasting connections between young hearts that would endure long after the final whistle."

In April 18 refugees from Ukraine and 2 members of hosting communities from Cimișlia visited "Zaporozhian beyond the Danube" opera performed by the Ukrainian Academic Theater of Opera and Ballet from Kharkiv, organized as part of the Year of Culture of Ukraine in the Republic of Moldova. The social activity was much appreciated by the refugees present, recalling that commitment to human-centered development extends far beyond economic prosperity.

Access to information and public services:
Wi-Fi Hotspots
14 local authorities with a significant population of refugees will be provided with free Wi-Fi access in specific areas. The main goal is to procure, deliver, and install Wi-Fi hotspots, accompanied with access to customized landing pages for each location. These individual landing pages will serve as platforms to raise awareness about the various services each local public authority offers, specifically aimed at facilitating the socioeconomic integration of refugees. Additionally, the landing pages will feature links to national services and information hosting websites specifically developed to cater to the needs of Ukrainian refugees. Wi-fi hotspots were procured and set-up of landing pages are underway.

Language and professional training courses
Romanian language courses
Between March and July, a total of 68 individuals – 61 women and 7 men – successfully completed the Romanian language courses held in Balti and Comrat. Among them, 80% were refugees from Ukraine, while the remaining 20% were members of the host communities. The courses were mostly attended by refugees from Ukraine who learn Romanian from scratch at the Alecu Russo State University of Bălți and the State University of Comrat. "Among the audience there are several Ukrainian students who have transferred to the Bălți university and a woman in her 70s. All participants want to socialize, to fit into the community and to find a job," says Violina Dănilă, a university assistant who teaches Romanian. The courses received excellent feedback from participants, and based on demand, the Secretariat decided to extend the courses for an additional three months in Bălți, focusing on an advanced level. The request from language classes came from the Presidency of Moldova. In parallel, the central government designed a nation-wide programme and began launching courses in March 2023. The M4EG pilots are in line with the government approach.

Figure 19 Romanian Language courses for Ukrainians in Moldova.

Accounting and taxation in Moldova, and basic computer skills courses

To better facilitate integration of Ukrainian refugees into the Moldovan society, the Secretariat introduced the idea of professional training courses to increase employment opportunities and consequently to stimulate the local economy with a larger workforce. In addition to addressing the language barrier through Romanian language courses, the Secretariat partnered with a local ICT training entity called Oxfort Prim, where the latter will deliver a curriculum of five courses in "Accounting" and three courses in "Basic Computer skills". Each course is designed to accommodate 25 participants, ensuring personalized attention and effective learning outcomes. The first five groups will begin their learning in August. Intention is to equip participants with professional skills necessary for securing employment.

Improving Energy Efficiency of public buildings

Energy Efficiency grants for Geamăna, Taraclia and Sireți

Considering the energy shortages in Moldova, by many described as an "energy crisis", it was agreed with the EU to directly support three (3) members in Moldova hosting refugees through small-scale energy efficiency grants. This includes installation of solar power panels, biomass boilers, and replacement of windows and doors for public institutions (the Center for Children and 2 kindergartens). By reducing heating costs and improving energy efficiency, these initiatives can enable the localities to allocate saved resources towards other critical needs, such as education, healthcare, and social support for refugees and host community. The grant amount of $15,000 for each locality was disbursed in July 2023 with an estimated implementation period of up to three months.

Strengthening Capabilities of the LPAs in Crisis Management:

Ukrainian Friendship Officers in 14 localities

After conducting the rapid assessment of the M4EG network in April 2022, the Secretariat identified the need to support capabilities of local authorities in emergency response and preparedness for potential prolonged crises. Consequently, the Secretariat proposed the creation of a Response and Coordination Unit within 14 selected local authorities, and to further support this unit through temporary positions of "Ukrainian Friendship Officers" (UFOs). These persons will providing administrative and coordination assistance and advise mayors and teams on efforts to shape social cohesion, adequate information dissemination for refugees, combat potential hate speech or similar, streamline communication efforts, and support coordination of humanitarian or other assistance at the local level. At the same time, this pilot exercise can provide evidence and a test-case on updating the regulatory framework on LAs role in crisis management and promoted nation-wide.

