



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

## BI-ANNUAL REPORT APRIL 2019 TO SEPTEMBER 2019



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC



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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
CNF	Caucasus Nature Fund
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
EEU	Eurasian Economic Union
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)
GEL	Georgian Lira (currency)
GoG	Government of Georgia
GOST	Technical Standards maintained by EASC
GMP	Good Management Practice (FS&H assessment)
GMA	Georgian Marketing Agency
GMM	Georgian Milk Mark
GSA	Georgian Shepherds Association
HACCP	Hazard Analysis Critical Control Point
IAAD	International Association for Agricultural Development
ICCN	International Centre for Conflict and Negotiation
IE	Individual Entrepreneur
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 Action Plan Meeting
M4P	Making 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
NNLA	Non-entrepreneurial Non-commercial Legal Entity
NNLP	Non-entrepreneurial Non-commercial Legal Person
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
SPPA	Support Programme for Protected Areas (GFA Consultants Group)
TJS	Transboundary Joint Secretariat (WWF)
TRACES	Trade Control and Export System
UK	United Kingdom
WWF	World Wildlife Fund

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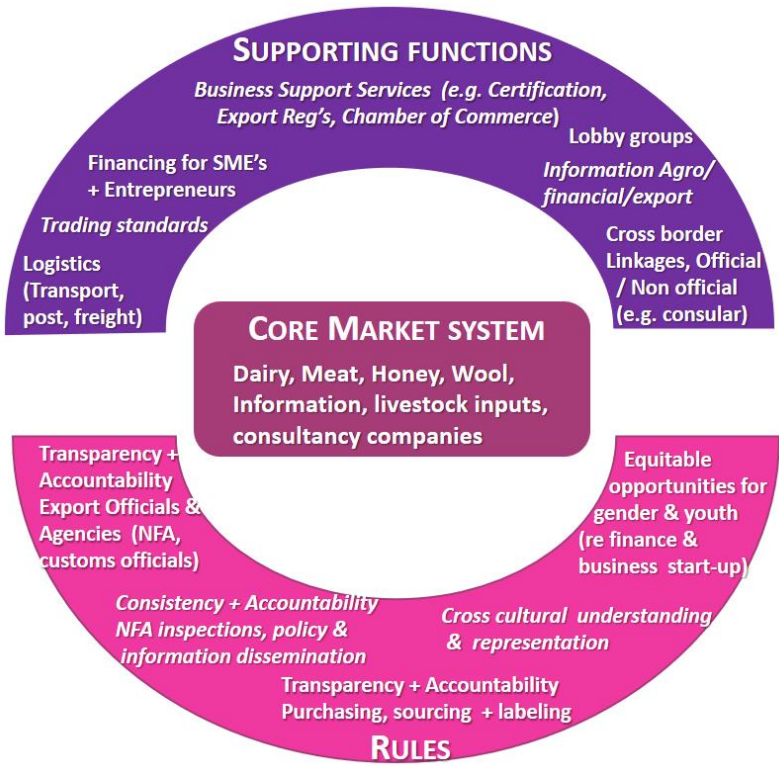
**ALCP** | Alliances  
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REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

The Alliances programme, a market system development programme working in the livestock market system in Georgia, is a Swiss Development Cooperation (SDC) project, implemented by Mercy Corps Georgia and run in 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 twice 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, 403,101 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, 6.5 million CHF<sup>1</sup> *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 facilitates 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 33,000 Livestock and Honey Producers in Georgia, Armenia and Azerbaijan generating tangible positive income changes to a value of 10 million direct and 1.5 million GEL indirect, due to improved services and markets and productivity increases of 10%. The target for net attributable income for employees, business and SME financing is 10 million GEL.



Representation of Regional Livestock Market System and Key Areas of Focus Diagram (Doughnut)

<sup>1</sup> 1.5 million CHF was added in January 2019 and targets increased.



## STRATEGIC REVIEW AND OUTLOOK

### MAIN RESULTS ACHIEVED

**Table: 1 Quantitative Purpose Level Achievements and Progress Against Targets**

**Note:** Targets are calculated only against impact generated by interventions under the current log frame. The blue figure denotes additional impact aggregated from interventions from the previous phase still subject to measurement until the end of this reporting period September 30<sup>th</sup> 2019<sup>2</sup>.

Estimated <sup>3</sup> Impact for ALCP April 2017 to October 2019	
The major target beneficiaries of the programme	Total results (% Against Target)
# of LHP's generating tangible positive income changes due to improved services & markets (Women/Men) (33,000)	33,783 <sup>4</sup> (31% women, 69% men) (103%) 10,269
# of LHP's served through crowding in	18,352
# of full time job equivalents <sup>5</sup> (Women/Men) (200)	197 <sup>6</sup> (66 Women / 131 Men) (99%)
# of entities crowding in (25)	25 <sup>7</sup> (100%)
# of entities expanding their businesses (40)	40 <sup>8</sup> (100%)
NAIC value in GEL generated for LHP's (10 million Gel ) (1.5 million indirect)	8,138,016 Gel / 3,089,604 CHF (81%) 1,390,410Gel/ 527,870CHF (93%) 671,635 Gel, 260,425 CHF
NAIC value in GEL generated for programme clients (5 million Gel)	7,253,847 / 2,753,928 CHF (145%)

<sup>2</sup> Some of the impact from interventions funded in the previous phase, subject to ongoing measurement as outlined in the RM Manual, is aggregated only on the purpose level, because there are no matching indicators on outcome / output levels in the current logframe. **Measurement of these interventions are all due to end in March 2019** and are all based in Ajara and are: the Roki satellite vets on the high pastures intervention, three slaughterhouses and one beekeeping input shop.

<sup>3</sup> Estimated impact is impact derived from data, which has not been subject to an impact assessment at farmers' level, but rather from monthly data sheets.

<sup>4</sup> In total 77% of the scale and 92% of the income for farmers comes from interventions under the current log frame.

<sup>5</sup> Indirect jobs i.e. jobs created by crowding in will be included in the next annual report.

<sup>6</sup> Veterinary sector (6), Nutrition (18), Machinery (5), Dairy (39), Meat (12), Wool (18), Honey (2), Governance (*Women's Rooms FS&H, BSPs, Goderdzi Alpine Garden* (97)).

<sup>7</sup> Entities copying the business model from: Agro Trading (2- 2017,2018), Roki Ltd (2,2017, 2018), Journalists Resource Center, Alali Ltd (2-2018,2019), ABBA (3,2- 2017, 1-2018), Marneuli Library, Women's Rooms (2, 2017, 2018), Darts Group, Georgian Wool Company (3, 2016-2018), Mar-Mot Ltd (2, 2018), Honey Sector Advisory Committee (2,2018), Black Sea Eco Academy (BSEA), Women's Business Forum (Ajara)- (2, 2019), Wool House in SJ (1,2016)

<sup>8</sup> Agro Trading (2, 2017, 2018), GARB, Mar-Mot Ltd (4, 2- 2017, 1- 2018, 1- 2019), Star Consulting (3, 2- 2017, 1- 2018), Intellect/BDS service in AJ, Dairy in KK Milken (2, 1- 2017, 1- 2019), Ori Gio Ltd (3, 1- 2017, 1- 2018, 1- 2019), Dairy in AJ Natural Produktsia Ltd (3, 1- 2017, 2- 2019), Georgian Wool Company (2, 1 -2017, 1- 2018), WR – village, Roki (3- 2018), Impervet., Samkhretis Karibche, Dairy JTA, Dairy in KK Tsalka +, Darts Group/BDS service in AJ, Matchakhela Ltd, EcoFilms Ltd, Journalists Resource Center (2, 1-2018, 1- 2019), Tsintskaro (2, 1- 2018, 1- 2019), Black Sea Eco Academy (2018), Wool House SJ (2019), Goderdzi Alpine Garden (2019), Newspaper in AJ Ajara P.S.(2019)



NAIC value in GEL for crowded in entities <sup>9</sup>	1,061,455 /402982 CHF
NAIC value in GEL generated by employees <sup>10</sup> (3 million Gel)	2,856,907 Gel / 1,084,627 CHF (95%) (775,568 gel / for Women 2,081,340 gel for men)
Total NAIC generated by the programme (Farmers, clients, employees, direct/indirect) (19.5 million GEL)	21,372,271 Gel/ 8,113998 CHF (110%)
NAIC value in GEL SME financing (2 million)	939,780 <sup>11</sup> Gel/ 364,397CHF (47%)
% Social Return on Investment from Alliances Co-Investments	408 <sup>12</sup> (Targeted 40%)
% ROI of Alliances clients' investments	365 (Targeted 20%)
Productivity increase in milk, meat and honey yield of LHP's. (10%)	10,376 livestock beneficiary household increased productivity by 10% <sup>13</sup> 19 Jara beekeepers by 30%

#### MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS

1. *Assessment of Progress Against Targets and Proposed New Targets for ADA 3<sup>rd</sup> Party Contribution:* A further 1.5 million CHF and revised log frame targets have been in place since January 1<sup>st</sup> 2019, and saw a significant increase in scale (61 %), jobs (33%), and in total project monetary benefits generated by the programme (34%). These targets have now been met. New targets have been submitted to SDC and ADA for the proposed third party contribution to the ALCP (see 2 below for details). These targets are realistic given the progress to date as laid out in Table A below, and said targets can expect to be met in the proposed project time frame (March 2022) see Table A below:

**Table A: Progress Against Revised Targets**

Indicators	Original	Revised January 2019	Proposed ADA 3 <sup>rd</sup> party contribution January 2020	Annual March 31 <sup>st</sup> /19	Current Bi-Annual September 31 <sup>st</sup> 2019 % against current targets
# of LHP's generating tangible positive income changes due to improved services & markets (Women/Men) (20,000)	20,000	33,000	40,000	25,945	33,783 (103%)
# of full time job equivalents (Women/Men) (150)	150	200	220	185	197 (99%)
Total NAIC generated by the programme (Farmers, clients, employees direct/indirect)	14.5	19.5	25 million GEL	17.5	21.3 (110%)

<sup>9</sup> This indicator has been included as sufficient time has now elapsed to enable us to measure it. Indirect figures for the number of jobs and income will be provided in the annual report.

