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The Role of CSOs in Human Capital Development & Local Sustainable Development

Strengthening CSO–government collaboration and funding for human capital development

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WHY THIS FIELD IS INVISIBLE

Most learning is not counted

In academia, human capital development is exclusively about formal education.

WHAT THE THEORY MEASURES

- Years of schooling
- Degrees & returns to education
- Test scores, enrolment rates
- Employment, GDP

WHAT CSOs ACTUALLY DO

- Non-formal learning (89% of GE CSOs)
- Informal, on-the-job skills
- Reaching people school never did
- **The part the textbooks skip**

So CSO×HCD stays under-researched. Not because it's minor, but because existing instruments can't see it.



FUNDING

New money needs new energy, and mindset

When donor money dries up, you can't just switch to other funding overnight. It takes a whole new way of working, one most organisations were never built for.

THE HARD PART: the sector was built to win grants, not to earn revenue or raise from business. On 91% donor funding, it never had to. Diversifying means rewiring how organisations work, not trying harder.

- 1 Legal room to earn.** Let CSOs register as non-profit social enterprises — today they legally can't. No earned income is possible without it.
- 2 A local base.** Municipalities, service fees, community giving. Only 6% of Georgians donate. There ARE untapped opportunities
- 3 New skill sets.** Earning from business and the public is a different discipline from grant reporting.

*The question isn't who tries hardest. It's which organisations **rewire fast enough.***



STRENGTHENING COLLABORATION

Solve their problem

WHY MOST INITIATIVES FAIL: CSOs try to onboard government onto *their* agenda. It stalls, or “works” through personal contacts, which dies the day that person leaves.

THE ONLY DURABLE MODEL — ONE INITIATIVE THAT SOLVES ALL FOUR PROBLEMS AT ONCE



Your CSO

mission & survival



Beneficiary

skills & a job



Government

a result it can show



Private sector

talent & growth

Hit the intersection of all four and the collaboration outlives the handshake that started it.

GEORGIA: Three CSOs are supporting the government in addressing the challenges faced by children who live and work on the streets.

Strategic Alignment Matrix

USE THIS MATRIX WHEN: Drafting a proposal or preparing a presentation for municipal, national, or international officials. Map your CSO objectives against their strategic priorities to demonstrate shared ownership.

Focus Area	CSO Goal	Municipal Priority	National Priority	Other Frameworks
Youth Employment	Train 500 youth in digital & vocational skills	Reduce district youth unemployment; local workforce plan	SDG 8 — Decent Work & Economic Growth; National Employment Strategy	EU Association Agreement; ILO Youth Employment Programme
Civic Participation	Build participatory budgeting & feedback tools	Increase citizen trust in local governance	Open Government Action Plan; Decentralisation Reform	CoE Good Governance Standards; OGP Commitments
Education Quality	Support teacher capacity & non-formal learning hubs	Improve school performance; reduce dropout rate	National Education Strategy 2030; SDG 4 Quality Education	OECD Learning Framework; UNESCO Global Education Monitoring

KEY MESSAGE: Your initiative is not a CSO project. It is a government priority that a CSO is positioned to implement.