



ALCP Alliances
Caucasus Programme
REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

BIANNUAL REPORT APRIL 2017 TO SEPTEMBER 2017



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Confédération suisse
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Confederaziun svizra

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NOTE ON ANNEXES

The tables in the main body of the report contains only quantitative indicators. Quantitative indicators alone cannot fully describe programme impact. Qualitative indicators, stakeholder's perspectives and the systemic change log contain essential information to provide a full picture of programme impact and are found in Annex 1, 2& 3. Annex 4 lists each intervention carried out in the reporting period. Further annexes contain important in depth information on key programme interventions.

LIST OF ABBREVIATIONS

| | |
|-------|--|
| ADA | Austrian Development Agency |
| AI | Artificial Insemination |
| AJ | Ajara |
| ALCP | Alliances Caucasus Programme |
| AMR | Animal Movement Route |
| BDS | Business Development Services |
| BEAT | Business Environmental Audit Tool |
| BEC | Business and Economic Centre |
| CEDAW | Convention of the Elimination of Discrimination Against Women (UN) |
| CIS | Commonwealth of Independent States |
| CPC | Cheese Producing Centre |
| CSR | Corporate Social Responsibility |
| DCFTA | Deep and Comprehensive Free Trade Agreement |
| DRR | Disaster Risk Reduction |
| DRRWG | DRR Working Group |
| EASC | Euro-Asian Council of Standardization Metrology and Certification |
| EBRD | European Bank for Reconstruction and Development |
| EC | European Commission |
| E+I | Employment and Income Network (SDC) |
| EUAA | European Union Association Agreement |
| FFI | Flora and Fauna International |
| FS&H | Food Safety and Hygiene |
| GARB | Georgian Association of Regional Broadcasters |
| GDCI | Growth Development & Continuous Improvement of your business (name of a company) |
| GSA | Georgian Shepherds Association |
| GEL | Georgian Lira (currency) |
| GOST | Technical Standards maintained by EASC |
| GMP | Good Management Practice (FS&H assessment) |
| HACCP | Hazard Analysis Critical Control Point |
| IAAD | International Agricultural |
| ICCN | International Centre for Conflict and Negotiation |
| IFAD | International Fund for Agricultural Development |
| IFC | International Finance Corporation |
| ISF | Investment Support Facility |
| KK | Kvemo Kartli |
| LHP's | Livestock and Honey Producers |
| LLC | Limited Liability Company |
| LSG | Local Self Government |
| MAP | Monitoring Actions Plan Meeting |

M4P Make Markets Work for the Poor Approach
MC Mercy Corps
MCC Milk Collection Centre
MDA Market Development Approach
MFI Micro-Finance Institution
MIA Ministry of Internal Affairs in Georgia
MOU Memorandum of Understanding
MOA Ministry of Agriculture
MOAA Ministry of Agriculture Ajara
MOE Ministry of Environment
MRDI Ministry for Regional Development and Infrastructure
MSA Market Systems Approaches
MSD Market Systems Development
NFA National Food Agency
OPA Outside Programme Area
PPP Public Private Partnership
RC's Results Chains
SDA Strategic Development Agency
SCCSF Support Centre for Civil Society Formation
SDC Swiss Agency for Development and Cooperation
SCO Swiss Cooperation Office
SECO State Secretariat for Economic Affairs
SJ Samtskhe-Javakheti
SME Small & Medium Enterprise
TRACES Trade Control and Export System
UK United Kingdom

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PROGRAMME DESCRIPTION

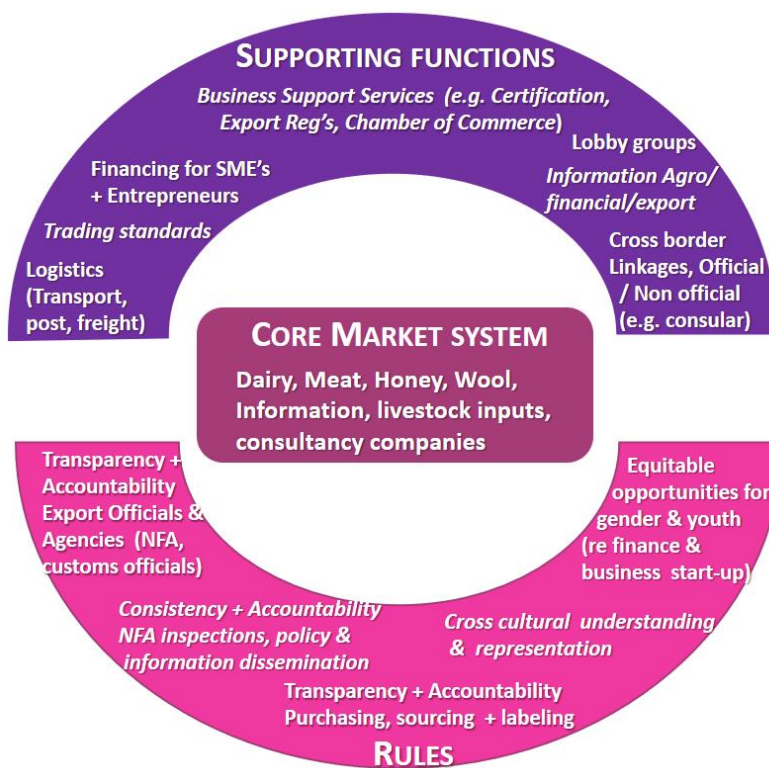
ALCP | Alliances
Caucasus Programme
REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

The Alliances programme, working in the livestock market system in Georgia, is a Swiss Development Cooperation (SDC) project, implemented by Mercy Corps Georgia and run in strict accordance with the M4P (Making Markets Working for the Poor Approach, which began in 2008 in Samtskhe Javakheti (SJ), Georgia. Alliances Kvemo Kartli (KK) was opened in 2011 with a second phase awarded to SJ. In 2014, the second phase of an expanded Kvemo Kartli was merged with a new branch of the programme in Ajara and a two year ‘standby phase’ (monitoring and sustainability phase) in SJ to form the Alliances Lesser Caucasus Programme (ALCP). From 2014 under the ALCP, Alliances management, programming and operations were fully harmonized. The programme has achieved substantial scale and systemic change well beyond the initial designated programme areas and targets and devoted itself to learning, excellence and participation in a global community of practice in Market Systems Development (MSD) including being successfully audited by the DCED Standard for Results Measurement (Donor Committee for Enterprise Development). It has furthered learning and practice in Women’s Economic Empowerment and harnessed market systems programming to generate significant impact in transversal themes with a 54% average of female usage and access across all interventions. From October 2008 to March 2017, 403101 income beneficiary HH’s, generated 34.7 million USD (79.79 million GEL) in aggregated net attributable direct and indirect income for farmers, businesses and employees. For more detail go to <http://www.alcp.ge/index.php?cat=2>



The programme has extensive networks and works in partnership with all levels of the private sector, civil society and government. The four year 5 million CHF *Alliances Caucasus Programme* (ALCP) April 2017-2021, utilizes the platform created by the ALCP to significantly contribute to the goal of the [South Caucasus Swiss Development Cooperation Strategy 2017-2020](#). This SDC strategy sees a strengthening of the *regional approach in the South Caucasus* through the promotion of areas of mutual and beneficial interest between Armenia, Azerbaijan and Georgia including cross-border initiatives in trade and the extension of services and inputs through the lens of agriculture based economic development which is considered to offer substantial opportunities for regional development and the rural populations of the three countries.

The ALCP programme will facilitate interventions in the livestock and honey market systems to safeguard ongoing sustainable growth, and promote new growth that includes ensuring access for SME's and livestock and honey producers to cross border and other export markets. It will also exploit available entry points for the transfer of inputs and services successfully developed in Georgia to Armenia and Azerbaijan to enhance cross border linkages. Entrepreneurialism and job creation especially for women, the access to finance and financial literacy that is required to make this happen for SME's and start-ups as well as increased income from sustainable supply opportunities and stable quality inputs increasing productivity are key indicators of impact. The programme is targeting 20,000 Livestock and Honey Producers in Georgia, Armenia and Azerbaijan generating tangible positive income changes to a value of 8 million direct and 1 million GEL indirect, due to improved services and markets and productivity increases of 10%. Target for net attributable income for employees, business and SME financing total 6.5 million GEL.



Representation of Regional Livestock Market System and Key Areas of Focus Diagram

STRATEGIC REVIEW AND OUTLOOK

MAIN RESULTS ACHIEVED

Table: 1 Quantitative Purpose Level Achievements and Progress Against Targets

| Estimated ¹ Impact for ALCP April 2017 to September 2017 | |
|--|--|
| The major target beneficiaries of the programme | Total results ² (% Against Target) |
| # of LHP's generating tangible positive income changes due to improved services & markets (Women/Men) (20,000) | 11,798 (59%) (37% women) |
| # of LHP's served through crowding in | 2,340 |
| # of full time job equivalents (Women/Men) (150) | 155 ³ (46 Women / 109 Men) (103%) |
| # of entities crowding in (15) (1 million gel) | 8 ⁴ (53%) |
| # of entities expanding their businesses (30) | 10 ⁵ (33%) |
| NAIC value in GEL generated for LHP's (8 million Gel) (1 million indirect) | 1,972,019 Gel / 790,188 CHF (25%) 81,361 Gel (8%) |
| NAIC value in GEL generated for programme clients (3 million Gel) | 1,288,927 Gel / 516,474 CHF (43%) |
| NAIC value in GEL generated by employees (1.5 million Gel) | 324,598 Gel / 130,066 CHF (22%) (84,313 gel for Women / 240,285 gel for men) |
| Total NAIC generated by the programme (Farmers, clients, employees direct/indirect) (14.5 million GEL) | 3,666,905 Gel / 1,469,330 CHF (24%) |
| NAIC value in GEL SME financing (2 million) | 102,000 Gel / 41,075 CHF ⁶ (3%) |
| % Social Return on Investment from Alliances Co-Investments | N/A (Targeted 40%) |
| % ROI of Alliances clients' investments ⁷ | N/A (Targeted 20%) |
| Productivity increase in milk, meat and honey yield of LHP's. ⁸ (10%) | N/A |

¹ Estimated impact is impact derived from data, which has not been subject to an impact assessment, but rather from monthly data sheets.

² Some of the impact from those interventions, which funded in the previous phase, but are subjects of ongoing facilitation are aggregated only on the purpose level, because there are no suitable indicators on outcome / output levels in the current logframe.

³ Veterinary sector (6), Nutrition (18), Machinery (3), Dairy (33), Meat (12), Wool (10), NFA and Women's Rooms (73).

⁴ Entities copying the business model from: Agro trade (1), Roki vet pharmacy (1), Journalists Resource Center (1), Alali (1), ABBA (2), Women's Rooms (2).

⁵ Agro Trade, GARB, Marmot, Star Consulting, Intellect, Tsalka +, Milkeni (2), Slaughterhouse, Women's Room, Wool.

⁶ A cheese factory, Tsintskaro Ltd got 57,000 Gel cheap loan, Milkeni dairy 40,000 gel, and a local wool processor Matkhli Sakhli in Akhaltsikhe got a 5000 Gel loan from Produce in Georgia.

⁷ New interventions are not mature enough to calculate SROI or ROI. They will be calculated after one year.

⁸ This will be measured by impact assessment and triangulated with qualitative data when interventions are mature.

MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS

The points below outline the activities carried out in the reporting period which have successfully laid the groundwork for carrying the programme forward into the next period of interventions. It has required a shift of focus from all members of the team to rise to the challenge of entering unknown geographies and topics and countering operational as well as programmatic challenges as varied as changing the way attribution is calculated to the logistics of conducting key informant interviews in Armenia and Azerbaijan.

1. Three main thrusts have dominated the programming of the reporting period; carrying out market research, laying the groundwork for preliminary regional interventions and facilitating ongoing interventions:

Market Research: The research process has sought to augment the basic preliminary findings and analysis presented in the *Alliances Caucasus Programme Strategy Document* and to further orientate the precise direction in which proposed opening interventions should go. Research has taken longer than usual to undertake due to the larger geographical spread and the complexity of information that must be gathered, including cross border dynamics and legislation and identifying key players whether in unknown (e.g. Armenia, Turkey) or highly dynamic (Georgia) spaces. Draft market research reports were completed and submitted by the end of September and are now being analysed and collated into final report form. These reports will be submitted to SDC and will be available online by the end of 2017. The delay in publication is now one of filling information gaps and of editing and presenting the documents to a publishable standard. The documents are as follows:

1. Ensuring Sustainability in the Dairy Market Sector
2. Meat Sector Development in Georgia (with reference to the shift to processed meat for export)
3. *Georgia Armenia, (with reference to Azerbaijan) Cross Border Market Research* (includes sheep, honey, dairy, meat, combined feed, machinery, media, taxation system, animal disease control and gender).
4. Prospects for Georgian Honey Export
5. Transversal Themes Going Forward in the Alliances Caucasus Programme
6. Key Informant Interview Directory (*submitted with this report*)

Laying the Foundation for Preliminary Regional Interventions: The research process has helped further define the proposed interventions into actionable interventions. These include in wool (cross border), dairy (added value, sustainability and cross border): honey (cross border and export): meat (export): access to finance/entrepreneurship women and girls and DRR. These entry points will be discussed further in the Steering Committee Meeting and see 3.2 *Reference to Activities Proposed and Actual* for a brief description.