<sup>10</sup> Indirect figures for the number of jobs and income from jobs will be provided in the annual report.

<sup>11</sup> A cheese factory, Tsintskaro+ Ltd got 57,000 Gel low interest governmental loan, 256,000 Gel from ENPARD III and a 50,000 Gel loan from Crystal Bank as its match funding for producing bottled milk; Milkeni dairy 40,000 gel, Ori Gio slaughterhouse in Khulo got 174, 000 Gel from ENPARD II for entrail and fifth quarter processing, and a local wool processor Matkhli Sakhli in Akhaltsikhe got a 5000 Gel loan from Produce in Georgia and also 23,000 Gel loan, Georgian Wool Company got low interest government loan 144,600 gel. Cooperative Tanadgoma got 150,000 Gel for construction of a cheese factory; Goderdzi Alpine Garden was awarded 28,000 Gel grant from the ENPARD II programme in Khulo to purchase solar panels for ensuring electricity and hot water supply to the administrative building in the garden; Ajara P.S. was awarded 4,200 USD (12,180Gel) from an EU grant programme to develop the newspaper and its TV content on export issues.

<sup>12</sup> The calculations of SROI and ROI are made using the data of interventions funded by the program in the new phase (From April 2017). They include: Agro trading, Mar-Mot, Alali Ltd-2015, Georgian Wool Company, Dairy enterprises from Ajara and KK, "IMPERVET" – WG

<sup>13</sup> This figure is estimated % of increased productivity due to better livestock feeding practices.

2. *Proposed Programme Extension:* The Austrian Development Agency (ADA) had expressed serious interest in contributing 1.3 million Euro to the programme, which would entail an extension of the programme for a further year until March 31<sup>st</sup> 2022 and a subsequent deepening of activities. During the reporting period, ADA questions were received and answered through SDC (April 25<sup>th</sup>) and further documents submitted, including the *Notes on the SDC MC ALCP No Cost Extension with Third Party Contribution* detailing the extension rationale and increased targets and the *ADA Environment Gender Social Standards Checklist* (June 27<sup>th</sup>). A meeting was held between the Team Leader and ADA Head of Office Gerhard Shaumberger and Programme Manager Vakhtang Mshvidobadze on October 7<sup>th</sup> just outside the reporting period to discuss ADA HQ responses and comments. Further documentation was then submitted to ADA, including the *ADA Project Fact Sheet*, revised *Environmental Gender Social Standards Checklist* (October 7<sup>th</sup>), *Additional Responses (email)* to the queries of the ADA Environmental Quality Assurance Officer (October 22<sup>nd</sup>) and the final submission of *Appendix 1: thirteen specified Annexes including staff TOR's, Appendix 2: Revised Budget Appendix 3: (the aforementioned) Notes (October 18<sup>th</sup>, Budget October 23<sup>rd</sup>)*.
3. *Kakheti Expansion:* The additional funding from January 2019 included a new sub-office in Telavi as well as ensuring on the ground presence until the end of the phase for the existing ALCP offices. The office has been fully operational since March 2019. The new team has already facilitated five dairies in Kakheti to apply for and use the Georgian Milk Mark, funded an intervention with a slaughterhouse to diversify into supplying processed sheep meat for export company and the Kakheti Beekeepers Association have applied to become a member of the Georgian Beekeepers Union. Capacity building of the nine Kakhetian Women's Rooms is ongoing and included a Business Plan Writing and Fundraising carried out by the Georgian Institute of Public Affairs (GIPA) in July (See 3.4 *Activities Proposed and Actual* and 2.2 *Transversal Themes* for more information).

*Programme Impetus and Progress of National and Regional Programming:*

4. *Core Market Development:* The log frame for the current phase presented a vision for the development of the livestock system, which would build on existing SME development. It saw the very real need for greater sustainability for SME's which would only come from the development of higher functions such as certification, quality assurance, industry associations, international representation and product diversification. The additional funding from January 2019 guaranteeing a continued field and expanded field presence (Kakheti) until March 2021, stabilized and energized the entire team and led to a boost in programming nationally, regionally and internationally. The likelihood of an extension until March 2022 will ensure that this is sustained and interventions properly supported. Interventions have now entered into new and previously uncharted areas of programming, unimaginable in the thin markets in which the programme commenced. These interventions see a sophistication of market function in the core market of the dairy, meat, wool, and honey value chains. They include the successful launching and administration of the Georgian Milk Mark (see *Annex 4 Georgian Milk Mark Progress Report*), the increasing growth of chilled carcass and by-product processing in slaughterhouses for national and export markets and the near completion of a wool washing facility to service new export markets which have opened up for washed wool. In the honey sector international recognition, government support, industry association development and advocacy, bio certification and export move forward apace. A concurrent sophistication of function and geographical expansion (including a breakthrough in cross border trade in machinery with Azerbaijan) of supporting functions in veterinary input, agri-information, machinery and nutrition is supporting this development (For details see 3.4 *Activities Proposed and Actual*).
5. *Broader Sectoral Success:* The scope of systemic programming in transversal themes continues to deepen and grow. The Government has again shown national commitment to the animal movement route with considerable

co-financing allocated to the new Water Points and a new seventh Veterinary Surveillance Point initiative. The Government of Armenia is currently engaged in facilitation to replicate the model. The Women's Rooms continue to operate as vital focal points for local women to access financing and public goods whose potential is still yet to be fully realized through national expansion and fully clarified remit<sup>14</sup>. The Goderdzi Alpine Garden has become an internationally recognized focal point for environmental and sustainable rural development. The scale, scope and sustainability of these initiatives demonstrates the inspirational potential of applying a holistic market systems vision to all aspects of the livestock system. (For more information see 2.2 *Transversal Themes*).

6. *Operating Environment*: New regulations planned for the honey and dairy sectors from January 2020 requiring registrations of HH's and small-scale producers will significantly increase the regulatory responsibility on the National Food Agency. Although necessary for increasing traceability and quality control throughout the value chains, thought should be given as to how to best support what will be an extra burden of regulatory checks in light of the agency's ongoing struggles to properly regulate ongoing issues such as improved control of unregulated dairy enterprises already in existence. This October also saw cuts to the proposed agricultural budget for 2020, which may also affect programming. (For more information, see 1.2 *Evolution of the Context*).
7. *Climate Change, Agriculture and a Vision of Rural Development*: Much of the work of the ALCP sees the development of sustainable and viable livelihoods for rural citizens that has consistently gone beyond a narrow vision of increased agricultural production to include a broader vision of sustainable development. This approach depends on the sustainable use and enhancement of natural resources, of benefit accruing to communities and a vision of local economic development, which incorporates new technologies and developments for rural communities, linked into a broader network of market development, which capitalizes on regional and international trade. The programme would welcome more focus on achievements within these sectors to date and what more could be done to leverage and enhance this type of programming in the future and within the current context in Georgia, particularly in light of the dual responsibilities of the Ministry of Environmental Protection and Agriculture.

## CHAPTER 1 – OPERATIONAL ENVIRONMENT

### 1.1 UPDATE OF THE STAKEHOLDER ANALYSIS

A broadening of stakeholders in the dairy, meat, wool and honey sectors continues, as work in those sectors deepens in particular with dairies being facilitated to join GMM. All other stakeholders remain as reported in the Annual Report March 31<sup>st</sup> 2019. (New stakeholders in this reporting period in *italics*)

*Georgia: New stakeholders include dairies<sup>15</sup> in Kakheti, Kvemo Kartli and SJ regions, slaughterhouses in Kakheti and Imereti regions: I.E Akhmed Niazov, Kutaturi Ltd; Vocational College 'Akhali Talgha' in Ajara, The National Agency for Cultural Heritage Preservation of Georgia, Kakheti Beekeepers Association, United Water Supply Company of Georgia – Kakheti Department, 'Georgian Young Lawyers' Association, UN Women, Elkana, Caucascert. Productive relationships with the Ministry of Environment Protection and Agriculture of Georgia (MEPA), the NFA, National Intellectual Property Centre of Georgia (Sakpatenti) are ongoing. Government entities include: Head of the Laboratory of the Ministry of Agriculture of Georgia (honey export), Ministry of Agriculture of Ajara (MoAA), Agro-service Center of MoAA, Zestafoni and Ozurgeti Municipalities (WEE). In agri journalism*

<sup>14</sup> The ALCP is supporting the UN Women WEE in the South Caucasus programme to achieve these two latter and under whose mandate they fall.

<sup>15</sup> Four dairies in Kakheti, three dairies in SJ, two dairies in KK

and information, the relationship with the Media Initiatives Centre with the National Agrarian University of Armenia, Yerevan State University, Bryusov Linguistic University, Armavir College and local ALT TV are ongoing

*Armenia:* Governance & Gender: Alaverdi Municipality, Lori province. In DRR related to Veterinary Surveillance Points the Food Safety Inspection Body of the Government of the Republic of Armenia (former the State Service for Food Safety of the Ministry of Agriculture of Armenia).

*Azerbaijan:* Odlar Iurdu University, Baku, *NGO Social Progress, Baku.*

*United Kingdom:* Embassy of Georgia to the United Kingdom of Great Britain and Northern Ireland.

*Germany:* QSI Laboratory, Tiflis *Georgische Spezialitäten*<sup>16</sup>

*India:* Wool intermediary/exporter: *Alpha Ltd, Gimach Ltd.*

*Canada:* *Sweyard Co.*

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

*General:* From September 1<sup>st</sup>, 2019 it became mandatory for all businesses to have a person<sup>17</sup> responsible for employees Health and Safety according to an amendment in the ‘Occupational Safety’ code. According to another change in the code, the Ministry of the Health and Social affairs of Georgia now has a right to carry out inspections in the enterprises without Court decision, which was obligatory before.