EU-M4EG Response and Renewal Grant Programme

As of July 2023, the Secretariat is finalizing all grant agreements with the 18 selected municipalities under the Response and Renewal Programme in Moldova and Ukraine. As the M4EG initiative takes on a hyperlocal systems approach to offer resources, a network, and learning opportunities to explore new growth trajectories for towns and cities (urban makeover), the grant programme focused on two broad goals: (1) immediate response and recovery; and (2) renewal and anticipation based on the system analysis and research internally done by UNDP.

The process started at the end of last year where M4EG had open calls for submission, and in February 2023 the M4EG Selection Committee met and 18 cities from Ukraine and Moldova were selected as a result. Seven cities were selected under Lot 1 – Response & Immediate Recovery, namely Chortkiv (Ternopil Oblast), Hlukhiv (Sumy Oblast), Kamianets-Podilskyi (Khmelnytskyi Oblast), Slavuta (Khmelnytskyi Oblast), and Velyka Oleksandrivka (Kherson Oblast) from Ukraine, and Carpineni and Volintiri from Moldova.

As part of Lot 2 – Renewal & Anticipation, the following 11 cities were selected: Bucha (Kyiv Oblast), Chernivtsi (Chernivtsi Oblast), Kharkiv (Kharkiv Oblast), Nizhyn (Chernihiv Oblast), Nova Kakhovka (Kherson Oblast), Slavutych (Kyiv Oblast), Velyki Luchky (Zakarpattia Oblast), and Voznesensk (Mykolaiv Oblast) from Ukraine, and Copceac, Cimislia, and Drochia from Moldova.

After the selection of these municipalities, the Secretariat built a 5-week learning sprint to introduce municipalities to the basic know-how and applicable tools needed to discover new insights and apply them to their submitted proposals, given the limited resources and capacities of many municipalities in the region. This was a unique approach whereby the selected proposals could be further enhanced and adapted based on emerging changes, acknowledging the importance of flexibility, adaptiveness, and empowerment of teams and networks to help us make sense of the changing landscape in a complex and evolving crisis setting.

During this 5-weeks Learning Sprint, all sessions for Ukraine were conducted online and for Moldova, 1-week training on sensemaking and site visit was done in-person to provide additional inputs and enhancement to their submitted proposals. The sessions were well received by the municipality teams; an overview of reflections and feedback from the municipalities can be found here.

"The results from the Community Listening confirmed the relevance and importance of creating a comprehensive rehabilitation center in our community. We are planning to hold Community Listening sessions throughout the implementation period in order to monitor emerging challenges in the community."
Municipal staff, Bucha, Ukraine

"We have found the knowledge gained in the Learning Sprint, such as understanding common needs through questionnaires and data analysis, useful beyond this particular initiative and have already applied it in the application for the European Village (Satul European Express) project."
Municipal staff, Copceac, Moldova

Figures 20 and 21 Moldova in-person workshop to strengthen the Response and Renewal proposals, end of March 2023.