Ongoing (and incipient) Interventions: The research process has helped further steer and deepen ongoing cross border interventions in machinery, combined feed, BDS and FS&H.

2. *Results Measurement:* This reporting period has been used to finalize impact assessments for Kvemo Kartli and Ajara⁹ and to carry out complex and in depth measurement of systemic change which has required significant travel e.g. triangulating the Roki figures nationally and in depth surveys on access to finance, jobs and bio security points and practices, all of which are available online in the library section. A new version of the RM Manual has been produced, taking into account the recommendations from the DCED Audit in January. It includes new attribution methods now employed for quantitative surveys as the programme is now so geographically spread. An attempt has been made to capture sectoral and deep reaching systemic change through InfoGraphics. Please see *Broad Impact of the ALCP 2017*, submitted with this report. (*See 5.2 Reviews, Self-Evaluations*).

3. *Streamlining:* The programme is ready operationally and programmatically to push forward the regional programme. In line with the new programming requirements of the regional programme, a new programmatic structure has been in force requiring Theme members¹⁰ to work across offices which despite presenting challenges has allowed for a much wider geographical range to be encompassed in working practice. In addition to the new

⁹ This data was included in the final End of Phase Report submitted June 2017.

¹⁰ Broadly grouped around Outcomes but not exclusively requiring more lateral working across groups.

RM Manual mentioned above, a new website presenting more information on programme results, photographs, videos, news and an improved library section is online. The report format itself has been updated to hopefully improve readability and the transfer of information including changes to the qualitative reporting see *Annex 1 & 2*.

4. *Prospects for Regional Outreach*: As described above, definitive entry points for regional intervention have been identified in most sectors but predominantly between Armenia and Georgia, operating conditions in Azerbaijan continue to present serious obstacles to full implementation. In general government initiatives are facilitating the operating environment for cross border trade (Georgia/Armenia) and export (Georgia to gulf, Iran). However in WEE and information (see 3.2 *Reference to Activities Proposed and Actual*) solid entry points exist for some form of outreach in Azerbaijan. A good partnership has already been established with Strategic Development Agency (SDA) in Armenia establishing the beginnings of a working mechanism to co-facilitate certain cross border objectives. See 1.1 *Stakeholder Analysis* & 1.2 *Evolution of the Context*

5. *Strengthening SCO Objectives*: Good working relations have also been established with the NAITs programme and a solid objective identified by the NFA which brings together the goal of the two programmes i.e. the development of the Bio Security Points into pivotal centres in the animal registration and traceability initiative. Both programmes are also interested in jointly improving the accountability of the NFA to farmers in terms of information management. See 1.1 *Stakeholder Analysis*.

6. *Future of the ALCP Western Georgia (WG) Office*: The ALCP WG office has provided excellent market research in meat and dairy across Western Georgia see *Key Informant Directory*, as well as significantly developing a national honey export intervention and further developing existing and highly innovative and influential interventions such as the Alpine Botanical Garden, Conservation Education and far reaching Women's Economic Empowerment initiatives see 2.4 *Transversal Themes* for more information. Due to budgetary constraints the WG office is due to be closed at the end of March 2019 as clearly laid out during the development of the Alliances Caucasus Programme. It had been discussed at this time that further funding to enable the continuation of the full or a slightly reduced version of this office and its team would be revisited in 2018. An important point to note is that an early clarification on this point will help retain team members who may otherwise understandably leave to pursue other opportunities and which may result in an irretrievable loss of experienced key staff should funding be found and the office be kept open. See 4.4 *Human Resources and Management*.

CHAPTER 1 – OPERATIONAL ENVIRONMENT

1.1 UPDATE OF THE STAKEHOLDER ANALYSIS

Please see the *Key Informant Directory* submitted with this report. Building on the stakeholder analysis submitted in the proposal this period has seen a broadening of stakeholders as part of the regional market research process. In addition to the private, civil sector and governmental informants listed in the Directory, of note in the three countries are:

Georgia: Ongoing relationships have been preserved including where key figures have been changed e.g. the Governor of Kvemo Kartli and Mayor of Marneuli, Chairman of Ajara, Minister of Agriculture of Ajara. As part of the ongoing and upcoming interventions, relationships have been broadened in the honey sector and in national level business, finance and governmental entities. These include the Georgian Chamber of Commerce and Industry, Head of Produce in Georgia (Export), Chairman of Agency of Cooperatives (Honey Supply), EBRD (funding to Womens Business Initiatives), Head of the Laboratory of the Ministry of Agriculture of Georgia (honey export), the Governor of Kakheti (WR's, Bio Security Points). Productive relationships with the Minister of Agriculture, the NFA and the Head of the NAITs programme are ongoing.

Armenia: Productive meetings were held with the Deputy Minister of Agriculture, the Strategic Development Agency (SDA) and the SCO office in Yerevan, the Governor of Lori Marz and the new Mayor of Alaverdi (Women's Access to Decision Making). In the private sector meetings were held with key informants in wool, honey, meat, dairy, combined feed and machinery. In the civil sector meetings were held with Media Initiatives Centre (agri journalism and information) and the Head of the Gender Information Centre and Gender Research Centre of Yerevan University

Azerbaijan: Interviews were held remotely and arranged through contacts in private, civil society and government sector. They including: The Association for the Protection of Womens Rights in Azerbaijan and Baku State University (Agri journalism). See *Key Informant Interview Directory*.

1.2 EVOLUTION OF THE CONTEXT (IN PARTICULAR POLITICAL RISKS AND OPPORTUNITIES)

Bilateral linkages for cross border trade and export: In April, 2017 the Government of Georgia and the Ministry of Agriculture of Iran took measures to deepen trade, business and economic relationships and signed a Memorandum of Understanding following which the volume of exported chilled halal sheep meat by registered slaughterhouses has been increasing rapidly. Since then , 10 private exporter companies have exported 233,562 head of chilled halal sheep to Iran, out of which 41,197 (18%) was exported by the ALCP funded slaughterhouse *Alali*. The Minister of Agriculture of the Republic of Armenia, held his first official visit in Georgia in February 2017. He and the Head of State Service for Food Safety of Armenia met with the Minister of Agriculture of Georgia and Head of the National Food Agency. The Ministers signed a Memorandum of Understanding (MOU), establishing direct and sustainable collaboration in the spheres of veterinary, phyto-sanitary and food safety aimed at increasing cross border trade. In April, 2017 members of Government of Georgia met with the Minister of Environment, Water and Agriculture in Saudi Arabia to enhance bilateral trade in the agricultural sector. The Minister of Agriculture of Georgia highlighted the free trade regime, which allows Georgia to be a regional hub for export. According to official data 36,347 heads of sheep were exported to Saudi Arabia from January to September 2017. Saudi officials expressed interest in possibly funding veterinary quarantine facilities in Georgia and thus to promote and simplify the export from Georgia should it remain a priority for them. The Minister of Saudi Arabia expressed his interest in the export of live animals, meat, dry fruit, honey and drinking water from Georgia to Saudi Arabia.

Food Safety and Hygiene: In steps to improve food safety, traceability and accountability for consumers since January 2017 it has been mandatory for slaughterhouses and meat shops to produce traceable and labelled beef and for dairy enterprises and slaughterhouses to apply for and gain recognition from the National Food Agency.¹¹ The use of milk powder in cheese production has increased rapidly particular in Imeruli production the most commonly consumed cheese sold in both formal¹² and informal¹³ sales outlets. Lack of transparency in whether cheese is made with raw milk or milk powder is a major issue. Consumers are unable to make an informed choice due to misleading sales techniques and lack of knowledge of new labelling legislation intended to help solve the situation. Compliant SME's are now subject to the unfair competition of cheaper cheese produced in uncompliant premises *and* cheap milk powder cheese being sold alongside their own. In June 2017 in an attempt to address these issues and in response to lobbying from the dairy industry¹⁴, it has been prohibited to use the names: *butter, cheese, milk, matsoni (yoghurt), sour cream or cottage cheese* on product packaging or in labelling of products containing any vegetable oil or other oils that are not milk fat. The use of milk powder must also be mentioned. However consumers are not sufficiently informed of these changes and supermarkets are continuing to employ unscrupulous and un-transparent sourcing and sales practices¹⁵. In addition despite the above legislation the NFA

¹¹ Recognition implies that enterprises are FS+H compliant.

¹² Supermarkets the number of which are growing rapidly.

¹³ Roadsides, agrarian markets and small/mini shops, 'kiosks'

¹⁴ Mainly from *Dairy Association Georgia* in the dairy industry under the RED and MOLI programmes

¹⁵ The new ALCP Dairy research describes this in detail. In conducting this research no supermarket was prepared to be open regarding sourcing practices. Information was gained from the producer end. An example is bringing in un-compliant and/or cheese powder cheese and packing and labelling this in house with limited description. Consumers are in this case trusting the sourcing integrity of the supermarket.

is still unable to control and regulate the large amount of uncompliant cheese entering the value chain. Still focusing its efforts on registered enterprises rather than unregistered ones.

Animal Disease Control: The near completion of the BSP's sees the attainment of a national veterinary control strategy move a step closer. See 2.4 *Transversal Themes Section*. The NFA has stated their intention to build the points into centres for improving national animal health control, traceability and registration being undertaken under the NFA/FAO NAITS programme. The NFA is considering renaming the points; veterinary treatment and control centres. The NFA is continuing to carry out activities outlined in the Brucellosis Control Strategy. In 2017 compulsory Brucellosis vaccination started in Kvemo Kartli, Samtskhe-Javakheti, Mtskheta-Mtianeti and Shida Kartli regions. By 2019, all livestock in Georgia will have been vaccinated.

Changes in Local Self Government: 2017 was a highly transitional year for LSG, amendments in the LSG code (which included far reaching changes to the administration of LSG's) entered into force in June and July. Changes made in 2015 intending to increase citizen participation in LSG have not yet been implemented at the municipal level. This year the Government of Georgia also stopped the Village Support Programme¹⁶ with the idea that this function would be under-taken by LSG however this has not yet occurred meaning that no community meetings were held in villages this year.

1.3 BILATERAL OR MULTILATERAL ISSUES OF NOTE FOR POLICY DIALOGUE

The *National Food Agency* remains pivotal in relation to the livestock market system and the mainstreaming of the key governance principles in their modus operandi, particularly in improved public information which would aid greatly in facilitating market access for livestock sector actors. Georgia is now on the [Third Country lists](#) for wool and honey. Access to the EU markets requires Georgia to be on the lists to allow enterprises to register in the TRACES system. Being on the third country list also instils confidence in other importer countries outside the EU as to the existence of basic in-country control systems. However much work remains to be done to systematize and operationalize activities at the producer level arising from NFA commitment to requirements such as the Residue Monitoring Plan in the honey sector, which are conditions of being accepted on the list. Another issue of note would be operationalizing the laboratory testing capacities for honey and maintaining a standard of competent management and upkeep of the Bio security points. The main point being ensuring governmental operational support to ongoing maintenance, development and implementation of high level initiatives *in practice*.

Disease notification and control remains a key topic in particular in relation to public notification of zoonoses¹⁷, Safe and compliant disposal of carcasses is a key issue. There is an ongoing need for comprehensive government support to the rehabilitation of the veterinary sector with there still being a serious lack of young large animal veterinarians. Climate sensitive farming should remain a topic to be welcomed and supported as simple measures of water conservation, conservation agriculture e.g. direct drilling, seed varieties and afforestation would see easy gains for small holders, especially in areas such as Kakheti which is seeing the worst climate related effects. A number of environmental and conservation programmes mainly centred on the national parks are operational, but emphasis needs to remain on how small holder farmers can learn to co-exist, manage and benefit from the environment. The direction agriculture in Georgia will take in the future and the role of the small scale livestock producer within it in the context of environmental, economic and social sustainability continues to be in need of ongoing debate. The lack of accessibility of donor or other funds disbursed through banks for SME's in the livestock and honey value chains is an ongoing issue. A six year IFAD pasture management project is in the pipeline in Georgia for 2019, focussing on infrastructure including roads and value chain development which could have the potential to address systemic constraints to do with the lack of fully qualified veterinarians, land management and access to finance.