*Village Support Programme:* After a two-year gap, the Government of Georgia has resumed the Village Support Programme. From the last reporting period to date, 173 women’s instigated community initiatives were supported and funded by the VSP in Ajara, Kvemo Kartli, Samtkhe-Javakheti and Kakheti regions (*For more information see 3.4 Activities Proposed and Actual and 2.2 Transversal Themes*).

The Ministry of Environmental Protection and Agriculture (MEPA) announced the launch of the Organic Production and Certification Program in the previous reporting period. However, it was not approved by the Parliament of Georgia due to lack of finance in the budget of MEPA for 2020. The Minister underlined the same constraint when discussing the government subsidy scheme at the 2<sup>nd</sup> Honey Advisory Committee meeting facilitated by the programme.

*Dairy sector:* The main issue in the dairy sector is still the undifferentiated usage of powder milk and weak control of unregistered dairies by the NFA that creates an unfair business environment for natural raw milk processing dairies. From September 2019, a new law on the labelling of food products started implementation. A moratorium in the 2012 law, which required all people ‘who produce and sell dairy products in a regular and organized manner’ to register at the NFA and public registrar, will end from January 2020. The MEPA has drafted a regulation and defined un-regular<sup>18</sup> and regular production<sup>19</sup> and sales, which will be submitted to the Government for approval.

*Honey:* To improve the traceability and to reduce falsification of honey, the MEPA has drafted a regulation according to which from January 2020, beekeepers owning more than 10 beehives/bee colonies should be registered as business operators, when subsequently they will become the subject of the state control. The regulation draft is being discussed by the government and should be approved by the end of this year.

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<sup>16</sup> Business partner of KTW, which sells KTW products in Germany

<sup>17</sup> The appointed person must have a Health and Safety certificate, issued by accredited private organizations.

<sup>18</sup> Household having no more than 5 milking cows and no more than 15 small ruminants will be obligatory to register at the NFA and have ID number. Household production will have the right to sell dairy products to the final consumer via agri market, shop, supermarket. Each product must be traceable e.g. kg, ID number, data of production and not to mixed with other types of dairy products.

<sup>19</sup> Household having more than 5 milking cows and more than 15 small ruminants, must be registered at the NFA and Tax department and have official status e.g. small business, micro business, milk collector, enterprise. They will become the subject of the state control.

*Veterinary:* On September 27<sup>th</sup>, 2019, an agreement was signed between the NFA and commercial farm Kvareli Baga as the first pilot for the delegation of Animal Identification & Registration to the private sector facilitated by the FAO/NAITS programme. The farm will be provided with free ear tags and access to the database by the NFA and complete AI&R process independently. By delegating AI&R responsibility, about GEL 3 000 per farm will be saved from the state budget annually. The NFA is implementing a Brucellosis vaccination campaign for free, as a result of which 194,767 cattle and 251,810 small ruminants have been vaccinated to date. The campaign will continue for free for the next few years.

*Changes in Local, Regional and Central Government:* MEPA announced the creation of a new agency – the Agriculture and Rural Development Agency (ARDA) – under which the Agriculture Cooperatives Development Agency (ACDA) and the Agriculture Projects Management Agency (APMA) have been united. The former director of the National Investment Agency of Georgia has been elected as the new chairman of the Georgia Chamber of Commerce and Industry in July 2019. A new chairman has also been elected for the Ajara Chamber of Commerce and Industry just outside the reporting period. Both chairmen have been elected for 4 years.

### 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, operationalizing the laboratory testing capacities for honey and maintaining a standard of competent management and upkeep of the Bio security points. New regulations in the honey and dairy sector from January 2020 will see a massive increase in the requirement for registration of HH's producers and small producers in both honey and dairy sectors (see 1.2 above), and thought should be given as to how to best support what will be an extra burden of regulatory checks in addition to the need for improved control of unregulated dairy enterprises already in existence.

*General:* Disease notification and control remains a key topic in particular in relation to public notification of zoonosis, 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 experiencing the worst climate related effects. 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. Perhaps more should be made of the amalgamated Ministry of Environmental Protection and Agriculture in providing an opportunity to place these on the agenda. 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.

## CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017

### 2.1 QUANTITATIVE RESULTS PER OUTCOME

**Table 2: Achievements of Outcome<sup>20</sup> Indicators Measured Against Target Values**

**Note** all Outcome impact is only for interventions funded under the current Log Frame

<b>OUTCOME 1:</b> 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.	
<b>Indicators</b>	<b>Estimated Alliances Programme Results (2017-to date)</b>
# of LHP's generating tangible positive income changes due to sustainable diversified market access and better terms of trade (Women/men) (6500)	2,872 <sup>21</sup> (44%) (51% women, 49% men)
# of full time job equivalents (Women/Men) (60)	56 <sup>22</sup> (35 Women / 21 Men) (93%)
# of HoReCa/retailer entities integrating food safety hygiene compliance and good management practices into business management (350)	476 <sup>23</sup> (134%)
# of entities crowding in (10)	9 <sup>24</sup> (82%)
# of livestock and honey sector sustainability advocacy initiatives (16)	12 <sup>25</sup> (81%)
# of SME obtaining external funds / finances (20/2 million)	8 / 939,780 Gel (40% /47%)
NAIC Value in GEL generated for LHP's with sustainable diversified market access and better terms of trade for LHP's (Women/Men) (5 million)	2,498,142 Gel (50%) (1,275,531 for women and 1,222,611 for men)
NAIC value in GEL generated for programme clients (Women/men) (1 million Gel)	1,856,208 (186%)

<sup>20</sup> 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.

<sup>21</sup> This figures come from dairy interventions: *Natural Produktsia*, *Milkeni*, *J-T-A*, *Cheese Line*, *Tsalka+*, *Tsinskaro+Ltd* and *Impervet's* shop in Zugdidi. The increase since the last report is due to the first reported increase in supplier numbers to two GMM dairies, Tsinskaro, Milkeni and Tsivisi Kveli.

<sup>22</sup> Dairy enterprises, GMM intervention, Impervet Zugdidi and Womens Rooms, FTE Jobs

<sup>23</sup> *Shervasi* provided disinfection service to 290 HoReCa entities and *Start Consulting* trained 186 HoReCa representatives.

<sup>24</sup> Women's Rooms (2), Darts group, Honey Sector Advisory Committee (2), ABBA (3), Wool House in SJ, Women's Business Forum (Ajara) (2)

<sup>25</sup> Meat Advisory Committee Meeting, Honey advisory committee (2), Meeting with honey stakeholders to create Honey Umbrella Association, First meeting with Dairy entities to present natural raw milk QAM, Cheese factory, Naturaluri Produktsia. Ltd established dairy association of milk suppliers; ABBA created a database of honey producers in Georgia; The AMR Advisory Committee on Access to Water for Seasonal Migrating Animals; Creation of the Georgian Beekeepers Union; 2 additional meeting with dairies; one from program region and one from outside program region; GMM official presentation Hualing Hotel January 22nd 2019; Coordination meeting between BIG GMA and Dairies



**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) (17,500)	21,305 <sup>26</sup> (122%) (28% women/ 72% men)
# of full time job equivalents (Women/Men) (70)	23 <sup>27</sup> (1 Woman / 22 Men) (33%)
# of entities copying &/or crowding in (10)	7 <sup>28</sup> (70%)
# of issue specific cross border initiatives (women/men) (5)	7 <sup>29</sup> (140%)
# of service providers &/or input suppliers with improved business practices/acumen & outreach to cross border LHP markets (5)	2 <sup>30</sup> (40%)
NAIC value in GEL of cross border LHP's benefitting from supporting functions and compliant processing enterprises (Women/Men) (2.5 million Gel)	2,253,560 (622,808 Gel Women/ 1,630,753 Gel Men) (90%)
NAIC value in GEL generated for programme clients (2 million)	1,407,236 <sup>31</sup> (70%)

**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) (9,000)	9,606 <sup>32</sup> (107%) (22% women/78% men)
# of service providers &/or input suppliers with improved business practices / acumen & outreach to export markets (10)	4 <sup>33</sup> (30%)
# of entities crowding in (5)	5 <sup>34</sup> ( 100% )
# of full time job equivalents (Women/Men) (70)	31 <sup>35</sup> (3 Women / 28 Men) (44%)

<sup>26</sup> These figures come from *Mar-Mot Ltd* and *Agro Trading*. Out of it, 9,692 farmers are from Armenia and 1320 from Azerbaijan.

<sup>27</sup> 5 FTE jobs created by *Mar-Mot Ltd* and 18 by *Agro Trading*

<sup>28</sup> *Agro Trading* (2), *Journalists Resource Center* (1), *Mar-Mot Ltd* (2)

<sup>29</sup> A meeting with Georgian and Armenian governmental officials to establish Women's Room model in Lori province in Armenia; Armenian official delegation's visit to Georgia to attend National Women's Business Forum and visit Women's Rooms in Adjara; A Memorandum and a grant agreement was signed with Alaverdi Municipality in Armenia to copy the Women's Room's model and establish a municipal Women's Room service; The first municipal Women's Rooms Annual General Meeting in Tskaltubo; Hiring an Armenian Gender and Governance Expert to make a Gender Guidelines for Local Self- Government in Armenia; a meeting with the State Service for Food Safety of Armenia to copy the VSP model; Roki's participation in vet trainings in Armenia organized by SDA

<sup>30</sup> *Mar-Mot Ltd*, *AgroTrading*,

<sup>31</sup> This number includes *Mar-Mot Ltd Ltd* profit from sales in Armenia and Georgia and profit for machinery service providers

<sup>32</sup> Slaughterhouse *Alali Ltd Ltd*, Wool collector the *Georgian Wool Company Ltd* and the *KTW*, *Tzerari Ltd/Natural Produktsia* USFDA facilitation.