Overview of grants under Response and Renewal programme

Country	Mamber	Focus of intervention	USD amount of Agreement
UKR	Chortkiv	Response: Improvement of access to social services for vulnerable population (IDPs and people living in difficult conditions) in the Chortkiv Territorial Community through establishment of the Center for Social Services	USD 47,000
UKR	Hlukhiv	Response: Creation of favorable living conditions for short- and long-term residence of IDPs and conflict-affected population in Hlukhiv City of Sumy Oblast	USD 49,650
UKR	Velyka	Response: Restoration of administrative and public services in the Velyka Oleksandrivka Urban Village of Kherson Oblast	USD 35,365
UKR	Oleksandrivka	Response: Creation of conditions for economic and social integration of IDPs into the Slavuta Territorial Community. Support of IDPs' employment at the local level	USD 25,000
UKR	Slavuta	Response: Social integration of IDPs into the Kamianets-Podislkyi Territorial Community through establishment of the Municipal Resource Center for IDPs Support to provide social, humanitarian, legal, and other assistance	USD 50,000
UKR	Kamianets-Podilskyi	Renewal: Support to the war affected Kharkiv on its way to sustainable modernization and restoration. Support in Developing of the concept of a Master Plan of the City using leading international experience	USD 113,540
UKR	Kharkiv	Renewal: Creation of a complex cross-sectoral management mechanism for crisis response in the Slavutych Territorial Community of Kyiv Oblast	USD 113,230
UKR	Slavutych	Renewal: Support in adaptation and integration of IDPs and conflict-affected population to the Chernivtsi Territorial Community through involving them in the activities of the newly-established Community Cohesion Center	USD 202,945
UKR	Chernivtsi	Renewal: Creation of conditions for organizational support of IDPs and conflict - affected population through establishment of the Community Center for Support of IDPs in the Nova Kakhovka Community	USD 65,200
UKR	Nova Kakhovka	Renewal: Creation of conditions for employment and socio-psychological adaptation of IDPs through launching a new sewing direction on the basis of the existing communal enterprise in the Nizhyn Community	USD 125,000
UKR	Nizhyn	Renewal: Provision of the wide range of rehabilitation services to the population of the Bucha Territorial Community of Kyiv Oblast. Establishment of the Complex Rehabilitation Department on the basis of the Bucha Consultative and Diagnostic Center	USD 100,200
UKR	Bucha	Renewal: Development and implementation of the concept of sustainable restoration of the Territorial Community of Voznesensk using modern approaches of urbanism and digital spatial modeling	USD 149,900
UKR	Voznesensk	Renewal: Increasing economic activity and improving tourist attractiveness of the Velyki Luchky Territorial Community by establishing the Center for collection, processing and sales of wild plants	USD 82,200
MLD	Velyki Luchky	Response: Creation of refugee integration center. The center will provide refugees and local citizens with opportunities for professional training and re-skilling, and their inclusion in the economic processes in the region. Premises will also be provided to organize learning activities for Ukrainian children.	USD 97,364
MLD	Carpineni	Response: Development of small businesses and accommodation space for refugees. By creating four spaces for the beginning entrepreneurs to start their businesses; to provide learning in the field of starting a business; to offer an accommodation for refugees.	USD 52,042
MLD	Volintiri Copceac	Renewal: Create a multifunctional center of public services for refugees, socially vulnerable groups of population, and businesses. This is a combination of four social services in one place to achieve the main goal - empowering refugees from Ukraine, residents, and the business community at the local level.	USD 150,000
MLD	Cimislia	Renewal: Improved public transport and access to public services and job opportunities. Through this intervention, it is aimed to improve citizens' mobility, facilitate the integration of refugees and vulnerable groups, stimulate the local economy.	USD 95,000
MLD	Drochia	Renewal: Energy Efficiency measures in a kindergarten for the quality provision of educational services and adapting them to the needs of refugee families from Ukraine as well for the local population.	USD 143,350

Update on contracting

UKRAINE

In July 2023, the first 8 agreements were signed with the following municipalities – Bucha, Hlukhiv, Kharkiv, Nizhyn, Nova Kakhovka, Slavuta, Slavutych, and Voznesensk. The total value of signed agreements stands at USD 741,720, with contribution from EU/UNDP in the amount of USD 586,490 and co-financing from the municipalities of USD 155,230. The first installments were transferred to the partners.

The Ukraine Secretariat also concluded the 5 last agreements, with the total value of USD 417,510 (EU/UNDP contribution – USD 298, 510 and co-financing from the municipalities – USD 119,000) that are planned to be signed in August-September 2023. The total value of all agreements under the Response and Renewal Grant Programme in Ukraine is USD 1,159,230.

MOLDOVA

As of July 2023, 5 Letters of Agreement with selected Local Public Authorities (LPAs) in Drochia, Cărpineni, Cimișlia, Copceac, and Volintiri have been signed, totaling USD 502,942. Among this, USD 380,186 is co-financed by the M4EG Response and Renewal Programme, while USD 122,757 is cost-shared by the LAs. All 5 localities have begun procurement processes, and the Secretariat anticipate implementation to start in September-October.

To support the Response & Renewal Programme, the M4EG Secretariat in both Ukraine and Moldova have engaged a National Consultant on Gender Mainstreaming. Both are on board and have supported the finalization of project documentation, recommendations on improvements to highlight gender and inclusion aspects, and will provide further mentoring sessions to the municipalities within the Response & Renewal Programme, all to support a more effective and sustainable implementation of the grants at the local level.

Changes introduced and/or difficulties to overcome (crisis thematic focused)

• IDPs are returning to hometowns or nearby towns when possible, and lack of economic opportunities and jobs continue to be pressing needs.

• Psychological and mental stress are heavily affecting refugees and IDPs and current assistance is noted by many municipalities as not adequate to support a whole of community approach. Furthermore, stronger gender and inclusion lens, including needs assessment focusing on needs of women and girls is needed as many of the trauma victims are women.