¹⁶ Implemented nationally with funds given direct to municipalities to give to communities based on the priority issues voted for by them.

¹⁷ A sixty year old man died of Anthrax in Khelvachauri in August and in November in Poti.

CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017

2.1 QUANTITATIVE RESULTS PER OUTCOME

Table 2: Achievements of Outcome¹⁸ Indicators Measured Against Target Values

| OUTCOME 1: Livestock and Honey Producers in Georgia strengthen their position in the market system and increase their income thanks to reliable market access to diversified opportunities from sustainable SME's in the meat, dairy, honey and wool sectors. | |
|--|---|
| Indicators | Estimated Alliances Programme Results (2017-to date) |
| # of LHP's generating tangible positive income changes due to sustainable diversified market access and better terms of trade (Women/men) (5000) | 1,393 (28%) (63% women, 37% men) |
| # of full time job equivalents (Women/Men) (50) | 33 (18 Women / 15 Men) (66%) |
| # of HoReCa/retailer entities integrating food safety hygiene compliance and good management practices into business management (25) | 320 ¹⁹ (1060%) |
| # of entities crowding in (5) | 2 ²⁰ (40%) |
| # of livestock and honey sector sustainability advocacy initiatives (16) | 2 ²¹ (13%) |
| # of SME obtaining external funds / finances (20/2 million) | 2 / 62,000 Gel (10%/3%) |
| NAIC Value in GEL generated for LHP's with sustainable diversified market access and better terms of trade for LHP's (Women/Men) (4 million) | 425,496 (11%) |
| NAIC value in GEL generated for programme clients (Women/men) (0.8 million Gel) | 310,911 (39%) |
| OUTCOME 2: Livestock and honey producers increase profitability thanks to stronger regional linkages and cross-border availability of inputs and business | |
| Indicators | Estimated Alliances Programme Results (2017-to date) |
| # & % of LHP's generating tangible positive income changes due to enhanced regional linkages and services (women/men) (10,000) | 1,101 ²² (39%) (42% women/ 58% men) |
| # of full time job equivalents (Women/Men) (50) | 21 ²³ (1 Woman / 20 Men) (42%) |

¹⁸ Outcome values for NAIC have not been adjusted based on the Impact Assessment they remain a reflection of aggregated data per intervention which does not capture the impact of synergy, information and governance.

¹⁹ Shervasi LTD provided disinfection service to 290 HoReCa entities and start consulting company trained 30 HoReCa representatives.

²⁰ Women's Rooms (2)

²¹ Cheese factory, *Naturaluri Produktsia Ltd* established dairy association of milk suppliers and ABBA creates data base of honey producers in Georgia.

²² These figures comes from Marmot's crossborder sales in Armenia (1,028 farmers) and Agro trades crossboder sales of combined feed (73 farmers).

²³ 3 new FTE jobs created by marmot and 18 by Agro trade.

| | |
|--|--|
| # of entities copying &/or crowding in (5) | 2 ²⁴ (40%) |
| # of issue specific cross border initiatives (women/men) (5) | N/A |
| # of service providers &/or input suppliers with improved business practices/acumen & outreach to cross border LHP markets (5) | 2 ²⁵ |
| NAIC value in GEL of cross border LHP's benefitting from supporting functions and compliant processing enterprises (Women/Men) (2 million Gel) | 155,070 (Corresponds 8% of targeted 2 million) |
| NAIC value in GEL generated for programme clients (1.1 million) | 353,769 ²⁶ (32%) |
| OUTCOME 3: Growing cross-border trade and export opportunities both within the South Caucasus and the larger region offers more diversified market access and terms of trade to livestock and honey producers | |
| Indicators | Estimated Alliances Programme Results (2017-to date) |
| # of LHP's generating tangible positive income changes due to enhanced market access (women/men) (5,000) | 3,901 ²⁷ (78%) (32% women/68% men) |
| # of service providers &/or input suppliers with improved business practices / acumen & outreach to export markets (10) | 2 ²⁸ (20%) |
| # of entities crowding in (5) | 1 ²⁹ (20%) |
| # of full time job equivalents (Women/Men) (50) | 22 ³⁰ (3 Women / 19 Men) (44%) |
| NAIC value in GEL of LHP's benefitting from supplying cross border trade and export enterprises (Women/Men) (2 million) | 1,049,574 (Corresponds 52% of targeted 2 million) |
| NAIC value in GEL generated for programme clients (1.1 million) | 132,315 (12%) |
| Value in GEL of cross border trade products (TBD) | N/A |
| Value in GEL of exported products (TBD) | 11,939,407 ³¹ |

²⁴ Agro Trade (1), Journalists Resource Center (1).

²⁵ Marmot, AgroTrade.

²⁶ This number includes Marmot Ltd profit from sales in Armenia and Georgia and profit for machinery service providers.

²⁷ Slaughterhouse Alali Ltd and Wool collector Georgian Wool Company Ltd.

²⁸ One slaughterhouse Alali started to export processed meat, one wool collector improved / safeguarded export of wool. In addition, one local wool processor in Akhaltsikhe negotiates to export mattresses in Belgium.

²⁹ Slaughterhouse Alali (1).

³⁰ Georgian Wool Company created 10 and Alali created 12 new FTE jobs.

³¹ 4,826,250 value of liveweight of bulls, 7,010,842 value of processed sheep exported and 102,316 value of wool exported.

2.2 ASSESSMENT OF OUTCOME ACHIEVEMENT AND LIKELIHOOD OF ACHIEVING THE OUTCOMES IN THE CURRENT PHASE.

At this early stage of the phase indications are highly positive of being able to achieve the outcomes in the current phase with the percentage impact against targets reading favourably.

2.3 INFORMATION ON DIRECT AND INDIRECT UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS

Sector Deepening: Association Formation and Growth: Two new associations have been founded. A growing market for agricultural journalists has led to the establishment of the *Agricultural Journalists Association*³² which was founded by journalists who attended agri journalism trainings (ALCP and later MOLI) and were members of the agri journalism study module working group. Despite this showing evidence of sector deepening and competition there is also evidence that this has caused some in-fighting in the sector between key players and NGO's intervening in the sector should tread carefully and above all be concerned with preserving sustainability. The programme client *Natural Produktsia Ltd* is the largest cheese producer in Ajara, formed an association *Adjarian Milk Suppliers Business Association* of 70 of its regular suppliers to date, to advocate for their interests. The *Association of Development of the Organic Aquaculture* has organized a Fish and Sea Products Festival in Batumi copying the model of the ALCP facilitated *Adjarian Beekeepers Business Association (ABBA)* Honey Festival and used Honey Festival's boards and tables. Finally, impact from ALCP facilitated FS&H trainings organized by the Café-Bars and Restaurants Association for the HoReCa sector motivated the *Transport Association* to use the same model towards working with the private and business sectors and invite a foreign specialist to provide trainings in logistics.

Positive changes in cheese market: ALCP facilitated dairy producers are strengthening their position in the cheese market. *Tsalka +* has started supplying 4 tonnes a month to Carrefour for .6 Gel/kg more than their other buyers. In 4 months *JTA* has already distributed 4 tonnes of Imeruli and Sulguni to the upmarket *Euro Product* supermarkets chain in Tbilisi, where managers and customers are delighted with the high quality natural cheese. The new legislation about labelling³³ has enabled the programme facilitated raw milk producers to compete more openly with powdered milk producers. They are now able to sell their raw milk cheese for better price: Imeruli for 8.5 Gel/kg, when previously it cost 7 Gel/kg and Sulguni at 13Gel/kg compared to the old price of 9 Gel/kg. Milk suppliers are also receiving increased payment per litre/0.2 Gel compared to the same period of the last year.

Impact is also being observed on the farmer level in dairy in adapting to impacts of climate variability as in the drought this summer. *Cheese Company Tsezari* and *Tsalka +* started selling combined feed to their milk suppliers, linking it to the programme facilitated combined feed producer to combat the lack of grass. Many of these farmers are shifting to the use of combined feed as well as grass and hay with an increased milk yield of 3 litres per day.

Copying & Crowding In, Adaptation and Expansion in the INGO and NGO sector: 31 NGOs and 6 public sector entities have signed memorandums with the Women's Rooms (WRs) to gain direct channels to their target rural populations when disseminating information about their projects and conducting activities in rural areas. The local NGO- *Institute of Democracy* is implementing a project- *New Perspectives for the Young Mothers in Ajara*, with activities and trainings on early marriage, birth control, perspectives for young mothers taking place at the Women's Rooms in Ajara. MOLI Kakheti facilitated agri training for regional print and broadcaster journalists using the ALCP model and highlighted the ALCP's pioneer activity in agro media. Information from the Human Wildlife Interface teaching module (see 2.4 below) developed by the Black Sea Eco Academy, has been used by the UNDP environmental project the *Junior Rangers* in Mtirala National Park, where 60 pupils aged 10-15 years

³² Oxfam Bridge was one of the founders and strongly supported the development of the Association and the MOLI Information Officer is a founding member as an individual.

³³ See Evaluation of the Context

old, learned about surviving in the nature, and relevant rules in the instance of meeting wild animals. The same project will start in Majakhela Valley and Kintrishi Protected Area in November with using the same module materials

Women's Room Expansion and Deepening: Participation at the programme facilitated *Equitable Empowerment in Georgia* conference was crucial for the local self-governments of Kakheti region to make decision to copy the model of women's rooms to Kakheti region in 8 municipality buildings and 2 Azeri villages. The rooms are funded by MOLI with technical backstopping including set up and trainings provided by the ALCP. Six Women's Rooms³⁴ are addressing the needs of women through hiring interns with a background in law, psychology and business. These interns are providing free consultancies to the Women's Rooms visitors in domestic violence, early marriage, divorces, legislation, psychological support and business start-up and management.

Interest in Jara: After attending the premiere of Jara movie in Tbilisi, the *National Geographic Georgia* magazine contacted Eco-Films Ltd to shoot the Jara hives in Shuakhevi municipality. (See below) . An Australian trader has contacted Ajarian Jara honey makers, after his partner in Georgia came across the trailer of Jara Documentary. This has become the starting point in their negotiation process.

2.4 INFORMATION ON PROGRESS OF THE IMPLEMENTATION OF SCO TRANSVERSAL THEMES

The following information illustrates the growing sustainability of transversal interventions in gender, governance and DRR as adoption, adaption, response and expansion³⁵ are being facilitated and recorded:

Alpine Botanical Garden Development: Facilitation with Batumi Botanical Garden (BBG) to create a Goderdzi Alpine Garden (GAG) is moving forward. Construction of the fence, water and waste systems, a ticket booth, toilet and parking area were finished this summer. The administration building, paths and Alpinarium section of the garden were also started this summer using the 100,000 USD co-financing of Adjaristsqali Georgia LLC and will be finished in the summer of 2018. The Ministry of Finance of Ajara has also allocated 343,000 Gel (around 135,000 USD) in its 2018 budget to co-finance the construction of a picnic area and more paths in the garden; The Department of Tourism of Ajara has prepared and installed four road information signs for marking and indicating the garden. The Roads Department of Georgia will allocate 5 million GEL in the current and the next year's budgets for the rehabilitation of the Goderdzi-Beshumi Road (passing the Goderdzi Alpine Garden). The tender has been announced. Based on the Memorandum of Understanding between the Munich Botanical Garden and Batumi Botanical garden, German botanists - Andreas Groeger (MBG) and Wolfram Lobin (Bonn Botanic Garden) have been conducting on-site backstopping for Goderdzi Alpine Garden staff members with German gardener, Helmut Wiesment this September. In total, it will take 3-5 years to develop the planting. The BBG has appointed a manager of the GAG with a monthly salary 1000 GEL and an engineer with monthly salary of 700 GEL from January, 2017 and employed 4 watchmen with a monthly salary 500 GEL each from May, 2017.

Jara the movie: The documentary film Jara filmed during 2015-2017 in Ajara by EcoFilms Ltd to shape the debate and solidify the importance of Ajara as a biodiversity and cultural hotspot, has stimulated the imagination and given hope and inspiration to decision makers in Georgia. Two premieres of Jara held in Tbilisi (March, 2017) and Batumi (June, 2017) were a success. More than 500 representatives from the regional and central government, the non-governmental sector and donor organizations gave standing ovations and applause to the film makers and artists and emphasized the beauty and high quality of filming. Positive feedback was seen on social media and online articles dedicated to the movie. After attending the premiere of Jara in Tbilisi, National Geographic Georgia magazine contracted Eco-Films Ltd to shoot the Jara hives in Shuakhevi municipality and write an article about Jara/Georgian honey that will be published along with photos in the beginning of December. Also, the magazine will promote Jara through several articles in the future. The movie was shown at the *Apimondia Congress* in

³⁴ Bolnisi, Marneuli, Shuakhevi, Batumi, Khulo and Kobuleti.