<sup>33</sup> One slaughterhouse *Alali Ltd* started to export processed meat, one wool collector improved / safeguarded export of wool. *KTW exported Honey*, *Tzerari Ltd/Natural Produktsia* USFDA facilitation.

<sup>34</sup> *Alali Ltd* (2), *Georgian Wool Company* (3)

<sup>35</sup> The *Georgian Wool Company* created 18 and *Alali Ltd* created 12 new FTE jobs, *KTW* created 1 Job.



NAIC value in GEL of LHP's benefitting from supplying cross border trade and export enterprises (Women/Men) (2.5 million)	3,386,314 ( 135% ) 756,636 Gel Women; 2,629,678 Gel Men
NAIC value in GEL generated for programme clients (2 million)	3,553,064 Gel (178%)
Value in GEL of cross border trade products (5 million)	2,372,129 GEL /CHF 900,580 (47%)
Value in GEL of exported products (25 million)	16,416,558 GEL <sup>36</sup> (66%)

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

Two and a half years into the four-year phase indications are highly positive of being able to achieve the outcomes in the current phase with the percentage impact against the new targets in place from January 2019 mostly achieved or exceeded. Scale in Outcome 1 is set to be boosted by the Georgian Milk Mark, agri market distribution and two new slaughterhouse interventions in West Georgia and Kakheti coming online and being able to measure benefit at farmer supplier level.

## 2.3 INFORMATION ON UNDEFINED<sup>37</sup> AND UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS

*Note:* Behaviour change at farmer, business and sectoral level is detailed in Annex 1 and Systemic Change in Annex 2.

*Signs of growth in export markets:* In September 2019 Tsezari Ltd increased the export of cheese to the USA from three to five tonnes. He also won the Best Entrepreneur award at the *Rural Life and Traditions Harvest Festival* held in Armenia. During the festival fruits, vegetables, and other products were showcased by the Armenian, Georgian and Iranian, Lebanese farmers. Visitors had a chance to taste Sulguni, smoked Sulguni, Georgian cheese and different types of braided Sulguni produced by Tsezari Ltd. In May 2019, a US Food and Drug Administration (USFDA) official conducted an inspection of their Ajara factory. In response to five non-critical observations, the company calibrated equipment, purchased and installed additional control equipment for the pasteurizer and implemented better verification procedures. Final feedback from the USFDA has not yet been received but export continues. *Mar-Mot Ltd's* new partner in Azerbaijan replaced the rakes, which he was buying in Turkey, with *Mar-Mot's* self-produced rakes. The price and the delivery service were the key factors in making the change. After two years of waiting, *Roki Ltd* registered three new veterinary medicines for internal parasites in Armenia and is now exporting five vet medicines to Armenia through their partner *Vet Pharm Ltd*, which owns four veterinary pharmacies and two warehouses in Yerevan.

*Increased interest in Georgian honey abroad:* Honey and bee products of four Georgian companies were exhibited at the [World Bee Day Comes to London](#) event. More than 500 guests tasted Georgian honey; *Chestnut* and *Jara* honey were the favorites. The honey promotion video has reached 340,000 views/7,700 shares on *Facebook*; the

<sup>36</sup> 4,826,250 Gel value of live weight of bulls, 9,078,166 Gel value of processed sheep exported and 1,132,448 Gel value of wool exported, and 1,379,693 Gel dairy US and Israel.

<sup>37</sup> Undefined: reflects the fact that the programme is able to capture few changes observable in the system that are genuinely 'unintended' i.e. that there was no plausible expectation or explanation of this type of change occurring. This title now describes what the programme defines in the new RM Manual as 'undefined' effects: i.e. changes plausibly attributable to the programme, which although not explicitly detailed in results chains and monitoring plans could nevertheless be logically expected to happen within the logical development of interventions grounded in thorough market research<sup>37</sup>.

video was shown at the *International Investment Forum* organized by the *Ministry of Agriculture of Ajara* and at the *Apimondia Congress* in Canada.

*MEPA commitment to honey:* Since January this year the *Georgian Beekeepers Union* continued to advocate to MEPA and in December a million Gel from state tenders will go to a company that will source honey from local small and medium- scale honey producers in Georgia, rather than cheap Russian honey.

*Efficiency and sustainability of the dairy sector in Tsalka:* Business diversity has blossomed and thirty-one new businesses<sup>38</sup> have been established since 2016 when an [Outcome Harvesting Study](#) showed how income from dairy farming was influencing the growth of the local economy. The majority of customers are farmers involved in livestock and potato farming. Repayment schedules for loans and in shops are based around the high milking period and potato harvesting. The *Mountainous Area Tax Exemption* scheme has also contributed to the establishment of new businesses.

*Financial institutions are disbursing more agricultural loans in Tsalka*<sup>39</sup>: The number and amount of agricultural loans that are linked to milk suppliers' income and potato growing has increased. This year for the first time, the *Bank of Georgia* has been offering agri-loans in Tsalka (and throughout Georgia). Agri-loans to farmers in *TBC bank* in Tsalka make up 60% of the whole loan portfolio. The majority of Bank of Georgia's loans are to farmers involved in livestock farming. Over the last two years, the default rate has lowered from 4% to 1%.

*Agri-journalism:* Two students in the journalism department at the State University of Georgia, who attended the agri-journalism course have further pursued their interest in agri-journalism. One did his research thesis on the *Importance of Agri-journalism in Agriculture*.<sup>40</sup> The other is applying for a scholarship at universities in Germany to do a master's degree in agri-journalism. Programme facilitated *Agri News*<sup>41</sup>'s presenter started doing a master's degree in environmental protection at the Georgian Institute of Public Affairs, after a programme facilitated agri-journalism training inspired him to learn more about agriculture and the environment.

## 2.4 INFORMATION ON PROGRESS OF THE IMPLEMENTATION OF SCO TRANSVERSAL THEMES INTERVENTIONS

In a market systems development programme transversal themes mainly relate to the Rules section of the doughnut (See P7 *ALCP Market System diagram*). In the ALCP they include facilitation with Government stakeholders and other civil society and private sector actors at National, Regional and Local levels in relation to key governance issues underpinning the livestock sector. These include food safety and hygiene regulations, gender related to equitable governance and access to resources and animal disease control<sup>42</sup>.

*National Animal Health Programme Steering Group:* SDC is a member of the Steering Group of the National Animal Health Programme (NAHP) of MEPA. It has been agreed that the ALCP deliver information related to animal health and welfare to the Steering Group through the SDC representative of the group. The last meeting was

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<sup>38</sup> Clothes shop, bakeries, auto parts/car services, cafes, pharmacies, grocery shops, gifts' shops, barberry/salons. Before ALCP there were 17 businesses, in 2013-2016 there were 14 new businesses and in 2019, 31 new businesses.

<sup>39</sup> Loans that are taken to further invest in agriculture.

<sup>40</sup> A research hypothesis proved that agri reports helped farmers with improving their livelihood activities/business and had a positive impact on the sector.

<sup>41</sup> Studio based agricultural reportage facilitated by ALCP.

<sup>42</sup> A main mechanism of the governance interventions is the Advisory Committee, where diverse stakeholders, often with intractable viewpoints are brought together in working meetings to overcome key constraints in the sector often insurmountable without external impartial facilitation based on existing relationships and market intelligence. They involve meticulous planning and preparation over months.

on February 28, 2019, the USDA chair who previously chaired the meetings handed leadership over to MEPA in this meeting but no subsequent meetings have been held since<sup>43</sup>.

*Veterinary Surveillance Points (VSP):* In April 2019, a new VSP on the Animal Movement Route (AMR) started operation in Bolnisi municipality financed by the NFA. During the 2019 spring movement 357,258 head of livestock were dipped/showered in all six VSPs. In total, 2 million head have been dipped/showered between 2016 and 2019. In spring 2019, with the involvement of shepherds, the location of the 7<sup>th</sup> VSP was marked. In July the land for the construction of this 7<sup>th</sup> VSP was allocated by the central government near Kubriankari Village, Dusheti municipality, Mtskheta-Mtianeti region. It will be constructed by MEPA, the engineering plans were financed by the ALCP. This point will form the government's co-investment for the Water points on the AMR see below.

*Water Points on the AMR:* In April-May 2019, the ALCP conducted field visits and additional consultations with local shepherds to agree about the development of water points on the AMR. Seven points were identified where accessibility of water is essential during livestock transhumance and development of water points is feasible. In May 2019, the programme contracted an engineer to prepare plans for water points with budgeting for each location. During summer 2019, meetings were conducted with MEPA, the NFA and National Agency of State Property (NASP), Georgian Melioration and the United Water Supply Company of Georgia to agree details including the water provision for each point. In September 2019, the procedures for transferring ownership of land parcels marked for allocation of water points from the Ministry of Economy and Sustainable Development of Georgia to the NFA started (the NFA will be responsible for the maintenance of points). A focal point was appointed at the NASP to accelerate the process, which is ongoing now.

*Copying the VSP Model to Armenia:* In May 2019, representatives of the Food Safety Inspection Body of the Government of the Republic of Armenia (FSIB), which had expressed interest in copying the VSP model, visited Georgia. The Armenian delegation observed the process of sheep & cattle disinfection against ecto-parasites in Bolnisi and Rustavi VSPs. A meeting was also held in the National Food Agency, and the Head of the Georgian Vet Department to share Georgian experience in systemic health control of migrating livestock. In June 2019, an MOU with FSIB was signed to support experience sharing between Armenia and Georgia on animal disease management and biosecurity practices. In June 2019, the ALCP contracted international expert Edward Hamer Ltd, to carry out a feasibility study on the livestock transhumance system in Armenia and to plan infrastructure for animal disinfection against ecto-parasites. The field visits took place in Ararat and Armavir regions. The Animal Movement Routes were mapped and sites for placing Bio Security Points (BSP) were marked. In October 2019, the study was submitted to the FSIB<sup>44</sup>. A discussion of the study with the involvement of all stakeholders will be organized in Armenia in December 2019.