• Continued social inclusion support for IDPs and refugees, including co-creation and community engagement, is key to assisting those that decide to stay.

• Professionals, specialists, and talents are relocating to different cities, and local communities and organizations are effective at setting up links and connections to support them. Yet, many municipalities are resource constrained and there is a need to prototype or experiment with different services. Considering the relatively strong digital readiness of many Ukrainian municipalities and their staff, additional pilots could be considered in this area.

What are we learning and seeing?

• Clear value added from participating municipalities of community engagement to validate their assumptions and understand the concurrent needs of the community: Throughout the learning sprint, time was dedicated to team reflection and cohort discussions, enabling participants to evaluate the benefits of their enhanced listening skills in their current work and potential applications going forward. The opportunity to reflect and exchange ideas fostered a collaborative learning environment and encouraged the identification of practical ways in which listening skills could contribute to their ongoing initiatives.

• Municipalities were very open to learning opportunities, and despite their constraints and daily municipality tasks were very active and engaged in the process. However, there are limitations on the municipality's resources and capacities, and this plays a key factor in addressing uncertainty due to changing needs and context.

• Community integration and social inclusion are the key for refugees as well as local community members. Without adequate and clear communication on what is happening in the municipality and new developments, there is confusion and misunderstanding in the communities that risks public trust.

• It is uncertain whether the refugees will permanently settle in the municipalities or relocate. Therefore, the sustainability of the proposed activities and inclusive approach to integrating both refugees and the local community has been highlighted as an important factor for their activities.

• Participating municipalities noted appreciation for a network space to learn and exchange across national network. There is a continued need to communicate, exchange and learn about common topics across different actors and stakeholders. Based on this feedback, the Secretariat will design light network exchanges for national cohorts at the end of implementation to capture ongoing needs, learning and results.

• See reflection blog: Learning to build response and renewal activities in Ukraine and Moldova during crisis, July 2023.

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MONITORING & LEARNING

All indicators for 2023 are on track or exceed targets. Please see Appendix 1 for a detailed overview.

As noted in previous reports, the project team/M4EG Secretariat has explored how to complement the quantitative indicators with qualitative methods, including pulse checks and close to real-time feedback loops among stakeholders and the Secretariat team to monitor perceptions and knowledge, capabilities, and possible behavior change. In addition to bringing innovation and stronger systems thinking into development programming, the project also provides an opportunity to test new configurations of monitoring, evaluation, and learning (MEL) functions. A Systems Learning Framework is now operational and is being tested within the project/Secretariat team. The below overview illustrates how the learning questions for 2023 supplement the existing indicator framework:

	Indicator / target	Baseline	Target	Learning questions 2023
MISSION	**Increased attractiveness and future-readiness of secondary cities and towns in the Eastern Partnership**			
Impact	1.1: - Increased % employment rate in the EaP countries attributable in part to participation in the initiative (targeting all municipalities)	48 % (AM); 63 % (AZ); 60 % (BY); 58 % (GE); 41 % (MD); 49 % (UA) in 2017	Increase in 10+ employment rate and women participation in the labor	NA – no project learning questions at this point for employment rates at national level.
	1.2: >15 years old women employment rate in the EaP countries (targeting all municipalities)	41 % (AM); 60 % (AZ); 45 % (BY); 50 % (GE); 38 % (MD); 43 % (UA) in 2017	Increase in 10+ women employment rate	

Note on impact indicators: the project team does not see how the subsequent outcomes, outputs and activities are contributing to the employment rate, and would like to propose to the project board to change these.

	Indicator / target	Baseline	Target	Learning questions 2023
MISSION	**Increased attractiveness and future-readiness of secondary cities and towns in the Eastern Partnership**			
Outcome	1.1 Increased number of local authorities whose initiatives, building on systems approaches, are interconnected within each portfolio (targeting the 12 municipalities implementing the portfolio approach)	0	8	How can the M4EG Secretariat better leverage momentum in external context at global, national, local level (e.g. political, social, investments) to benefit its members? How can the M4EG be a platform that is to a larger extent self-run and initiated by its members?
	2.1 - Increased % of local authorities staff that have applied good practices from other municipalities (targeting all the local authorities who participate in the initiative)	0	20%	
	3.1: # of the war-affected population with improved access to services and new economic opportunities in supported communities	NA	200,000	

Note on outcome indicator 2.1: no baseline was set here in phase 1. No baseline data on % of 'good practices' and what this constitute, nor do we have the total # of municipal staff in the growing network, turn-overs, short term staff etc.