³⁵ The four stages of systemic change as outlined in the industry accepted AAER (Adopt, Adapt, Expand, Respond) matrix.

Turkey, generating considerable interest, as part of promotion of Georgia and Georgian honey. 500 DVD copies were recorded and are being disseminated according to the Jara Distribution Plan agreed with the SCO in April 2017.

Animal Movement Route & Bio Security Points: In May 2017 the AMR Bio Security Points (BSP's) started operation in Signagi and Dedoplistskaro municipalities financed by the NFA. Another 5th BSP was opened in Kvareli municipality, Kakheti region by the Minister of Agriculture Levan Davitashvili on 26th of October, 2017 outside the reporting period. The construction costs for the final, 6th BSP is in the 2018 budget of the NFA. Thus the original agreement and co-investment conditions of the project between the government and programme have almost been fulfilled. The BSP's have been the Government's biggest investment in the sheep sector so far. 520,765 GEL has been invested from the state budget for the construction of 3 BSP's to date and 405,000 Gel for their operation during 2016-2017. From spring 2016 a team from the veterinary department in the central office of the NFA was assigned to control and manage the BSP's. 30 employees have been hired by regional branches of the NFA. 6 employees are assigned for each BSP – 2 Vets, 2 Vet Assistants and 2 guards; 3 staff members have been assigned to control and manage the BSPs in the central office of the NFA. The NFA has also started maintaining a database of the seasonal transhumance. In total 747, 952 head of sheep and cattle have been treated at BSPs. During two transhumance seasons Spring-Fall 2017 370, 740 heads were dipped/showered. The figures will increase as the autumn season is currently unfinished. In 2017 the Head of the NFA issued two special decrees to regulate the animal seasonal migrations and BSPs operation. In summer 2017 a study on the *Impact of Bio Security Points* was conducted by the programme according which: the majority of sheep owners have switched from using private unregulated sheep dipping facilities to using the NFA BSP's, where standards including the dosage and safe administration of the medicines and chemical comply with the EU. An average of 200 Gel per 1,000 heads of livestock is being saved. During the reporting period the programme worked with the NFA to facilitate the BSPs ongoing and the future steps for their development. This included working meetings held with NFA decision makers and with the NFA/FAO National Animal Health and Identification System (NAITS) programme which intends to integrate the BSP's as pivotal centres for veterinary treatment and control.

Disaster Risk Reduction: 59 Municipal DRR Working Group members from 11 municipalities of Ajara & Kvemo Kartli regions received the trainings facilitated by the ALCP DRR contractor in February 2017. The municipal DRR working groups facilitated in 201/12 (KK) and 2014 (AJ) still continue their work e.g. DRR WG in Keda municipality provided Pasterellosis disease vaccination for 600 cattle and seven families were compensated to an amount of 10,000 Gel after natural disasters. The new Governor of Kvemo Kartli expressed his interest in DRR WGs and asked the programme to further facilitate the Regional DRR Committee created at the Governor's office to coordinate the efficiency of municipal DRR WGs. Bolnisi Municipality DRR WG has budgeted for purchasing an incinerator for diseased livestock and now are seeking co-financing. Black Sea Eco Academy working under programme facilitation completed four publications for educating local populations including teacher, students and local government: a teacher's book and a student's book module for schools on local wildlife, a farmers' handbook on agro tourism and guidelines for the municipal DRR WGs. The publications have been printed. The BSEA trained 200 teachers from AJ schools, 30 of whom have already included the teaching module in their lessons to date with more planning to use the module. The module has also been used by the UNDP Junior Rangers environmental project in *Mtirala* National Park to teach 60 schoolchildren of 4 schools, aged 10-15 years.

Progress on Women's Economic Empowerment: The first ever Women's Business Forum in Georgia was held on the 31st of January, in Batumi, Ajara, the event hosted by the Association of Businesswomen of Ajara (ABWA) of the Ajara Chamber of Commerce and Industry (ACCI) in partnership with the Women's Rooms municipal service and facilitated by the programme. For the first time in Ajara, 140 representatives of local, regional and central government and private sector gathered to share their experience and look for business growth opportunities. Following the conference three business women accessed loans from European Bank of Reconstruction and Development an invited participant of the conference and totalling 152,000 Gel. Since then the ABWA have been in discussion with EBRD, the Georgian Chamber of Commerce and ACCI and the programme to hold another national forum at the beginning of next year.

On March 17th, 2017 *Equitable Empowerment in Georgia*, an event celebrating community responses to equitable local government initiatives empowering women and men in communities through 19 Women's Rooms of three regions of Georgia was held in Tbilisi under the patronage of the Gender Equality Council of the Parliament of Georgia. Up to 500 delegates - National, Regional and Local Government decision-makers, Women's Rooms managers and villages representatives, civil society and private sector and the women and men of the communities themselves presented their motivations, methods and achievements. Likeminded people from the worlds of sport, culture, business and entertainment who seek to enrich the lives of women and men and boys and girls in Georgia in their work spoke and shared their views about why this matters www.eeg.ge. After the event issues connected with women's participation in local decision making and women's economic empowerment became a priority of regional and local governments. Meetings were held for the first time in municipalities this summer on this matter by the Gender Equality Council members. They had previously not facilitated outside of the city. The Governor's office in Kakheti initiated the creation of 10 Women's Rooms in 8 municipal centres and 2 Azeri villages. With SCO facilitation MOLI in Kakheti agreed to finance 50,000 CHF for the renovation and equipment of the mentioned rooms in coordination with the ALCP who will provide national facilitation and technical backstopping. The Memorandum of Understanding was signed between the Governor of Kakheti, the ALCP and the MOLI on 4th of October, 2017.

External Verification of WEE Impact: The Ombudsman's office of Georgia released its yearly report on Women's Rights and Gender Equality in May 2017. In the section of the report describing women's participation in local decision making it included the statement. 'It is worth noting that the only comprehensive projects on the empowerment of women at the municipal level are the creation of Women's Rooms which includes the provision of services for women's reproductive health'.

Women's Rooms Sustainability: 103 full time jobs have been created through the Women's Room. The programme facilitated a training in spring for 19 Women's Room managers on business planning and start up after which the WR managers started providing business consultations for rural women and men to apply to the State grant programmes, municipal budgets and other sources of finance. In total 1225 business consultations have been provided by the Womens Rooms during the reporting period; 69 women's instigated initiatives have been funded from municipal budgets with total value of 456,733 USD. 247 business proposals were submitted to *Produce in Georgia* the government agri business fund for a total of 416,666 USD and 4 municipal initiatives with total value of 182, 920 USD presented for fundraising at the EEG event were funded.

Linkages: 31 NGOs and 6 public sector entities have signed memorandums with Six Women's Rooms of Ajara. The last two were MOU's with the Gender Equality Council of the Supreme Council of Ajara Autonomous Republic and the Ministry of Health and Social Affairs of Ajara Autonomous Republic. The First Lady of Georgia visited the Women's Rooms in Ajara and Kvemo Kartli; Sophio Bakuridze, the wife of the Chairman of the Autonomous Republic of Ajara, who is also Head of the Association for Each Other, actively cooperates with the Women's Rooms. She also presented the Women's Room service to the wives of foreign ambassadors this summer. The local NGO Institute of Democracy has developed a project *New Perspectives for Young Mothers in Ajara* in which all activities will take place in Women's Rooms.

How to Set Up the Women's Rooms and Improve Local Decision Making Guidelines were prepared by the programme. The guidelines were approved by the Gender equality Committee of the Parliament and are meant to simplify the outreach of Women's Rooms to the other regions of Georgia. The guidelines Russian version will be used for Armenia and Azerbaijan as well. Just outside the reporting period³⁶ the Team Leader met with the Governor of Lori province and Mayor of Alaverdi, Armenia and presented the Women's Rooms model and the Guidelines. The creation of a pilot Women's Room in Alaverdi municipality was proposed and enthusiastically supported by the Governor of Lori.

³⁶ On October 18th

2.5 ILLUSTRATION OF THE PERSPECTIVES OF INVOLVED STAKEHOLDERS

An assortment of illustrative statements representing the perspectives of different programme stakeholders for each output under each outcome has been compiled and can be found in *Annex 2*.

CHAPTER 3: OUTPUTS AND PERFORMANCE PER REPORTING PERIOD 2017

3.1 SUMMARY OF OUTPUT DELIVERY UNDER THE THREE OUTCOMES

Table 4 below provides a breakdown of impact per output. Only outputs where interventions are already ongoing are included. Interventions are currently being undertaken for 50% of outputs detailed in the LogFrame.

Table 4: Summary of Outputs Against Logframe Indicators

| Output 1.5: Increased value added production and product diversification for SME's. | |
|--|---|
| Indicators | Estimated Programme Results (2017-to date) |
| # of SMEs with increased capacity/utilization of meat and milk, honey and wool | 5 ³⁷ |
| # of LHPs supplying supported entities (Women/Men) | 1,393 (76%) |
| Number of value-chain actors in dairy, meat, honey and wool sectors gaining access to diversified markets | 6 ³⁸ |
| Output 1.6: Increased equitable (gender, ethnicity and youth) access to and diversification of rural/livestock market system related economic/entrepreneurial opportunities. | |
| Number of women/youth rural businesses started | 3 ³⁹ |
| Number of initiatives for women/youth rural business | 337 ⁴⁰ (Also, 111 men) |
| Value of financing for women/youth entrepreneurs from external agencies (gel) | 152,000 |
| Number of jobs in diversified women owned enterprises | 3 |
| Output 1.7: Improved consistency, resilience and reduced risk in livestock market system. | |
| Number of Bio security initiatives | 3 ⁴¹ |
| DRR Coordination initiatives | 1 ⁴² |
| % of households registered their cattle in the NFA | 76 ⁴³ |

³⁷ 5 Cheese factories, *Tsalka +, JTA, Tsintskaro, Milkeni, Naturaluri Produktsia*

³⁸ 5 Cheese factories and one local wool processor in Akhaltsikhe diversified their production.

³⁹ Funded following business forum by EBRD. Flower shop, poultry, green-housing.

⁴⁰ Through Women's Rooms:

- 136 women applied for the state project, Produce in Georgia and they are waiting for the final decisions.
- 3 Women got bank loans / grants.
- 200 Women applied for USAID grants. This figure will be age disaggregated for the next reporting period.

⁴¹ 3 new Bio Security Points opened

⁴² One meeting with governmental officials to ensure sustainability of DRR working groups.

⁴³ In Georgia 76% of households have already registered their cattle into the NFA database.

| Output 2.2: Facilitated outreach of inputs and input related services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia. | |
|---|----------------------|
| # of entities outreached sales in cross border regions | 2 ⁴⁴ |
| Number of customers accessing inputs | 1,101 ⁴⁵ |
| Value of sales of inputs / Value of sales to women/Value of sales to LHP (Gel) | 305,761 |
| Increased trust towards exported products (from Georgia, Azerbaijan, Armenia) | N/A |
| Output 2.3: Facilitated outreach of business support services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia. | |
| Number of value-chain actors in dairy/ meat/honey and wool sector receiving trainings on food-safety & hygiene/business management | N/A |
| Number of milk/meat/honey & wool supplier LHP's receiving trainings / information on quality, food-safety, hygiene & business management standards | 900 ⁴⁶ |
| Number of HoReCa sector actors receiving trainings on food safety and hygiene | 30 ⁴⁷ |
| Number of value-chain actors gaining business management certifications e.g. GMP HACCP (e.g. Global Gap, SALSA) | 1 ⁴⁸ |
| Number of value chain actors with business/marketing plans (including for rural tourism) | 2 ⁴⁹ |
| Number of value-chain actors gaining BEAT assessment | 1 ⁵⁰ |
| Output 2.4: Facilitated outreach of agri-information and agri-information initiatives to Armenia, Azerbaijan and Georgia. | |
| Number of information consumers of products that have agricultural content/Women readership/ LHP's readership | 37,182 ⁵¹ |
| Number of information channels with agricultural content / of newspapers/of TV programmes/ of internet sites | 4 ⁵² |
| Number of agro reports/programmes on cross border trade /export | N/A |
| Number of information channels with coverage in cross border regions | N/A |
| # of universities integrating agro journalist study model | 7 ⁵³ |
| Number of degrees gained with agri journalism content | 346 |

⁴⁴ Machinery input supplier *Marmot Ltd* and nutrition input supplier *Agro Trade Ltd* started cross-border trade.