*UN Women: Facilitation of National Level Women's Room Development:* The ALCP is continuing to provide ground truthing and support to the SDC funded UN Women WEE project in standardizing and scaling up Women's Rooms to all municipalities of Georgia. During the reporting period two coordination meetings were held at the UN Women Tbilisi office and detailed written feedback provided on the Women's Information Centre report, which forms the basis of the common vision on the future of the Women's Rooms to be transmitted to the Ministry of Rural Development and Infrastructure.

*Women's Rooms in Kakheti:* Nine Women's Rooms are now open in eight municipalities of Kakheti. Each room has on average 80 visitors per month. 391 different types of meetings, events and trainings focusing on local women needs and promoting successful local women were held at Women's Rooms during the reporting period. Mayors and NGOs are using these spaces to meet with people. According to a tri lateral MOU signed in 2017<sup>45</sup>, the ALCP

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<sup>43</sup> The Steering Group was a function of a USDA/GIPA National Health Programme funding ended on February 28<sup>th</sup> 2019. Based on the premise that MEPA would run the group themselves but so far little political will to do this has been observed.

<sup>44</sup> Report on Livestock Seasonal Migration and Biosecurity Points in Armenia

<sup>45</sup> Signed between the outgoing SDC MOLI in Kakheti project, Mercy Corps and Governors Office of Kakheti.

has the responsibility for capacity building the WR managers. In June 2019, the programme contracted the Georgian Institute of Public Affairs (GIPA) to provide business plan writing and fundraising training to ten WR managers to facilitate the access of women entrepreneurs to funds. WR Managers are ready to help women in writing applications for the governments Enterprise Georgia small grants programme when this programme announces its call for proposals.

*Women's Access to Decision Making, Public Goods and Financing:* In 2019, the Government reinstated the Village Support Programme and in February-March 2019 all 28 Women's Rooms were actively involved in organizing Village Meetings, where villagers decide which infrastructure projects will be done in their communities. In Ajara, Kvemo Kartli, Samtkhe-Javakheti and Kakheti regions 1,105 village meetings were held with 66,827 participants. Women's participation was at 36% (Kakheti 41%, Kvemo Kartli 32%, Samtskhe-Javakheti 39% & Adjara 34%). In consequence funds have been pledged for 173 women's instigated community initiatives (water projects, kindergartens, village ambulances, children's playgrounds, roads, public toilets) by the municipal budgets this year. In total, during last five years, 554 such initiatives were funded by municipal budgets through the Women's Rooms worth \$1,678,000 out of which 345 projects were building/renovation of kindergartens and water points in 301 villages, benefiting 42,374 HHs and 2,594 children in the kindergartens.

*National Women's Business Forum (NWBF):* The Ajara Chamber of Commerce and Industry (ACCI) and Ajara Business Women's Association (ABWA) have become the main focal points for organizations who want to organize conferences, forums, trainings for business women in Batumi. In June 2019 ACCI and ABWA helped UN Women and the Federation of Women for Tomorrow to conduct a Women's Business Forum in Batumi. The next NWBF is planned be held 8<sup>th</sup> of March 2020.

*Armenia:* The first WR in Armenia was opened on 25<sup>th</sup> of July 2019 Alaverdi municipality, Lori Province. The Governor of Lori Province, Andrey Ghukasyan and Head of the Department of Family, Women and Youth of the Ministry of Labour and Social Issues attended the opening ceremony. In August and September, 65 women and girls used the WR. In September the Women's Room announced a free English language course and hired an English teacher. Fifteen local women and girls will improve their language skills through the Women's Room course.

*Azerbaijan:* Social Progress NGO, an organization working on women's economic empowerment and municipalities in Azerbaijan, contacted the ALCP in July through our website and expressed interest in introducing the Women's Room model to their partner municipalities in Azerbaijan. The ALCP plans to conduct an introductory meeting with their partner municipalities and the State Committee for Family, Women and Children Affairs of Azerbaijan to introduce the model by the end of this year.

*Goderdzi Alpine Garden (GAG) Sustainability:* In May the manager of the GAG introduced the garden at the 5<sup>th</sup> International Congress of Alpine and Arctic Botanical Gardens in Villers-les-Nancy, France. In June 2019, the GAG continued the construction of picnic, camping, and parking areas and the building of an Alpinarium. The programme supported the garden to create walking paths, information signs, plant labelling, waste management and eco-friendly construction of buildings and the Jara Beekeeping Zone (Jara apiary and Beekeepers' House). In June, botanists from twelve countries visited GAG under *the International Symposium: Botanical Excursions in Colchis* organized by the Batumi Botanical Garden. This summer the garden hosted students of Tbilisi Free University and Tbilisi Agricultural University for field practice in order to increase awareness of protected areas and eco-systems. Bio certification of the GAG Jara honey apiary is ongoing. They have commenced the one-year conversion period and the decision on granting BIO certification will be made in July 2020. The International Association of Alpine Botanical Gardens has chosen the Goderdzi Alpine Garden as the location for the International Congress of Alpine and Arctic Botanical Gardens 2022. GAG has installed the Jara apiary and finished the Beekeeping house. The programme is facilitating the development of Jara Beekeeping teaching materials in partnership with the Jara Beekeeping Association for inclusion in existing one year beekeeping programmes in the Akhali Talgha Vocational College in Khulo and in the VET college of Batumi State University. GAG employee numbers have increased to

fifteen locals, out of whom eight employees work full-time and the rest are seasonal gardeners hired during the summer season.

## 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 will be provided in the Annual Report.

## 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 ongoing are included. Interventions/activities are being undertaken in all applicable<sup>46</sup> outputs and indicators in the LogFrame excluding Output 3.1<sup>47</sup> *Facilitated access to cross border trade opportunities for dairy, meat honey and wool entities in Georgia, Armenia and Azerbaijan*. The ALCP and SDA in Armenia worked in tandem during the reporting period in dairy and the ALCP has pursued options with wool and honey actors in Armenia, which have not succeeded due to price points and product specification. Despite facilitation, all current cross border trade opportunities for producer entities are either in national or export markets that exclude Armenia and Azerbaijan. Cross border trade in inputs however is ongoing. Please see Section 3.2 and 2.4 for descriptions of intervention activity in all sectors.

**Table 4: Summary of Outputs Against Logframe Indicators**

<b>Output 1.1:</b> Increased accountability and transparency in sourcing, purchasing and sales practices by retailers. (supermarkets, mini markets, agro markets, wholesalers)	
Number of retailers making changes to inspection procedures, sourcing, purchasing and marketing/sales practice	10 <sup>48</sup>
Number of suppliers with more positive experience of supply/sales	7 <sup>49</sup>
<b>Output 1.2:</b> Increased self-representation, empowerment and advocacy by livestock & honey system processors & manufacturers.	
<b>Indicators</b>	<b>Estimated Programme Results (2017-to date)</b>
Number of advocacy initiatives/groups	11 <sup>50</sup>
Number of desired objectives reached by advocacy initiatives/groups	3 <sup>51</sup>

<sup>46</sup> As reported in the Steering Implications of the Bi-Annual Report Outputs one indicator under 3.3 and one under 3.4 are not applicable due to a change in programming please see number 3 P10 for details.

<sup>47</sup> Currently only input supply companies are successfully trading cross border under Outcome 2.

<sup>48</sup> Spar, Nikora, Madagoni, Fresco, Zgapari selling cheese with GMM mark, Careffour, Goodwill Batumi, Liderfood, Ori Nabiji, IE Levan Abashidze (Agri Market)

<sup>49</sup> Milkeni, Tsintskaro, Cheese Hut (Badri Gogoladze), Tsivis Kveli (Gocha Gagashvili), Shuamta, Levan Bejanishvili, Tsipora Samtskhe, Tsezari supplying retailers with cheese with GMM mark; 6 Enterprises: Tsolak Grigoryan, Karen Symonian, Co. Tanadgoma, Tsalka+ Ltd, Hakob Hambaryan, Co. Disveli have signed an agreement on using GMM and will be reported in Annual Report.

<sup>50</sup> Meat Advisory Committee Meeting, Honey advisory committee (2), Meeting with honey stakeholders to create Honey Umbrella Association, Meeting with Dairy entities to present natural raw milk QAM, Cheese factory Naturaluri Produktsia. Ltd established dairy association of milk suppliers; ABBA created a database of honey producers in Georgia; Creation of the Georgian Beekeepers Union; A meeting with the State Service for Food Safety of Armenia to copy the VSP model; The AMR Advisory Committee on Access to Water for Seasonal Migrating Animals; Coordination meeting between BIG GMA and Dairies

<sup>51</sup> After the Meat Advisory Committee Meeting NFA intensified monitoring of backyard slaughtering and provided information to meat sector representatives in Kvemo Kartli; The MEPA used the ALCP advisory committee model and created the Honey Committee; The GBU met with the minister of MEPA, they agreed on further cooperation on honey sector related issues

<b>Output 1.3:</b> Increased consumer awareness of dairy, meat, and honey food safety and hygiene related issues and advocacy	
Number of advocacy initiatives from government, supermarkets and media towards consumer groups	9 <sup>52</sup>
Number of advocacy initiatives from consumer groups towards government, supermarkets and media	1 <sup>53</sup>
<b>Output 1.4:</b> Facilitated leveraging of access to funding and improved business management for SME's	
<b>Indicators</b>	<b>Estimated Programme Results (2017-to date)</b>
Number of SME's leveraging funding from external sources to the programme e.g. IFI's and government schemes	8 <sup>54</sup>
Value of funding leveraged from external sources	939,780 Gel
Number of SME's where funding has allowed development of business vision.	8 <sup>55</sup>
<b>Output 1.5:</b> Increased value added production and product diversification for SME's.	
<b>Indicators</b>	<b>Estimated Programme Results (2017-to date)</b>
# of SMEs with increased capacity/utilization of meat and milk, honey and wool	13 <sup>56</sup>
# of LHPs supplying supported entities (Women/Men)	1,808 (74% Women)
Number of value-chain actors in dairy, meat, honey and wool sectors gaining access to diversified markets	9 <sup>57</sup>
<b>Output 1.6:</b> 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	80 <sup>58</sup>

<sup>52</sup> 2 Consumer interest supplements were launched in TV programmes Hashtag and MeVarFermeri at Adjara TV; Reports related to Do's & Don'ts Antibiotic Use (20), Reports related to the Georgian Milk Mark (40), 500 Infographics of Do's & Don'ts Antibiotic Use were distributed to Azeri (300) and Armenian (200) beekeepers in KK region; 400 – by Association of Future Farmers, 1000- by ten largest wax producer/ printing service providers, 250 – shared with beekeepers and 22 - beekeeping cooperatives by nine ICCs, 100 – shared with beekeepers by eight LAGs (ENPARD)

<sup>53</sup> Social Network- consumer's engagement in GMM Facebook page, comments, feedback, etc.