Note on outcome indicator 3.1: no baseline information available for phase 1.

	Indicator / target	Baseline	Target	Learning questions 2023
Outputs	1.1: Number of cities having signed up to the initiative	300	340	How to strengthen the M4EG network platform at the regional and national level? How to better exchange experiences and showcase results and value of being a M4EG member? How to better measure capability and capacity increased (part of networking and learning opportunities under ULC) in municipalities and evaluate the effectiveness of the learning opportunities offered? How to better support peer to peer learning and connect the misc. M4EG initiatives better? How to continuously learn to build new capabilities, imbibe new approaches and amplify the M4EG work better?
	1.2: Number of LEDPs designed following the M4EG guidelines based on their added value	130	180 / NA (frozen indicator)	
	1.3: Number of staff trained on innovative learning approaches (portfolio, system thinking)	521 participants (of which 50% women)	610 (of which 50% women)	
	1.4 Number of events organised per year aimed at exchanging best practices and networking (such as local business days, thematic workshops, regional conferences, etc.)	10 in 2018	13 per year	
	1.5: Number of advocacy and outreach initiatives conducted to increase awareness of citizens about EU support to local authorities in selected countries	100	25 each year	
	2.1. Number of local authorities that have implemented portfolio methodology	0	8	How to better measure capability and capacity increased in municipalities (as part of learning and seed-fund/grant programmes) and evaluate the effectiveness of the learning opportunities offered? How to support spill-over effects of seed-funds grants for scale? How to support the development of bankable projects? How to better help members access different funding and financing mechanisms, as well as utilize local resources more efficiently? How to develop the monitoring of the financial impact of M4EG?
	2.2: Number of small scale local level pilot projects on specific issues (i.e. innovation, gender equality) selected	0	40	
	3.1: # of LAs with strengthened capabilities to address the crisis and enhanced resilience to respond, in the short-term, to related socio-economic issues, including introducing a system thinking approach to response and recovery	NA	60	
	3.2. # of IDPs and Refugees directly (& indirectly) supported (disaggregated as much as possible)	NA	3,000	
Activities (modified in each AWP)	(E.g. tool for social listening, portfolio iteration, national network building, annual forum, Urban Learning Center, international travel etc.)			

Note: Purpose of the above is two-fold - 1) to ensure accountability for funds and agreed upon output indicators, and 2) to build a learning muscle within the project structure to capture intangible and qualitative reflections in a systemic way to help ensure ability to adapt for highest relevance of existing and future activities vis a vis the intended goals.

Monitoring and Learning Session with Technical Partners

On 24 January, 2023, the Secretariat co-hosted together with the Centre for Public Impact (CPI) a learning session for the so-far five technical partners of the M4EG. The objective was to provide a space for partners to reflect together on what have been learnt over the course of the distinctive programs under M4EG about enabling change in government, and how to use these insights to understand how to best support local governments moving forward. Please see here a synthesis of the discussion below.

KEY REFLECTIONS:

On cities and teams in general:

- Cities in the EaP region are in general open to new ways of doing things and recognize the benefit of change.
- Many concepts are new to cities and there is a willingness to unpack those, especially around green transitions.
- Cities' principal work revolves around everyday tasks of service delivery ('fixing the potholes') and not around learning and exploring new approaches and roles.

On learning programs including innovation:

- A sustained energy for making change throughout the program is needed and needs to be mobilized. Important to ensure a team formation rather than individual engagement. Support and 'license' from leadership key.
- Change efforts needs to be clearly articulated as aligned with the city's vision, mandate and priorities.
- Building trust through relationship building is key. Also to foster trust in process as these are often new to municipal teams.
- For scale and sustainability, supporting securing any resources for funding change can be further prioritized.
- Be intentional in the selection of participants: motivation and willingness to learn is key.
- Meet people and teams where they are and tailor as necessary.
- Help build 'collective bravery' – facilitate a sense of collective ownership inside and outside the program and ideally within the municipality.
- Thinking and acting to consciously work across horizons (1, 2, 3) and across the city ecosystem.