⁴⁵ 113 machinery service providers served 1,028 farmers in Armenia and 73 farmers brought combined feed

⁴⁶ In this phase web based information channel *business.org.ge* started working. It includes information related to BDS. Number of web visitors.

⁴⁷ *Star Consulting Company* trained 30 HoReCa sector representatives.

⁴⁸ The *Star Consulting Company*: Cheese factory *Tsalka + Ltd* is in the process of gaining HACCP.

⁴⁹ *Georgian Wool Company* and *Marmot*

⁵⁰ *Gergili Ltd* gave BEAT assessment to local wool processor in Akhmeta region.

⁵¹ Radio listeners. 4 radio stations.

⁵² JRC produce agricultural programme for four local radio stations in Georgia, Hereti, Rioni, Tbilisi and Argo radio stations.

⁵³ Gori, Akhaltsikhe, Batumi, Kutaisi, Telavi, Tbilisi Caucasus & crowding in Georgian European University of Tbilisi.

| Output 2.5: Facilitated outreach of equitable public goods to Armenia, Azerbaijan and other areas of Georgia | |
|--|-----------------------------|
| Number of gender related cross border initiatives | 1 ⁵⁴ |
| Number of women using women's room services Number & % of women participants in community meetings | 1,125 (674 women / 551 men) |
| Number of women instigated community/livelihood related initiatives | 26 ⁵⁵ |
| Value of women instigated community/livelihood related initiatives | 439,000 |
| Output 3.2: Facilitated access to export markets for dairy, meat, honey and wool entities in Georgia, Armenia and Azerbaijan. | |
| # of processors of meat and milk, wool and honey starting to export | 2 ⁵⁶ |
| # & % of LHP producers supplying supported entities (Women/Men) | 3,901 |
| Value of exported products | 11,939,407 |

3.2 REFERENCE TO INTERVENTIONS PROPOSED AND ACTUAL

Please see *Annex 4* for the list of interventions undertaken in the reporting period. As noted in the output section not all outputs are as yet being undertaken as the market research needed to define the shape of proposed interventions has been underway in the reporting period. Please see section 2.4 *Transversal Themes* for a detailed account of interventions and impacts ongoing in DRR, Gender and Governance. Otherwise ongoing, incipient and proposed interventions are outlined in brief per sector, supporting functions and rules below:

Dairy: Under Outcome 1, interventions under Output 1, 2 and 3 which are all connected with dairy sustainability will come online in the next reporting period. Interventions funded in the reporting period have focussed on added value and included equipment for the diversification of production into buffalo yoghurt, cream and butter. Dairy market research indicates the need for an in-depth consumer survey into attitudes concerning dairy products in order to correctly structure an intervention leading to higher value being placed on 'natural' sustainably produced cheese. Market research indicates potential for sales of Armenian sheep cheese in Georgia but the market needs further assessment and entry points need to be identified.

Meat: Several slaughterhouses facilitated at the end of the previous phase in Ajara are now online serving mountainous communities. Facilitation of the expansion of the *Alali* slaughterhouse to capture the opportunities in the processed sheep meat market is ongoing.

Wool: Linkages have been made between key wool market players in the carpet industry in Armenia and the Georgian Wool Company, carpet producers have expressed interest in sourcing white wool suitable for carpet making from Georgia

Honey: Serious deepening of understanding of national and export markets including facilitating the attendance of Adjarian Beekeepers Business Association at *Apimondia* the annual international honey expo. Concentration away from supporting functions and rules worked on in the previous phase (in inputs⁵⁷, association, regulation and information) to core market supply and demand and associated supporting functions. Identification of entry

⁵⁴ One meeting with Georgian and Armenian governmental officials to establish Women's Room model in Lori province in Armenia.

⁵⁵ 4 Women instigated community livelihood initiatives in Ajara and funded by 439,000 Gel (a centre for the people with disabilities in Shuakhevi municipality, a kindergarten in Shuakhevi municipality, Psycho-neurological Hospital and brochures about artisans to promote traditional crafts. Also, 22 women applied applications for civil budgeting initiatives and they are waiting for final decisions.

⁵⁶ *Alali* and *Georgian Wool Company*

⁵⁷ Including at the end of the previous phase a Beekeeping inputs supply shop in Zugdidi, Samegrelo now operational.

points for export interventions are well underway. Incipient cross border potential for the development of a sales outlet for Armenian honey in Georgia is being explored.

Supporting Functions: See *Annex 3 Systemic Change Log*. Investment into hay making machinery expansion in Armenia and combined feed sales in Georgia are also entering Armenia. Key entry points in agri information and agro-journalism have been identified and an intervention will begin in the next reporting period. Business development services and Food Safety and Hygiene consultancy services continued providing services to facilitated clients including a wool factory in Alaverdi Kakheti. They are also laying foundations for expansion into Armenia and elsewhere. *First Consulting* BDS company has constructed a website in Georgian, English and Russian providing BDS consultancy to include information for businesses wishing to start in Georgia. *Star Consulting* (FS&H consultancy) is in negotiation with two dairy enterprises in Armenia to conduct HACCP.

Rules: The Governor of Lori Martz is enthusiastically backing the piloting of women's rooms in Alaverdi. Within Georgia facilitation between the Batumi Womens Room, EBRD and the Georgia Chamber of Commerce and Industry to develop the second national Business Womens Forum including the structuring and provision of loans to women business start-ups is ongoing. Facilitation for bio security point management⁵⁸ and development as pivotal centres for animal disease control, registration and traceability (with NAITS) will commence in the next reporting period.

3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM

Main constraints remain consistent with other previous phases of the programme.

Regular and rapid change in key political actors at all levels due to elections and also sudden replacements being made of key figures such as the Governor of Kvemo Kartli, the Mayor of Marneuli and in Adjara the Minister of Agriculture and Chairman of the Government of Adjara. This can have the effect of temporarily impeding ongoing interventions in which these key figures are involved, requiring a rebuilding of political and social capital. However in many cases this has been mitigated by the strength of interventions themselves coming to the attention of the individuals and then communication and cooperation being naturally reinstated as in the cases of the honey festival, Jara film, export and *Apimondia*, Alpine Botanical Garden, the bio security points, women's rooms and DRR Regional Committee in Kvemo Kartli.

Models and entry points facilitated by the ALCP are still being leveraged by other donors, projects and government entities with different *modus operandi* and the concern is that at worst this could diminish sustainability and even disrupt the functionality of a new sector. Managed well by all parties these opportunities can amplify and add to the sustainability of impact and growth, however it is unfortunate that the development sphere reveals some of the most unsustainable and disruptive activity in this regard.

The regulatory focus of the NFA still has gaps which increase constraints for clients such as insufficient policing of milk powder usage and sale as raw milk and unregistered factories. With regard to external constraints in the operating environment (See 1.2 *Evolution of the Context* and 1.3 *Bilateral and Multilateral Issues of Note for Policy Dialogue*).

3.4 EVENTUAL CHANGES TO MAIN ASSUMPTIONS

There have been to date no major changes to programmatic assumptions except to further understand the economic dynamics underpinning the direction of cross border trade e.g. wool is more expensive in Armenia so the market for wool would be in the opposite direction to that originally expected by the programme. In terms of changes in operational assumptions see Section 4.4.

⁵⁸ Including an Advisory Committee meeting based on a report compiled this October/November on critical issues which need addressing in Bio security management and infrastructure maintenance and use.

CHAPTER 4 – FINANCES & OPERATIONS

4.1 PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME

For the ALCP support lines⁵⁹ as of February 29th 2016 spending accurately reflects the progress of the small number of investments during this preliminary six months. The percentage represents the rate for the full four year phase.

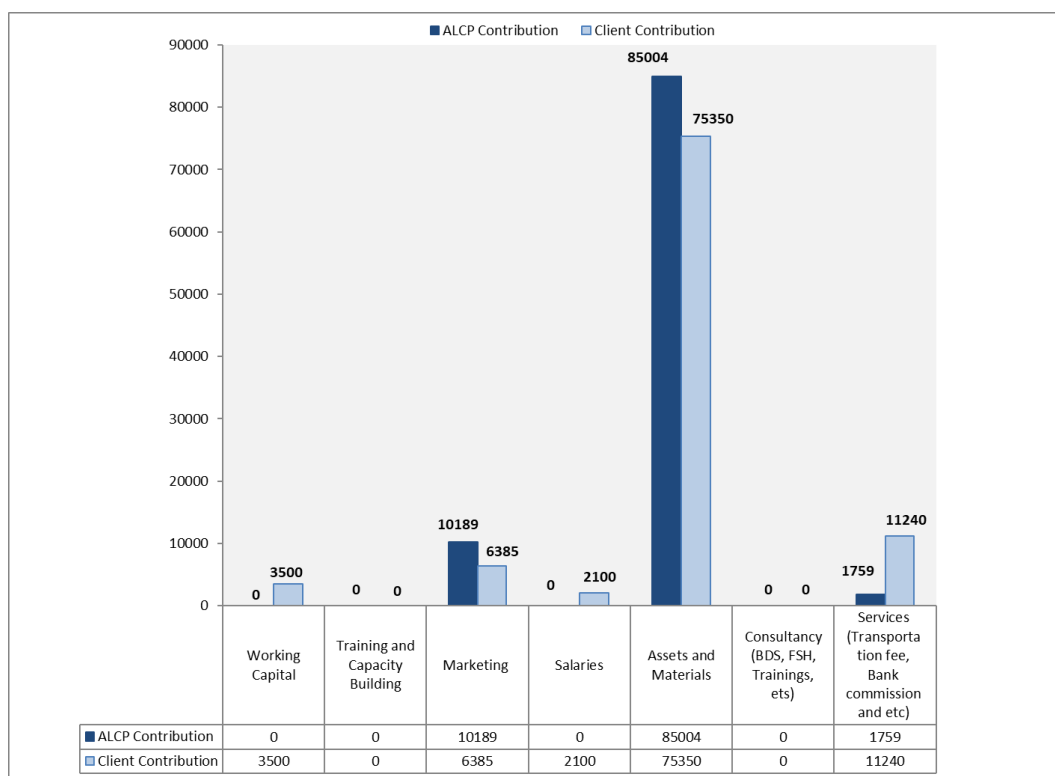
| | |
|--|---------------------|
| ALCP Support Facilities (CHF) | ALCP |
| Alliances Investment Support Facility (Including DRR, Gender and Governance) | 103,519 (14% spent) |
| Technical and Transversal Themes Sub Contractors | 1,829 (5% spent) |

4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE

Spending is in line with the emphasis on market research and investment in a small number of ongoing and new interventions see Annex 4.

4.3 APPRAISAL ON HOW EFFICIENTLY INPUTS WERE CONVERTED INTO OUTPUTS

The efficiency of input conversion in outputs is enhanced on the ALCP through the use of the co-investment mechanism. At this early stage of the programme this is running at 50%.



⁵⁹ ALCP Investment Support Facility including (DRR Gender and Governance) Support Facility and Technical and Transversal Themes Sub Contractors.

4.4 HUMAN RESOURCES & TEAM MANAGEMENT

Revision of team structure. The Systemic Change Analyst position created for the new phase has now come into its own with the position helping greatly in capturing far reaching systemic changes which the team previously did not have the resources to capture. The supervisory streamlining which has limited the number of supervisees to four per supervisor has proved highly successful operationally and programmatically, lessening stress. The new programmatic structure has been in force requiring Theme members⁶⁰ to work across offices which despite initially presenting challenges has allowed for a much wider geographical range to be encompassed in working practice.

Procurement Training: A new version of the Mercy Corps Field Procurement Manual has been rolled out internationally. Key staff received a week long training in September followed by office roll-out to all staff. The new version seeks to rationalize and streamline procurement procedures focussing on greater clarity.

Streamlining: Circumstances which have lessened the number of staff (see below) have in the event proved acceptable. The programme having expanded hugely in previous phases to cope with the massive volume of interventions, had inherited a large staff and managers are preferring, as this phase of more focussed programming unfolds, to concentrate on quality work relieved of the need to manage more staff or train new inexperienced ones.

Team changes: Three Senior Theme Officers in three offices have left, one Theme officer position has been left unfilled. One announced plans in the previous phase but only after the budget had been submitted, in the Ajara office one accepted an opportunity for a Master's Degree in Switzerland. It is possible given the ending of the Ajara phase of programming in March 2019 two years earlier than the rest of the programme⁶¹ that other staff may understandably leave to pursue opportunities for their long term career development if they arise. Although all efforts will be made to retain some key staff in key programmatic areas (in particular honey) in the broader programme where possible. The anticipated hiring of a fluent Armenian speaker in the SJ hub office on the Theme Officer salary budgeted proved impossible with no suitable candidates applying despite two calls. The programme does not anticipate any further changes and given the tighter budget in this phase the vacancies have lessened pressure on the salaries line where in the proposal development phases some key planned and necessary salary raises had to be scaled back and can now be made as required, safeguarding where necessary key members of staff who as highly trained and capable staff members are vulnerable to high level poaching.