<sup>54</sup> Milkeni, Tsinskaro+, Matklis Sakhi, GWC, Tanadgoma, Ori Gio Ltd, Goderdzi Alpine Garden, Ajara P.S

<sup>55</sup> Milkeni, Tsinskaro+, Matklis Sakhi, GWC, Tanadgoma, Ori Gio Ltd, Goderdzi Alpine Garden, Ajara P.S

<sup>56</sup> Hakob Hambaryan, Samvel Darbyanian, Co. Dertseli, Cheesline, Levan Bejanishvili, Tamaz Tagiashvili, Leanka, 5 Cheese factories Tsalka +, JTA, Tsinskaro+, Milkeni, Natural Produktsia, and the Georgian Wool Company

<sup>57</sup> 6 Cheese factories, one local wool processor in Akhaltsikhe, Georgian Wool Company, Alali Ltd, and Honey KTW diversified their production

<sup>58</sup> 3 Women were funded following business forum by EBRD (Flower shop, poultry, green-housing). 59 rural women were funded by the Enterprise in Georgia through the Women's Rooms with total value 357,340 GEL. 3 Men were funded during April- October 2019 by the Enterprise in Georgia through the Women's Rooms with total value 40,350 Gel; In this reporting period (April- October 2019) 11 businesses (7 females, 4 male owned 244,000 Gel, 223,000 Gel) were funded by the donors with the total value of 467,000 Gel; Women's Rooms helped 7 men to obtain the fund (46,100 GEL). Women's Room also helped one woman to obtain grant (10,600 GEL) from Innovation and Reforms Center and employed two women (IRC); 7 women (GEL 442,000) SME taking Bank Business loans for expanding business; 1 (GEL 160,000) women funded by IFAD for business expansion; These figures include the number of SMEs who received funds for business start-ups and for expanding their businesses; 5 women were funded by Donor NGOs in Ajara since September 2018



Number of initiatives for women/youth rural business	617 <sup>59</sup> (plus 104 men)
Value of financing for women/youth entrepreneurs from external agencies (gel)	2,074,747 GEL
Number of jobs in diversified women owned enterprises	62 <sup>60</sup>
<b>Output 1.7: Improved consistency, resilience and reduced risk in livestock market system.</b>	
Number of Veterinary surveillance initiatives	9 <sup>61</sup>
DRR Coordination initiatives	5 <sup>62</sup>
% of households registered their cattle in the NFA	59% <sup>63</sup>
<b>Output 2.1: Stimulation of cross border linkages (e.g. gender, local government, national government agencies e.g. NFA equivalent, border trade relations, society, media, academia)</b>	
# of consultation fora between peer to peer actors to address livestock related cross border initiatives	7 <sup>64</sup>
% women representatives involved in consultation fora	50%
# of study tours / regional meetings facilitated between cross border stakeholders	8 <sup>65</sup>

<sup>59</sup> Through Women's Rooms: 398 women and 104 men applied for the state project, Enterprise in Georgia, 10 Women got bank loans / grants. 200 Women applied for USAID grants, 8 EMPARDII, 1 IFAD;

<sup>60</sup> 57 micro businesses start-ups, financed by Enterprise in Georgia have on average one employee, this figure will be updated according to planned research of the mentioned businesses and adjusted figures will be reported in the next annual report.

<sup>61</sup> 3 Veterinary Surveillance Points (VSPs) opened, and construction of one new (6th ) VSP in Bolnisi has finished; one advisory committee meeting was held to ensure sustainability of the VSPs and one regional meeting with NFA & Kvemo Kartli Governor and local municipalities to discuss construction of the 6th VSPs in Bolnisi and local governments' involvement in the VSPs management; One more Veterinary Surveillance Point (VSP) will be constructed by the MEPA in Mtskheta- Mtianeti region; The ALCP will facilitate the MEPA/ NFA/ Shepherds Association to develop water points on the AMR; During June-October 2019, an international expert Edward Hamer visited Armenia and prepared a *Report on Livestock Seasonal Migration and Bio Security Points in Armenia*

<sup>62</sup> One meeting with regional and municipal governmental officials to ensure sustainability of DRR working groups and facilitation with NFA & FAO/NAITS to develop a comprehensive public information provision campaign on animal identification & registration; Meeting with the Deputy Minister of MEPA to assign a focal point and create a working group on animal movement route issues; Participating/ observing National Animal Health Programme Steering Group at the MEPA; Ongoing Coordination with the SDC funded UNDP project to involve the Ajara municipal DRR WGs;

<sup>63</sup> In Georgia 218,125 HH (59% out of 369,392 Rural HH who own cattle) have registered their cattle into the NFA database;

<sup>64</sup> Making linkages between Lori municipality in Armenia and Dmanisi Municipalities in Georgia; ALCP team Meeting with Strategic Development Agency (SDA) in Armenia; SDA client cheese producer who imports Lori cheese in Georgia met ALCP members in Georgia and SDA (Armenia) met the Georgian Wool Company and Mar-Mot Ltd to discuss potential business cross border opportunities; Media Initiative Center in Armenia and JRC discussion/consultation (skype call meetings) over the Armenian Public Broadcaster to start an agricultural program and discussion related to the process of establishing of agricultural course at four universities in Armenia (2); In May 2019, the representatives of the Food Safety Inspection Body of the Government of the Republic of Armenia (FSIB) visited the NFA and the VSPs

<sup>65</sup> 13 Armenian journalists and University representatives attended a study tour organized by JRC Agro Journalists Resource Center in Georgia on 25-29 April 2018; In September 2018 Caucasus International University Tbilisi and Head of the JRC visited Odar Iurdu University in Baku to introduce Agri Journalism Module; In October 2018 the JRC met Media Initiative Center in Armenia to discuss the Agri Journalism Study module and its introduction to universities in Armenia; In January 2019 the JRC representatives met the Media Initiative Center and a local ALT TV to launch regular agri reports; JRC visited Armenia to produce a Film about Agriculture in February 2018; Meeting with Alt TV in Armenia on 22 March 2019; Armenian Regional Television ALT TV visited Georgian regions Kakheti and Kvemo Kartli and reported on the dairy sector and winemaking, interviewed the Deputy Minister of Agriculture, dairy enterprise *Tsintskaro* + and its supplier farmers and employees (2) in May and September 2019



<b>Output 2.2:</b> Facilitated outreach of inputs and input related services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
# of entities with sales outreach in cross border regions	2 <sup>66</sup>
Number of customers accessing inputs	21,305 <sup>67</sup>
Value of sales of inputs / Value of sales to women/Value of sales to LHP (Gel)	2,372,129 Gel
Number and Increased trust towards exported products (from Georgia, Azerbaijan, Armenia)	641 <sup>68</sup>
<b>Output 2.3:</b> 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	32 <sup>69</sup>
Number of milk/meat/honey & wool supplier business entities and LHP's receiving trainings / information on quality, food-safety, hygiene & business management standards	100,101 <sup>70</sup> (website visitors)
Number of HoReCa sector actors receiving trainings on food safety and hygiene	476 <sup>71</sup>
Number of value-chain actors gaining business management certifications e.g. GMP HACCP (e.g. Global Gap, SALSA)	73 <sup>72</sup>
Number of value chain actors with business/marketing plans (including for rural tourism)	20 <sup>73</sup>
Number of value-chain actors gaining BEAT assessment	8 <sup>74</sup>
<b>Output 2.4:</b> 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	51,659 <sup>75</sup>

<sup>66</sup> Machinery input supplier *Mar-Mot Ltd Ltd* and nutrition input supplier *Agro Trading*.

<sup>67</sup> 729 machinery service providers served 10,929 farmers in Armenia and Azerbaijan in total.

<sup>68</sup> Machinery Service Providers in Armenia buy equipment from Mar-Mot Ltd partners in Armenia whose prices are at least 10% cheaper than in other shops in Armenia. Over the last year spare parts have been available in rural machinery shops and they are buying and repairing their equipment on time. These machinery service providers are positive about the quality of machinery equipment and choice they have related to new modern equipment. The qualitative data about Azerbaijanian Partners and Service Providers will be added in the following Annual Report

<sup>69</sup> 32 meat, dairy, wool, and livestock feed producers were trained by *Star Consulting*. Also, 145 businesses were trained by *Star Consulting* in other sectors (bakery, vegetable, alcohol & mineral drink, nuts production, rabbits, kindergartens).

<sup>70</sup> In this phase web based information channel *Business.org.ge* started working. It includes information related to BDS. Number of unique web-site visitors from Georgia 98,501 and 81,763 from other countries. Also, *Star Consulting* has 1,600 regular visitors.