On city leaders:

- City leadership can be much more ambitious than they currently are given their role.
- Government processes inhibits testing new ways, and risk tolerance varies. City leaders may think conservatively due to not wanting to be seen to run 'failed' projects by constituents.
- Perceptions of innovation efforts as costs rather than investments in long term strategies.
- City leaders may often see their primary role as service providers rather than fostering innovation to solve problems.
- Local political party alliances needs to be navigated for any 'innovation' project to be given space for testing and uptake of lessons and possible scaling.

To systemically capture the learning as well as effects of the work carried out, the M4EG Secretariat team conducts a monthly internal online reflection questionnaire. This is to capture possible signals and trends across the many work streams, and to feed coming programming and a possible phase 3 of the project. To foster a stronger learning culture and systemically capture learning and effects, the team has created an online learning space (through Microsoft SharePoint Online). The M4EG members part of any learning and seed-fund journey (Urban Imaginaries, Portfolio Journey, Response & Renewal) will be asked to provide learning and effects as part of their reporting.

The forthcoming 2023 Annual Report will attempt to capture reflections on the above learning questions and effects.

Additionally, the Secretariat has designed a M4EG Dataset for key indicators that can be showcased through a PowerBi dashboard. This serves as both a light monitoring and communication tool. The Dashboard will be fully operational later in 2023. The Dataset can be shared upon request.

Update on risks and mitigation measures

The regional project team in close consultation with DG NEAR and relevant EU Delegations apply flexibility and adaptability to ensure the most effective and relevant roll out within the changing country contexts. The Risk Matrix is updated on a regular basis and can be found in Appendix 2 to this report.

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COMMS & VISIBILITY

During the reporting period, the project's communications and visibility activities in Armenia, Azerbaijan, Georgia, Moldova, and Ukraine, coupled with regional-level communications, have played a pivotal role in expanding the project's outreach and impact.

Within the first seven months of 2023, the M4EG Facility reached an impressive total of 540,000 people across the target countries and regionally. This wide audience coverage was a result of the collective efforts put into disseminating the project's messages and successes, thereby increasing its visibility at both local and regional levels.

By leveraging social media, video advertising, and written content, the project successfully showcased its impact and achievements, thereby creating awareness and support for its goals. Overall, M4EG produced 16 pieces so far in 2023 including, crucial ones as **"It doesn't rain in our kindergarten anymore. Both children and parents are happy"** – the first human-centered portfolio story and **"Did portfolios enable something in the city systems that was not there before?"** and in-dept presentation of new city visions, such as **"Reimagining Batumi through a start-up portfolio of options".**

These efforts are expected to contribute to the long-term sustainability and success of the project in the target countries. To increase visibility and to better introduce M4EG offers, several videos were produced in 2023. These includes:

- **Urban Learning Center (ULC) intro**
- **Intro to the Foundation Course for Future Readiness**
- **EU Response & Renewal Grant Programme under M4EG**
- **"Zinaida, refugee from Ukraine, learns Romanian while in Moldova"**
- **Local Economic Development Plans in action, Baghdati, Georgia**

Figures 22 Intro video to the ULC

Figures 23 M4EG at Eurovillage in Lankaran, Azerbaijan.

The M4EG Facility actively took part in a variety of offline cultural events led by the EU including EuroVillage in Azerbaijan and EU Day Celebration in Armenia and Moldova. These events provided a platform for the initiative to showcase its activities and achievements to residents and local authorities as well as promote partnership between the EU and UNDP.

Figures 24 M4EG at EU Day in Chisinau, Moldova.

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BUDGET & EXPENDITURES

so far in 2023

The 2023 delivery target is EUR 6,752,966 for 2023 as per the Annex III in Addendum No.1. The total eligible costs for the project in 2021 and 2022 are EUR 2,916,492.62.[5] In 2023, total eligible costs are EUR 1,620,831.65 as of 31 July 2023, and total legal commitments are EUR 2,540,863.34.[6] The total expenditure and commitments to date are EUR 7,078,187.60.

An increase of expenditure is expected by the end of 2023 as the selected local authorities are in implementation phase of their seed funds/grants, **however depending on the speed of implementation, the total delivery target may be adjusted down from the current EUR 6.7 m.**

[5] Co-fund of Innovation Advisor (40%) is included.
[6] Staff costs including co-fund and grant amounts in signed agreements as of 31 July 2023 are included.

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APPENDIXES

Appendix 1
2022 Mid-Year Progress Review with Indicator status

Appendix 2
Updated Risk Matrix

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2023 MID-YEAR BRIEF

3RD YEAR: JAN-JULY 2023

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