Change in Operational Assumptions: The importance of the SJ hub in dealings with Armenia is less than was imagined particularly in light of the difficulty in hiring a fluent Armenia speaker there. The main route into Armenia has in fact been proved to be through the Sadakhlo crossing near the Marneuli main office where connections are being forged with Alaverdi. It also tallies logistically in terms of staff location and issues such as arranging cross border insurance on cars which must be conducted from Tbilisi. In addition emphasis in relation to wool has moved more to Kakheti and the Tbilisi area (Lilo) where many of the business expanding into cross border activities and export are based.

⁶⁰ Broadly grouped around Outcomes but not exclusively requiring more lateral working across groups.

⁶¹ Due to budget constraints, Ajara was the least in-line with the regional focus of the programming in Armenia and Azerbaijan.

CHAPTER 5 – GOOD PRACTICE & LESSONS LEARNED

5.1 NETWORKING & INTERAGENCY COLLABORATION WITH KEY REGIONAL & NATIONAL PARTNERS, & STAKEHOLDERS

As mentioned in *Transversal Themes* ALCP is co-facilitating 11 WR's in Kakheti with MOLI and a possible further two which are in Azeri villages, areas the Governor of Kakheti is keen to reach. *Cross border*: A visit to SCO long term Armenian partner SDA following information exchange was very successful establishing the bones of a working mechanism to co-facilitate SCO cross border objectives. *SCO in Georgia*: Good working relations have also been established with the NAITS programme and a solid objective identified by the NFA which brings together the goal of the two programmes i.e. the development of the Bio Security Points into pivotal centres in the animal registration and traceability initiative.

5.2 REVIEWS, SELF-EVALUATIONS, RESEARCH AND DISSEMINATION & INTERNATIONAL NETWORKING

DCED: The RM Coordinator and Systemic Change Analyst both won part paid scholarships waiving the tuition fees of a DCED affiliated Advanced Results Measurement Workshop to be held in Bangkok in November where they will be presenting and working on advanced cases and issues arising from programme case studies in the use and adaptation of outcome harvesting, use of data for WEE programming and measuring DRR interventions. A paper joint submitted⁶² to the DCED for the joint DCED/BEAM seminar to be held in Nairobi in the spring next year detailing the Outcome Harvesting Trial and the subsequent adoption and use of the method has been accepted.

Self-Evaluation: A new version of the RM Manual has been produced taking into account the recommendations from the DCED Audit in January including the new attribution methods for quantitative surveys as the programme is now so geographical spread that it has had to change from *All Intervention Impact Assessment* representative of a general population to *Intervention Specific Impact Assessment* which are now required as the geography has expanded. This reporting period has been used to finalize impact assessments for Kvemo Kartli and Ajara⁶³ and to carry out complex and in depth measurement of systemic change which has required significant travel e.g. triangulating the Roki figures nationally and in depth surveys on [access to finance](#), (an in-depth look at the finance component of supporting functions and interventions aimed at gaining access to publically available funding) [jobs](#) (an in-depth qualitative survey into the quality and conditions of jobs created in the dairy sector in ALCP facilitated dairies in Kvemo Kartli and in Womens Rooms) and bio security points and practices. An attempt has been made to capture and present sectoral and far-reaching systemic change in each sector through InfoGraphics. Please see *Broad Impact of the ALCP 2017* submitted with this report and also available online.

Gender and WEE dissemination: The Team Leader has been invited to teach a course⁶⁴ on integrating gender and WEE into market analysis on the Springfield Training course in Bangkok in November. This is the first time gender has been specifically included as a training topic. The Information Coordinator attended a Mercy Corps Gender Minimum Standards ToT in Dubai and will train all Mercy Corps Georgia staff by the end of 2017.

CONCLUSION

The activities carried out in the reporting period have successfully laid the groundwork for carrying the rest of the programme forward into implementation of the regional programme. Definitive entry points for regional intervention have been identified in most sectors predominantly between Armenia and Georgia and in WEE and Agri-info in Azerbaijan. Governmental initiatives to promote trade are seemingly creating a more favourable environment for cross border trade and export and the SCO/FAO/NFA initiative in animal registration and traceability has formed synergies with existing SCO financed bio security initiatives in Georgia which bodes well for ongoing development of the control system underpinning the livestock sector.

⁶² RISI Kosovo Team Leader an SDC funded Helvetas implemented Market Systems programme and ALCP RM Coordinator.

⁶³ This data was included in the final End of Phase Report.

⁶⁴ Entitled *Laying the Foundation for WEE: Conducting a gendered market analysis*.

ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD⁶⁵
QUALITATIVE IMPACT PER SECTOR SEPTEMBER 2016 – SEPTEMBER 2017

| Sector | Findings |
|-------------------|--|
| VETERINARY | |
| FARMER LEVEL | <ul style="list-style-type: none"> * 67% of farmers in Georgia use Roki's products * The veterinary medicines given in time work effectively and help the animals to feed properly and gain weight * Farmers are positive about the quality of medicines they use for treating their animals; The veterinary medicines given on time work effectively and help the animals to feed properly and gain weight * Vitamins where named (18%) among frequently bought/used products which was uncommon before the start of the intervention * Most of the farmers have found new anthelmintic much more effective than old ones after the laboratory renovation. |
| BUSINESS | <ul style="list-style-type: none"> * 120 new vet pharmacies in Georgia were added to Roki's distribution chain due to an increase in demand and awareness of farmers * Laboratory results: * 1035 type of vet medicines available through Roki * 525/510 Imported/ produced locally * 289/158 Imported/produced locally before the programme * The new laboratory increased production of veterinary medicines by 20% * After the ALCP's intervention the laboratory can test medicines for several components and in less time |
| MARKET PLAYERS | <ul style="list-style-type: none"> * Roki is focused more on small scale farmers and provision of various services to them * <i>Invet</i> is working more with big farmers and is more focused on poultry and big farms <i>Megavet</i> it is more focused on supplying vaccines to government * <i>Invet</i> and <i>Megavet</i> noted that due to constant strengthening of Roki they are also focused on improvement, delivery of better services and setting prices of vet medicines, trainings and development of new models inside and outside of their organizations |
| WEE | <ul style="list-style-type: none"> * Fostering Gender Balance in Veterinary Business * After the programme's facilitation of Roki's new business plan and establishment of satellite vets in the villages, Roki started to think about gender initiatives as a good business to follow. Roki has adopted strategies to recognize, recruit, retain, and promote women, through trainings and increasing the number of women customers. * Striving towards becoming female farmers oriented business * Help women in attending trainings and encouraging them to use the offered services * Hired female vet consultants, vets and agronomists * 375-1970 Increase in the number of Farmers of Future Association female members * 10-35% Increase in the number of female participants of trainings * Hotline/day 50/115 (65% are women) * Roki has challenges in inclusion of female participants from Azeri communities into the trainings as well as in Adjara, where participation of women is low due to Muslim culture |
| DAIRY | |
| FARMER | <ul style="list-style-type: none"> * 144, 62 women and 82 men full time job equivalent created in the dairy sector in Kvemo Kartli and Ajara * Employees have contracts which make them feel secure and act as a guarantee for them when taking Banks loans. * Employees don't feel stressed at work, compared to the previous job they had. * Tasks and responsibilities are properly delegated; teams have good relationship with each other * Employees are informed by their managers about the success of the enterprises and are very proud and motivated to do their best for their futures * Dairy Enterprises have high staff retention rate * The Majority of Employees (80%) and especially women have savings and invest money in their children's education or renovation or buying houses. |

⁶⁵ Note: Qualitative Data is measured annually. However not all occur at the same time. This report includes all those interventions which were due for their annual qualitative impact assessment in the reporting period, others will be reported on in the next reporting period. For the next reporting period - cross border trade in Armenia: nutrition input supplier *Agro Trade*; machinery input supplier *Mar-Mot*; agro journalism study modules and agri reporting in Armenia and Azerbaijan; dairy: *JTA*, *Milkeni*, *Tsintskaro*; *Natural Produktsia*; honey; Batumi Botanical Garden.

| | |
|-------------|--|
| | <ul style="list-style-type: none"> * 83% of milk suppliers of <i>Natural Produktsia (AJ)</i> are keeping their milking cows due to the access to market; 18% say that they have 3-4 hours of free time a day due to selling milk instead of making cheese and stable income. They have started to invest the time and money in starting up a strawberry greenhouse & increasing their potato crop, that has increased their income by 25%. * 70 milk suppliers of <i>Tsalka +</i> in Kisilkilisa Village get extra profit, as the enterprise gives whey left from milk processing back to these milk suppliers so they can use it for feeding their pigs. Before these milk suppliers were holding back from selling milk as they needed the whey. |
| BUSINESS | <ul style="list-style-type: none"> * <i>Tsalka+</i> (KK) has moved to a new building with bigger capacity making improved compliant and diversified products. Now they save 1,500Gel/month of operational cost which has been invested in hiring 3 more employees. * After their business expansion the owner of <i>Tsalka +</i> managed to pay 80,000 Gel of 120,000 Gel bank loan just in six months. * <i>Tsalka +</i> has expanded to 2 more distant villages with 80 HHs to source milk with better fat content. * <i>Tsalka +</i> has started supplying 4 tonnes a month to the biggest supermarkets chain –Carrefour, with better payment conditions- 0,60 Gel more/kg than their other markets. * In the space of 4 months <i>JTA</i> has already distributed 4 tonnes of Imeruli and Sulguni to the upmarket Euro Product supermarkets chain in Tbilisi where consumers and managers are delighted with the quality and compliant natural cheese. |
| MEAT | |
| FARMER | <ul style="list-style-type: none"> * Programme facilitated slaughterhouses approach farmers to buy sheep from them, before farmers approached the slaughterhouse. * Weighing sheep at the slaughterhouses stops weight underestimation. Visual estimation was common before and usually it reduced the total actual weight by an average of 5 kilograms * Farmers are paid 6 Gel more per one kg of sheep meat; and one live weight sheep (30-35kg) costs 80 Gel more than the same weight last year (160 Gel) * The slaughterhouses pay cash immediately * Intermediaries who collect sheep from farmers earn 1 Gel per sheep * Farmers in Khulo now sell their cattle direct to slaughterhouse intermediaries as it is much easier in terms of price and time. Before before they had to transport their cattle themselves to a slaughterhouse, as a result transaction costs and time are saved and backyard slaughtering has been decreased by 35% this year in Khulo. |
| BUSINESS | <ul style="list-style-type: none"> * <i>Alali (KK)</i> * The Export of processed sheep meat has replaced the export of live weight sheep meat for the past year and a half. (See <i>Broad Impact of ALCP 2017</i>) * Programme facilitation has allowed the slaughterhouse to increase its supply to Iran * The location of the slaughterhouse in Marneuli is convenient for transporting sheep meat to Tehran, Iran through Marneuli -Armenia Highway * Production of leather and sheep sub products covers all operational costs and increases the company's profit by 10% * 25 Additional on call employees have been hired, who earn 80-100 GEL/day * <i>Ori Gio Ltd, (AJ)</i> * <i>Ori Gio Ltd</i> has won a tender for meat provision to 46 kindergartens (15 in Keda, 11 in Shuakhevi and 20 in Khulo) 1 /month and to 6 social canteens 50 t/six months in Batumi, as the slaughterhouse has ability to provide high quality and processed meat, some of the kindergartens require boneless meat via refrigerator vehicle. The kindergartens and canteens were fined before due to their incompliant meat, they are now are satisfied with the provided meat |
| Rules | <ul style="list-style-type: none"> * The National Food Agency's improved vet controls including the Bio Security Points (BSP's) and established proper infrastructure and standards at the slaughterhouses have positively influenced the export of meat from Georgia and improved trust towards Georgian meat products among foreign buyers. * The new BSP's have been highlighted in official government documents. The NFA intends to use the BSP's as key organizational and operational components in its strategy for improving national animal health control, traceability and registration, building them into initiatives such as the NFA/ FAO National Animal Health and Identification System (NAITS) programme * The government has opened 3 official points to issue a certificate of origin required for export which made procedures quick and more flexible +accurate * The government is controlling the sale of young female sheep, in order not to cause a problem of reproduction through slaughterhouses * Businesses think that the government should improve custom services on the border, by making the procedures quick and more flexible + accurate |
| WOOL | |
| FARMER | <ul style="list-style-type: none"> * More farmers have the opportunity to sell wool instead of throwing it away * Farmers save 0.2 Gel/ kilo when using Iormughalno center due to its location for farmers, who can sell direct without intermediaries * Farmers have safeguarded sales of wool as they made deal with intermediaries about selling wool in advance before shearing |