<sup>71</sup> *Shervasi* provided disinfection service to 290 HoReCa entities *Star Consulting* trained 186 HoReCa sector representatives (36 in Tbilisi, 150 in Regions: Batumi, Akhaltsikhe, Rustavi and Kaspi, Guria, Kakheti, Shida Kartli).

<sup>72</sup> *Star Consulting*: 19 Slaughterhouses, 24 Cheese factory, one animal feed producer, 29 other non-value-chain enterprises

<sup>73</sup> Business plans for 2 ALCP co-financed wool companies & JRC, APMA 5, private orders 12

<sup>74</sup> *Gergili Ltd* gave BEAT assessment to local wool processor in Akhmeta region and the Georgian Wool Company, 1 Slaughterhouse and 5 dairies in Kakheti.

<sup>75</sup> Radio listeners. 4 radio stations and *Roki's Agri Portal (Agroface.ge)* with 11,936 Unique visitors

Number of information channels with agricultural content / of newspapers/of TV programmes/ of internet sites	14 <sup>76</sup>
Number of agro reports/programmes on cross border trade /export	28 <sup>77</sup>
Number of information channels with coverage in cross border regions	3 <sup>78</sup>
# of universities integrating agro journalist study model	20 <sup>79</sup>
Number of degrees gained with agri journalism content	369 <sup>80</sup>
<b>Output 2.5:</b> Facilitated outreach of equitable public goods to Armenia, Azerbaijan and other areas of Georgia	
Number of gender related cross border initiatives	6 <sup>81</sup>
Number of women using women's room services Number & % of women participants in community meetings	8,697; 34,974 (37%) <sup>82</sup>
Number of women instigated community/livelihood related initiatives	199 <sup>83</sup>
Value of women instigated community/livelihood related initiatives	4,347,698 gel
<b>Output 3.2:</b> 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 <sup>84</sup>

<sup>76</sup> JRC produce agricultural programme for 11 local radio stations in Georgia, *Hereti, Rioni, Tbilisi* and *Argo Apkhazeti, Vrastan FM, AG FM, Samkhretis Karibche, Odishi, Harmonia, Mtis Temi's Radio* radio stations and one TV station TOK TV, and *Roki's Agri Portal*; Agro Garemo TV channel through local broadcasters

<sup>77</sup> 6 reports/ programs prepared and aired by Armenian journalists after the agri training; ALT TV has produced 22 agri (reports twice a month) since February 2019

<sup>78</sup> Local TV's in Armenia aired programs with Agro content prepared with help of JRC: Jam news, ALT TV, Agropress.am

<sup>79</sup> **Georgia 15** Gori State University, Akhaltsikhe State University, Samtskhe- Javakheti State University, Batumi Shota Rustaveli State University, Kutaisi State University, Telavi Javakishvili State University, Tbilisi Caucasus University, *Georgian European Higher Education University, National University of Georgia (SEU), Tbilisi State University, Tbilisi Georgian Technical University, Alma Mater Grigol Robakidze University, Tbilisi Caucasus International University (CIU), David Aghmashenebeli University of Georgia; Armenia 4:* Yerevan State University, Bryusov Linguistic University, Armavir College, National Agrarian University of Armenia; **Azerbaijan 1:** Odlat Iurdu University Baku (Azerbaijan)

<sup>80</sup> 53 Students are currently attending the agri journalism course at the universities; A new intake of students on Agro journalism course will start in spring 2020

<sup>81</sup> One meeting with Georgian and Armenian governmental officials to establish Women's Room model in Lori province in Armenia and Armenian official delegation's visit in Georgia to attend National Women's Business Forum and visit Women's Rooms in Adjara; A Memorandum and a grant agreement was signed with Alaverdi Municipality in Armenia to copy the Women's Room's model and establish a municipal Women's Room service; The first municipal Women's Rooms Annual General Meeting in Tskaltubo. Hiring an Armenian Gender and Governance Expert to make a Gender Guidelines for Local Self- Government of Armenia; Opening of the first pilot WR in Alaverdi municipality, Armenia

<sup>82</sup> 1026 female 19 Women's Rooms users, 7,671 female users/ beneficiaries who participated in Meetings/Trainings and other Events from 9 newly opened Women's Rooms in Kakheti region which started to operate from July 2018; In February-March 2019 village meetings were held under the Village Support Programme in the whole country, 34,974 were female participants of the meetings which is 37% of the whole number of attendants.

<sup>83</sup> 4 Women instigated community livelihood initiatives in Ajara funded with 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 submitted applications for civil budgeting initiatives, out of which 8 were funded with 189,000 Gel. *The information will be updated by following annual report*; 173 women's instigated community initiatives (water projects, kindergartens, village ambulances, roads, public toilets, etc.)

<sup>84</sup> Alali Ltd and the Georgian Wool Company

# & % of LHP producers supplying supported entities (Women/Men)	9,606
Value of exported products	16,416,558 gel
<b>Output 3.3: Facilitated improvements to efficiency of outreach of key export supporting functions (freight, shipping, documentation, distribution) in dairy, meat, honey and wool value chains.</b>	
Number of key entities with improved function/business practices	2 <sup>85</sup>
Number of representatives of the key export supporting entities trained	N/A
<b>3.4 Improved transparency, accountability and efficiency of function and information transfer of key export related stakeholders to exporting entities in dairy, meat, honey and wool value chains (port officials, NFA and regional equivalent officials, border officials).</b>	
Number of information initiatives from stakeholders to exporters <sup>86</sup>	4 <sup>87</sup>
Increased understanding and confidence in job remit (e.g. port/border officials)	N/A
Increased transparency of function and information transfer of key export related stakeholders to exporting entities in dairy, meat, honey and wool value chains (qualitative)	N/A

### 3.2 REFERENCE TO INTERVENTIONS/ACTIVITIES PROPOSED AND ACTUAL

Overview: Please see Annex 3 for the list of interventions undertaken in the reporting period. Please see *Annex 1 and 2* for detailed qualitative and systemic impact. See *Annex 3* for a list of interventions undertaken during the reporting period. See *Transversal Themes Section 2.4* for activities related to WEE, animal disease control and ALCP ‘operational arm’ cooperation.

*Expansion into Kakheti:* The new sub-office in Telavi has been fully operational since March 2019. The new team has already facilitated five <sup>[1]</sup> dairies in Kakheti to gain HACCP certification and become environmentally compliant in order to apply for and use the Georgian Milk Mark. An agreement has also been signed with a slaughterhouse, which will diversify into the supply of sheep meat to an export company exporting processed/chilled sheep meat to Iran/Dubai and other foreign markets. The Kakheti Beekeepers Association have applied to become a member of the Georgian Beekeepers Union. An application drive for women to apply for small grants to Enterprise Georgia through the nine Kakhetian Women’s Rooms was completed in July and a training in Business Plan Writing and Fundraising for all nine Women’s Room managers was facilitated and carried out by Georgian Institute of Public Affairs (GIPA) in July. (See 2.2 Transversal Themes for more information).

*Georgia and Cross Border Supporting Functions:* Mar-Mot LTD: A major breakthrough in this reporting period was the beginning of trade with a business partner in Azerbaijan. Sales and distribution of agricultural machinery, equipment and spare parts, continued to increase through the eight stable business partners’ machinery shops in Armenia, the new partner in Azerbaijan, eight machinery shops in Georgia and Marmots own two outlets. In the reporting period; twenty-two trips (twenty to Armenia and two to Azerbaijan) were made by the company’s distribution truck, saving 11,000 Gel in transportation costs. 5,093 hydraulic hoses were sold (61% in Armenia),

<sup>85</sup> Improved NFA functions in issuing necessary documentations for honey export; Improved MEPA function through the MEPA Honey Committee

<sup>86</sup> Information campaign against using antibiotics in honey sector by GBU

<sup>87</sup> Honey Advisory Committee, Honey Umbrella Association; Honey Lab testing Subsidy Scheme initiated by GBU on Second Honey Advisory Committee, Honey Export guidelines (Both happened in early October),

<sup>[1]</sup> I.E Gocha Gagshvili, brand name ‘Tsivis Kvili’; I.E Tamaz Tagiashvili, I.E Levan Bejanishvili brand name ‘Shuamta’; Lianka Ltd, Odliasi Ltd is in the process of financing.

984 rakes and mowers (60% Armenia and 9% Azerbaijan) to a value of 1.2 million Gel (95% Arm and 5% Az). 8,562 farmers were served (4,452 farmers 52% Armenian and 600 farmers 7% Azeri).<sup>88</sup>

Agro Trading Ltd combined feed producer: Production increased massively in the reporting period (by 108%). 1,563 tonnes of combined feed as well as 9,000 tonnes of milled grain<sup>89</sup> were produced and sold in Georgia in the reporting period. Currently Agro Trading distributes to 25 independent selling points in Georgia. Following the successful export of three tonnes of bran and 25 tonnes of grain to Armenia (supplied to a distributor selling to fifty farmers) cross border export has stalled due to the initial partner falling through and continued negotiation regarding prices. Export is expected to recommence in November.

*Cross border facilitation:* In May 2019, the ALCP programme facilitated linkages between veterinary input supplier importer/exporter Roki Ltd and the *Strategic Development Agency* (SDA) to help deepen the company's links with veterinary networks in Armenia. In September, 2019 Roki visited Armenia and met up to forty vets, vet pharmacists, veterinary input suppliers, facilitated by SDA and introduced their existing Armenian partners, their hotline and training services and promoted Roki vet medicines already registered in Armenia. Roki found out that their vet medicines registered in Armenia are well-known and that vets are very satisfied with the quality and price of these medicines. The company now plans to expand and increase their sales through these improved linkages.