| | |
|---|--|
| BUSINESS | <ul style="list-style-type: none"> * <i>Georgian Wool Company</i> now has pre-paid agreement with its exporter partners due to stable supply and increased trust, before the partners used to 2 months after receiving wool * The number of wool collectors has increased from 5 to 15 * Intermediaries earn 0.1 Gel/ kg from collected wool |
| HONEY | |
| BUSINESS | <ul style="list-style-type: none"> * The programme facilitated the Honey Festival in Ajara has been taken off quickly, this year full sustainability was attained when the Ministry of Agriculture of Ajara officially allocated funds for the festival to its <i>Agroservice Center</i> as the main organizer of the festival. * <i>The Association of Development of the Organic Aquaculture</i> has organized a Fish and Sea Products Festival in Batumi, where it has copied the model of ABBA's Honey Festival. * This year marked the historical event of Georgia's first participation in the 45th world beekeeping congress <i>Apimondia 2017</i> with ABBA exhibiting Jara honey and other honey of its members and promoting Georgian honey and beekeeping. This event made it clear that markets for Georgian honey are diverse based on high interest and demand from the countries like France, Germany, Kuwait, Iran, Turkey and India among others, who have already contacted the association asking for honey. Confidence in Georgia in private and government sectors was also boosted by participation in the event. * The manager of Sheraton contacted <i>Matchkhela Ltd</i> to supply blossom honey in 25 mg glass jars but the company did not have the required jars until he found the producer while on <i>Apimondia 2017</i>. As a start, 300 jars of honey have been specially labelled and packaged and delivered. |
| WOMENS ACCESS TO DECISION MAKING AND PUBLIC GOODS | |
| FARMER | <ul style="list-style-type: none"> * The Women's Rooms helps its users in finding jobs, applying for/ winning grants, receiving and accessing funding sources. * The Women's Rooms equips its visitors with knowledge and skills to increase their competitiveness in the labour market * 103 jobs created through the WRs, 92 women/11 men. * Women's Rooms are supporting their visitors in planning and fulfilling activities and backing them in communicating with the local government * The WRs are encouraged by improved opportunities for women and other women's initiatives * WRs visitors feel motivated and have desire to act on their own behalf in consulting local government for initiatives, help or with ideas. * WRs visitors are ready to share own experience with others * TOT trainings have been held for Women's Room Coordinators on Business Planning and Start Up. * <i>Obtaining Government Funding:</i> The Women's Rooms Managers have started providing business consultations for those applying to the State Programmes Produce in Georgia and Municipal Civil Budgeting. 1225 business consultations were provided, 247 business proposals (136 women) were written, asking for a total of \$416,666 for guesthouses, bakeries, fisheries, laundries, restaurants & flower shops. * <i>Obtaining Other Funding:</i> Women were involved in getting funds from other organizations for starting a business or supporting their agricultural activities; buying machinery equipment, milking machines, cows, building greenhouses. These organisations provided 600 BDS consultancies & 200 business projects were submitted. * 9 women got funding for their initiatives through the First Business Women Forum, \$65,000 * 4 municipal initiatives \$182,920 were funded through the <i>Equitable Empowerment in Georgia</i> event |
| BIOSECURITY POINTS | |
| FARMER | <ul style="list-style-type: none"> * The majority of sheep owners have switched from using the private sheep dipping facilities to using the NFA BSPs * Up to 300 GEL saved per 1000 sheep as the NFA BSP's are currently free of charge * 3 times less labour help needed during and after animal dipping/ showering process at the NFA BSP's than at private sheep dipping facilities * Access to the watering points at the newly opened BSP points make animals healthier and decreases the risk of spreading diseases * The NFA BSP's are located on AMRs which is a significant saving of energy for livestock with knock on implications for their health and productivity in reducing the negative impacts of an already gruelling journey * Quality and proper usage of chemicals/ medicines ensures healthier sheep and less fleas and parasites * Sheep owners trust and consider NFA vets knowledgeable and qualified in animal treatment * Waste management at the NFA BSP's is processed by licensed environment protection company, while private sheep dipping facilities the waste was not managed properly |

Insights from the Field: Highlighting Sectoral Impact

Cross border trade

INCREASED TRUST TOWARDS VET PHARMACIES, NEW PRODUCTS AND SERVICES NATIONALLY: 'I opened my own vet pharmacy in September 2015. I sell Roki and Inveti's medicine, among which Roki's antibiotics and anthelmintic medicines are in most demand. My customers have changed their attitude towards using new medicines after they got positive result.' *Levan Janashvili, Kakheti based vet pharmacy owner.*

BETTER ACCESS TO BEEKEEPING INPUTS AND VET MEDICINES NATIONALLY: 'Beekeeping inputs and vet medicines were not available in Zugdidi, which forced me to go to Tbilisi. I like the quality of vet medicines offered by Impervet and I'm pleased to have access to the high quality products locally'. *Khakha Bigvava, beekeeper from Zugdidi.*

PROGRESS OF TEACHING AGRI JOURNALISM IN UNIVERSITIES: 'Last year, we had 10 fourth-year students at the Journalism Department at Gori university and all of them selected the agri journalism course based on its novelty and promotion. All of these 10 students, have presented reports on FS&H conditions in Gori Agrarian market and I can assure you that the FS&H condition is getting better after these reports'. *Marika Sherazadashvili, Lecturer of the Journalism Department at Gori university.*

Crowding in

BENEFITS OF CROSS BORDER TRADES THROUGH THE GEORGIAN MACHINERY INPUT SUPPLIER: 'I have an agricultural equipment shop in Sevan town, and serve 60 villages. I sell mowers, agricultural equipment and its spare parts. I sell equipment on credit and gets money from my customers after harvesting. The quality and price of the equipment supplied by Mar-Mot is better than the existing in Armenia, as Marmot offers products with the same price + 15% a discount, has a delivery service and wider variety of equipment which gives an opportunity of choosing the most relevant among others'. *Arsen Gasparyan, the machinery shop owner in Armenia, Sevan town.*

Business expansion

Sector growth

INVESTING TIME, GENERATED FROM SELLING MILK INSTEAD OF MAKING CHEESE, IN ADDITIONAL ECONOMIC ACTIVITIES: 'As I have more time after selling milk to the cheese enterprise, I am able to work in field and this year my potato harvest increased by 500 kg which increased my income by 20%. I have also invested money in strawberry greenhouse and next year I will have more benefits.' *Naziko Paksadze, female milk supplier from Khulo*

SLAUGHTERHOUSES' BENEFITS FROM EASIER MEAT EXPORTING PROCEDURES TO SOUTHWESTERN ASIA: 'Regulations on exporting meat to countries like Iran, Bahrein and Kuwait, are much easier + demand increases every day. It is important to note that our slaughterhouse has ability to meet demand after the programme's help. The increased demand has raised the price by 80 Gel/sheep'. *Levan Khagulashvili, Slaughterhouse Alali*

AN OPPORTUNITY OF PRESENTING HONEY PRODUCTS AND FINDING NEW MARKET: 'The Honey Festival has found its place in the event calendar of Batumi and has attracted the interest of beekeepers, and local and foreign tourists, I participated this summer for the third time and it helped me to get income and find new clients for my honey.' *Revaz Katamadze, Beekeeper from Shuakhevi*

IMPROVED SECTOR EXPERIENCE IN BDS AND FS&H CONSULTANCY: 'Darts Group was selected by the EU and was funded with 50,000 Euro to provide information, trainings and consultations on the DCFTA and its regulations and export opportunities for rural people in municipalities of Adjara region. We were the only eligible candidates in Ajara as thanks to working with ALCP, we have experience and knowledge about the agriculture and rural farmers living in the region.' *David Ardzenadze, the Darts Group.*

International Finance Cooperation IFC announced a competition on facilitation of the HACCP implementation at dairy enterprises in Armenia. Due to my experience and high qualification, gained while working with the ALCP clients, I was selected among 150 international and local candidates and I have been working in Armenia already for one year. My qualification was also decisive for IFC to invite me as a trainer to Azerbaijan to conduct FS&H trainings'. *Eka Burkadze, Star Consulting*



Insights from the Field: Highlighting Sectoral Impact

Cross border trade

Crowding in

Business expansion

Sector growth

Sustainability

JARA FILM HELPS HONEY SECTOR WITH EXPORT OPPORTUNITIES: 'Our Australian partners were interested in the wild honey in Georgia. I did not have any kind of information about that so I just googled it and the first thing that came up was the trailer of Jara documentary. I also found contact information of the ALCP programme and we are in the process of negotiating on honey export.' *Teona Gedenidze, Georgian Partner of the Australian Honey Trade*

IMPORTANCE OF THE GODERDZI ALPINE GARDEN-GAG FOR KHULO MUNICIPALITY: 'The opening of the GAG will create new job opportunities and incentives for young people to come back to the municipality and address their energy and knowledge to the development of the municipality.' *Besik Bauchadze, Gangebeli of Khulo municipality*

IMPROVED WOMEN'S DECISION MAKING NATIONALLY: 'The women's rooms are so popular that the information about them has been widely spread. Since 2015 I have been the Gender Advisor of Signagi municipality, but I didn't have such kind of mechanism for helping women in this way. The EEG conference influenced our decision makers to get the point and now they are willing to do the same in Signagi. The Guidelines for village representatives helped me to change their gender perceptions in a positive way, as the topic was not prioritized before.' *Maia Sukhishvili, Signagi municipality.*

'I am impressed with the beauty of this film and visualization which was made with huge dedication and love toward the region. It perfectly captured the unique nature of Ajara through showing it in all four seasons. It will play an important role in increasing awareness of our region and developing the tourism potential of high mountainous Ajara. I think it will be good to use the shots from the movie in promotional films that we are showing while on official visits. I want to thank the film supporters and producers for creating such an amazing story.' *Zurab Pataridze, the Head of the Government of Ajara Autonomous Republic*

INCREASED PARTICIPATION OF RURAL WOMEN IN AGRICULTURAL ACTIVITIES: 'Women are actively involved and asking for agricultural equipment. Women in one village asked for hay making machinery to provide feed for her cattle and cultivate land where they grow vegetables. As a result, our municipality has financed machinery and now all of the villagers are benefiting from the equipment.' *Gia Davitadze, Village Representative, Shuakhevi municipality.*

BSP'S IMPACT ON VETERINARY/ANIMAL HEALTH: 'The newly opened Bio Security Points play a very important role in the image of Georgia regarding veterinary security. When we have official guests, experts and government representatives, we always share information about the BSP's. The BSP's are positively mentioned in the Rural Development Strategy of the Ministry of Agriculture of Georgia and the EU reports. The National Animal Health Program (NAHP) of the Ministry of Agriculture of Georgia devoted one whole meeting to discussion of biosecurity and the BSP's in May, 2017.' *Lasha Avaliani, Head of Vet Department*

WOMEN'S ROOM IS SUPPORTING REABILITATION CENTER FOR PEOPLE WITH DISABILITIES: 'The idea of opening a rehabilitation center for people in need had been floating in my mind for years, I wrote down the idea on the paper with the help of the Women's Room, which was later presented at the Equitable Empowerment in Georgia event. Thanks to this, we actively advocated the project to the Government of Ajara, got the financing and we are in the process of negotiations with other NGO's who are willing to contribute.' *Rusudan Shavadze, Deputy Gangebeli of Shuakhevi municipality.*

CROWDING IN WOMEN'S ROOM IN VILLAGES IN MARNEULI: 'I always have a lot of ideas on how to improve rural people's life and I do more and more for it. While attending a local government's meeting, I found out about the Women's Room and immediately felt that this was what we needed in our village, as a lot of women have problem of going to Mameuli's Local Government. I asked them to help me to create the same service in my community consisting of 6 villages. The women's Room helped me to receive financing from the governmental budget men and women have already participated in many discussions with the public officials on existing problems, including street lighting and waste management. Many of women have already received information on domestic violence and gender equality. We copied the work plan from the women's room, they taught us how to manage the space.' *Nargiza Mamedova, Marneuli Women's Room visitor*



ANNEX 3 SYSTEMIC CHANGE LOG

| # | Programme Client's & Intervention Name | Type of Systemic Change | Verification | | Impact Calculation added to system (Y/N) (Direct/Indirect/ Quant/Qual/ Both) | Location (Region, Municipality) | Starting Date | Business Description & Stability | Systemic Changes Attribution to the Programme |
|---|--|-------------------------|--------------|---|--|---------------------------------|---------------|--|--|
| | | | Source | Verified /not Verified (& date if verified) | | | | | |
| 1 | Agro Trading (animal nutrition) | Crowding in | BDO/ Client | Verified/ October 2017 | Y Indirect Both | Marneuli-Armenia highway | August 2017 | Vilaiad Usubov from Muganlo Village, Marneuli opened a new livestock nutrition shop on the Marneuli – Armenia highway. They have in stock 20 tonnes of maize and 30 tonnes of wheat and on average 5 to 10 farmers are buying the milled grain per day, 5 sacks/person. | The owner of the shop received information from the Agro Trading about profitability of the business, price, processing line and also he bought some product for his shop from Agro Trading. |
| 2 | Roki Ltd (veterinary inputs) | Crowding in | BDO/ Client | Verified/ January 2017 | Y Indirect | Khelvachauri / AJ | October/ 2016 | Nato Zakaradze opened a vet pharmacy in Akhalsofeli, Khelvachauri municipality. | Nato Zakaradze used to work for a programme facilitated vet pharmacy and decided to open her pharmacy after seeing benefits of the pharmacy. |
| 3 | Agro Trading | Business Expansion | BDO/ Client | Verified/ July 2017 | Y Direct both | Bolnisi/KK | May 2017 | Agro Trading has attracted 13 new distribution points/shops throughout Georgia, the agro Trading owner approached them and gave information about the product. One shop is in Ninotsminda – 9 t/mnth, who itself distributes to Ninotsminda, Akhalkalaki, Akhaltsikhe; 5 shops are in Tsalka – 14 t/mnth; 2 shops are in Koda and Tetrtskaro town – 5 t/mnth. In Lilo they sell 6tonnes/month mostly to customers from Kakheti and one selling point is in Samgori 5s/mnth. The product is getting popular in western of Georgia, 2 t have been distributed to Kutaisi and 3 tonnes to Zestaphoni Agro Trading is waiting for more orders from them. | Programme Client |

| | | | | | | | | | |
|---|--|--|-------------------------|------------------------------------|-----------------|----------------------------------|----------------------------|--|---|
| 4 | Journalist Resource Centre (Agri journalism) | Crowding in | BDO/Client | Verified/September 2017 | Y Indirect both | Tbilisi | September 2016 | European University of Georgia in Tbilisi added the agri journalism course to the journalism curriculum in September, 2016. 14 students have already gone through the course and showed their interest in continuing agriculture reporting after their graduation from university. | The head of the journalism department at the university was a member of working group on the agri journalism study module creation as a representative from Telavi university, Kakheti. |
| 5 | GARB (Agro-info) | GARB-business expansion radio stations-crowding in | BDO/Client | Verified/July 2017 | Y Direct both | Tbilisi | January 2016 | The GARB's TV agro programme Agro News has been aired through 4 radio stations – Hereti station in Kakheti, Tbilisi Station-Tbilisi, Harmonia station in Photi, Rioni station in Kutaisi. For the radio stations it is the first agro programme. | Programme client ALCP facilitated the TV agro programme |
| 6 | Agricultural Machinery Shop Mar-Mot | Business expansion | BDO/Client | Verified/July 2017 | Y Direct both | Georgia and Armenia | July 2017 | Mar-Mot signed an agreement with two companies in Armenia: SevAgas LTD (for 500,000USD/year) in Sevan and V&N Ltd (for 100,000USD/by the end of 2019) in Kirovakan. Mar-Mot has been supplying mowers, rakes and spare parts to both of them with 15% discount. | Programme client Mar-Mot helped its client with sorting out all the documentation for exporting machinery equipment to Armenia. Delivery service facilitated by the programme was crucial for the buyers from Armenia to sign the contract. |
| 7 | Star Consulting (FS&H Consulting) | Business Expansion | BDO | Verified/August 2017t | Y Direct both | Tbilisi | April 2017 | Ekaterine Burkadze had the first business trip to Kyrgyzstan invited as a trainer on Global Gap by International Finance Cooperation – IFC for conducting training for 5 people at Janart Group which owns fruit gardens and one mushroom processor in Armenia gained Global Gap certificate. | Programme Client Star Consulting used the programme facilitated assessment models and training materials |
| 8 | The National Food Agency | Negative/Displacement | BDO/Client/BSP research | Verified/July 2017 | Y direct both | Kvemo Kartli and Kakheti regions | May 2016 | Two private sheep dipping facilities were closed in Iormughanlo Village and one in Akhalsopeli due to the NFA BSP's. The private sheep dipping facilities' owners lost income from renting of their dipping facilities. | Opening of the new BSPs was initiated by the ALCP Programme. |
| 9 | Intellect/BDS service in AJ | Business Expansion | Client | Verified/June 2017 October 2017 | Y Direct Both | Batumi/AJ | April/2017 October 2017 | The EU granted <i>Intellect</i> 50, 000 Euro to provide information, trainings and consultations on the DCFTA and its regulations and export opportunities for rural people in Ajara municipalities. Conrad Adenauer Fund granted Intellect with 45 000 Euro to work on the capacity building of the local NGOs in Ajara region. The project is financed by EU and Federal Ministry for | The working experience with the programme was a main selection factor above other candidates. |

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| | | | | | | | | Economic Cooperation and Development. Intellect was chosen among 4 other candidates. | |
| 10 | Dairy in KK Milkeni | Business Expansion | BDO/Client | Verified/ July 2017 | Y direct both | Gardabani /KK | June 2017 | Milkeni started distribution of smoked cheese to 3 Nikora's shops in Batumi, Bakuriani and Borjomi, to 5 Ori Nabiji's shops in Tbilisi. The amount of Milken's sales has increased by 5%. The owner of the enterprise took a loan of 40,000 Gel from Georgian Bank to open his own shop of dairy and other agri products in Rustavi. | Programme Client the success of and growth of the business enabled <i>Milkeni</i> to get the loan. |
| 11 | Meat in KK Alali Ltd. | Crowding in | BDO/Client | Verified/S eptember 2017 | Y Indirect both | Lagodekhi /Kakheti | August/ 2017 | Ltd Gugi Slaughterhouse in Lagodekhi, Kabali Village was established 3 months ago. The enterprise slaughters on average 450 cattle/month and 150 pigs/month and supplies to Tbilisi supermarkets and restaurants Carrefour, Fresco, Nikora and Tsiskvili restaurants network. The owner buys cattle and pig from farmers, on average from 350 farmers/month. The owner has 20 years of working experience in this business. Before, he used to slaughter in other slaughterhouses. | The programme client Alali Ltd had slaughtered Ltd Gugi's cattle before they established their own slaughterhouse. The owner got information about necessary equipment, where to buy it, how to build a slaughterhouse and the whole processing line from Alali Ltd. |
| 12 | Ori Gio Ltd | Business Expansion | Client | Verified/ July 2017 Verified/ January 2017 | Y Direct Both | Khulo/ AJ | July/ 2017 January 2017 | Ori Gio Ltd has signed 6 months' contract with Keda municipality to continue supplying meat to 15 new kindergartens, in total it supplies to 46 kindergartens in Keda, Shuakhevi and Khulo. It was the only candidate meeting with the required standards. Ori Gio Ltd has won a government tender to supply 50 tons of meat to 6 social canteens in Batumi for one year. | Programme client. |
| 12 | Dairy in AJ Natural Produktsia Ltd | Business Expansion | BDO/Client | Verified/ April 2017 | Y Direct Both | Khulo/ AJ | February/ 2017 | The Director of Natural Produktsia Ltd has founded the Ajarian Milk Suppliers Business Association from up to 70 members his regular milk suppliers. It aims to advocate milk suppliers' interests, provide them with capacity building and information on legislation | The client used the programme facilitated linkages with the Ajara Chamber of Commerce and Industry (ACCI) to get information about the specifics of the association. |
| 14 | Ajara Beekeepers Business Association | Crowding in | BDO/Client | Verified/ April 2017 | Y Direct Both | Batumi/ AJ | April/ 2017 | The association of Development of the Organic Aquaculture under the Ajara Chamber of Commerce and Industry (ACCI) organized Fish and Sea Products Festival in Batumi, with the support of the ACCI and the | The success of the programme facilitated Honey Festival was a reason for the Head of ACCI to copy the model and initiate this festival. The organizers used its boards and tables. |

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|----|---|--------------------|------------|-----------------------|-----------------|-----------------------------|----------------|--|--|
| | | | | | | | | Agro Service Center of the Ministry of Agriculture of Ajara Autonomous Republic. | |
| | | Crowding in | BDO/Client | Verified/October 2016 | Y Direct Both | Batumi/AJ | September/2016 | Department of Tourism and Resorts of Ajara organized the Ajara rural life festival "Gandagana" in Batumi. | Same as above |
| 15 | Support & strengthening of women's access | Crowding in | BDO/Client | Verified/April 2017 | Y Indirect both | Marneuli | March 2017 | Marneuli Local Government opened a new municipal library. It has a reading space, conference room, computer space, toilet and a children's corner. In the reading space they have an agriculture corner. 8 people are employed. The library is adapted for people with disabilities. | They copied some services from the WR, the children's corner, helping rural people with filling applications, looking for funds or jobs, sending documents, printing and etc. The head of the library and the Women's Room Manager are working together to ensure rural women's visits to the library, they plan meetings, seminars and some activities to increase their participation. |
| | | Crowding in | BDO/Client | Verified/May 2017 | Y Indirect both | Kakheti region | October 2017 | In October the HEKS/EPER South Caucasus Office, Mercy Corps and Governor in the Kakheti region agreed on the Memorandum of Cooperation which aims to establish 11 new municipal service Women's Rooms. | Participation at the programme facilitated EEG conference was crucial for the Local Self-Governments of Kakheti Region to make decision to copy the model of women's rooms to Kakheti region. |
| | | Business Expansion | BDO/Client | Verified/May 2017 | Y Indirect both | Agmamedlo Village, Marneuli | May 2017 | Opened a space for women in Agmamedlo Village, Marneuli municipality. | Nargiz Mamedova from Agmamedlo Village, a manager of the space, is one of the visitors of the Marneuli WR. The WR helped her to open the same space from women in the village and got the fund from the municipality |

APPENDIX 4: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD APRIL 1ST – SEPTEMBER 30TH 2017

| Intervention # | Name | Contact | Location | Type | Date | Total Investment & % Contribution | | ALCP | Client | 3 rd Party | Rating | |
|----------------|--|---|---------------------|----------|---|-----------------------------------|----|--------|--------|-----------------------|-----------|-----------|
| | | | | | | \$ | % | | | | | |
| 1 | 1.5.1 Alali-2015 /Theme-2 KK-1 | Alali-2015 Ltd | Levan Khagulashvili | Marneuli | Slaughterhouse/ Cattle & Processed Sheep Exporter | 22/06/17 | \$ | 33,148 | 16,048 | 17,100 | Very Good | |
| | | | | | | | % | 100% | 48% | 52% | | |
| 2 | 1.5.1 Tsalka+ /Theme-1 KK-1 | Tsalka+ Ltd | Valeri Kakhadze | Tsalka | Cheese Factory | 26/06/17 | \$ | 37,454 | 18,054 | 19,400 | Very Good | |
| | | | | | | | % | 100% | 48% | 52% | | |
| 3 | 1.5.1 J-T-A /Theme-1 KK-1 | J-T-A Ltd | Tamar Mikeladze | Tsalka | Cheese Factory | 31/08/17 | \$ | 29,893 | 14,443 | 15,450 | Very Good | |
| | | | | | | | % | 100% | 48% | 52% | | |
| 4 | 2.1.1 Ajara Beekeeping business Association/Theme-1 WG-1 | Non Commercial legal entity Ajara Beekeeping Business Association | Roland Kezheradze | Batumi | Business Association | 22/09/17 | \$ | 12,074 | 8,689 | 1,612 | 1,773 | Very Good |
| | | | | | | | % | 100% | 72% | 13% | 15% | |
| 5 | 2.2.1 Mar-Mot /Theme 2 KK-1 | Mar-Mot Ltd | Adil Piriev | Marneuli | Machinery Inputs Supplier/ Exporter | 11/05/17 | \$ | 81,354 | 38,114 | 43,240 | Very Good | |
| | | | | | | | % | 100% | 47% | 53% | | |
| 6 | 2.3.1 Star Consulting/ Theme-1 KK-1 | Star Consulting Company Ltd | Tamar Burkadze | Tbilisi | FS+H Consulting Company | 31/07/17 | \$ | 24,859 | 16,870 | 1,677 | 6,312 | Good |
| | | | | | | | % | 100% | 68% | 7% | 25% | |
| 7 | 2.3.5 First Consulting Company/ Theme-1 KK-1 | First Consulting Company Ltd | George Gigolashvili | Tbilisi | Business Consulting Company | 31/07/27 | \$ | 28,617 | 17,761 | 7,466 | 3,390 | Good |
| | | | | | | | % | 100% | 62% | 26% | 12% | |