*Dairy Sector: Georgian Milk Mark.* Please see Annex 4 for a detailed GMM progress report. The Georgian Milk Mark(GMM) is proceeding very well. Since January 2019, when the GMM was presented to a wider audience, thirty-seven dairy enterprises have submitted applications to the Business Institute of Georgia (BIG), which is a programme-facilitated independent body administering the Georgian Milk Mark. Out of these applicants, thirteen dairy enterprises have already been granted permission to use the mark. Seven<sup>90</sup> of these have already started to use the mark, on their cheese label, while another six<sup>91</sup> are in the process of redesigning their labels to include the mark. The remaining twenty-four dairy enterprises (eight of whom are being facilitated by the ALCP) are in process of improving traceability and implementing HACCP in order to become eligible to use the mark. GMM cheese is now available in mainstream shops. Information about each enterprise is uploaded on <http://georgianmilk.ge/home>. This allows consumers to find out more information about the products they buy using a unique number printed on the product label. The Georgian Marketing Agency (GMA) was contracted by the programme to conduct a national promotional campaign from the end of March 2019. The Georgian Milk Mark Facebook page currently has 11,389 subscribers/consumers.

In September 2019, a coordination meeting between the Business Institute of Georgia who manages the mark, GMA and all applicant dairies was held to discuss advocacy efforts to Government and supermarkets. The main outcomes of the meeting were to advocate for prompt and efficient execution of a law which will enforce all people 'who produce and sell dairy products in a regular and organized manner' to become registered as business operators when the law comes into force in January 2020, to strengthen control of unregistered dairies, and to strengthen control of milk collectors' legal status.<sup>92</sup>

*Consulting Companies:* Following new Health and Safety Law requirements that entered into force in September 2019, the ALCP facilitated Environmental Audit consulting company Gergili Ltd to update their Business

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<sup>88</sup> A total of 106 trips, a saving of 53,000 gel, 27,393 hydraulic hoses, 1595 rakes and mowers, 18,489 farmers (Armenia and Azerbaijan only). 2.4 million value of sales from the beginning of the phase April 2017.

<sup>89</sup> A total of 2,697 tonnes of CF and 15,000 tonnes of milled grain from the beginning of the phase April 2017.

<sup>90</sup> Milkeni Ltd Rustavi, KK; Tsintskaro + Ltd Tetritskaro, KK; Badri Gogoladze I.E Bolnisi, KK; Dairy Products Company Tsezari, Tsalka, KK; Gocha Gagashvili I.E, brand name 'Tsivis Kveli' Telavi, Kakheti; Levan Bejanishvili I.E, brand name 'Shuamta', Telavi, Kakheti, Tsifora Samtskhe Ltd, Akhaltsikhe, SJ.

<sup>91</sup> Tsolak Grigorian I. E Ninotsminda, SJ; Karen Simonian I.E Akhalkalaki, SJ, Coop.Tanadgoma, Kumisi, KK, Tsalka + Ltd, Gumbati, KK; Coop. Disveli, Bolnisi, KK; ,Hakob Hambaryan I.E Ninotsminda, SJ

<sup>92</sup> The two former points are under the remit of the NFA the latter under the tax department.

Environmental Audit Tool to include new health and safety sections, to ensure that enterprises comply with national legislation and environmental laws. Gergili Ltd has been conducting BEAT (Business Environmental Audit Tool) assessments of dairy, meat and wool enterprises for programme clients since 2009.

*Meat:* Halal chilled sheep meat exporter and slaughterhouse Alali Ltd has exported 45 tonnes of sheep by-products to Iran from the new slaughterhouse since April 2019 and exported 30,000 chilled processed Halal sheep to Iran. Export is expected to increase this autumn.<sup>93</sup> The slaughterhouse also has a potential new market for Halal chilled sheep in Dubai. The Dubai Food Control Authorities inspected the slaughterhouse in March 2019. The slaughterhouse must be fully HACCP certified to meet requirements and is currently in the process of certification. The NFA is carrying out strict monitoring of slaughterhouses throughout Georgia, penalizing incompliances. In August, the programme co-financed Kutaturi Ltd, the largest slaughterhouse in Western Georgia, in order to diversify its production line for by-products. The investment will facilitate an increase in capacity and throughput, increasing its access to HoReCa sector and national meat market and improve terms of sale for LHPs.

*Wool:* In May the ALCP co-financed the building of a wool washing facility to facilitate the export of washed wool. This is in response to the emergence of a more diversified demand from regular buyers in India and potential opportunities in China, which will only import washed wool. During the reporting period the company collected 370 tonnes of wool and will exceed 500 tonnes by the end of this year. The companies six collection centres, improved sorting and shearing services have meant better quality and easier sourcing for the company making investment in the washing facility possible.

*Honey: Core Market:* Implementation with KTW to facilitate Georgian honey export is fully underway. Four types<sup>94</sup> of aggregated honey (10 tonnes in total) was homogenized and bottled in new glass jars with a new branding, designed to appeal to EU consumer preferences. To date, first honey consignments were sent to Japan, Germany, Canada and UAE and are in transit. At the same time, KTW honey is now being sold in local supermarket chains: Carrefour, Goodwill and Europroduct. After successful sale of Jara honey in KTW shops in Georgia, the company began their second commercial purchase of the Jara honey crop this September, from the Jara beekeepers collated in the ALCP aggregated database. KTW prioritized purchase from Jara beekeepers who are in the process of BIO certification<sup>95</sup> to increase motivation amongst producers to become Bio certified.

*Rules:* The need to decrease the costs of honey testing for export and to ensure the services on offer are fit for purpose were the main issues discussed at the second Honey Advisory Committee held just outside the reporting period at the beginning of October 2019. MEPA understood the rationale of the subsidy scheme presented by the Georgian Beekeepers Union (facilitated by ALCP) and offered to contribute up to 100,000 GEL for the subsidy in 2020. However the Minister directly stated that assistance this year is limited due to reduced agricultural budget for 2020. Based on KTW export experience, [Honey Export Guidelines](#) were developed by the Business Institute of Georgia to be disseminated among potential exporters in Georgia.

*Facilitation of Honey sector associations:* Emphasis has been put on strengthening the Georgian Beekeepers Union (GBU)<sup>96</sup>, the ALCP facilitated umbrella association for advocating and representing beekeepers' interests. In this reporting period a [Honey promotion video](#), the websites [www.honeyofgeorgia.com](http://www.honeyofgeorgia.com) and [www.jarahoney.com](http://www.jarahoney.com) and promotion catalogues for [Jara Honey](#) and [Georgian Honey](#) were developed for the GBU for the further promotion of Georgian honey. The video was disseminated through all Georgian consulates and embassies following facilitation with the Ministry of Foreign Affairs. The Ministry of Environmental Protection and Infrastructure was present this year at the most significant event in beekeeping worldwide, APIMONDIA, held in Montreal, Canada

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<sup>93</sup> Autumn is a busiest period for halal chilled sheep export.

<sup>94</sup> Except Jara honey, as Jara honey is sold in honeycombs (directly after harvest without any treatment)

<sup>95</sup> Nineteen are expecting to receive their certification in December following honey testing having been through the one year conversion process.

<sup>96</sup> Uniting nine beekeeping associations and three private companies

in September, 2019. Three member companies of the GBU exhibited different kinds of honey, out of which KTW Chestnut and Jara honey were preferred.

*BIO Certification:* BIO-certification of twenty-four<sup>97</sup> Jara beekeepers and development of a Jara apiary in the Goderdzi Alpine Garden is underway. The apiary entered into the BIO conversion process in July. The Jara Beekeepers Association (JBA), facilitated by the programme, is supporting the process and promoting the use of bio drugs in Jara apiaries, as a result of which the productivity of bee colonies has increased by 30%. Jara Beekeeping Guidelines and Bio-certification Guidelines are being developed with the JBA for its members and those seeking to become Jara beekeepers (to be used by vocational colleges). Together with the JBA, quality assurance standards for the production of Jara honey are being developed and will be registered at *Sakpatenti*, the National Intellectual Property Agency to protect authentic Jara honey production. The JBA has also submitted an application to The National Agency for Cultural Heritage Preservation of Georgia asking that the status of ‘cultural heritage’ be granted to Jara honey. Other cultural phenomena such as Georgian dance, polyphonic singing and *qvevri*<sup>98</sup> wine have this status as well as certain food stuffs and festival. It will further boost the status of Jara honey.

### 3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM

*Main constraints remain consistent with previous phases of the programme and those reported in the Annual Report.* Models and entry points facilitated by the ALCP are leveraged by other donors, projects<sup>99</sup> and government entities with different *modus operandi*. Several projects are also keen to work directly with the ALCP on certain interventions and as well as requiring considerable team time inputs, it is imperative that any initiative does not abandon core sustainability practices. Managed well by all parties these opportunities can amplify and add to the sustainability of impact and growth at worst they can diminish sustainability and even disrupt the functionality of a new sector. 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. Additional upcoming registration requirements in the honey and dairy sectors may place additional strain on the agency unless operational capacity is increased. Cuts to the Agricultural budget for 2020 may also affect programming. 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*.

In the last year competent members of MEPA and the NFA respectively left to join donor projects which have been a considerable loss to the project, making facilitation temporarily more difficult and less efficient. Regular and rapid change in key political actors at all levels due to elections and sudden replacements being made of key figures 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 is mitigated by the strength of interventions themselves coming to the attention of the individuals and then communication and cooperation being naturally reinstated.

### 3.4 EVENTUAL CHANGES TO MAIN ASSUMPTIONS

There have been to date no major changes to programmatic assumptions following the *Annual Report*.

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<sup>97</sup> Nineteen beekeepers are due to receive certification in December and five in July 2020.

<sup>98</sup> Clay vessels buried in the ground.

<sup>99</sup> Outside the reporting period even the SDC MOLI project convened a ‘National Veterinary Conference’ without informing the ALCP, whilst engaging Roki the ALCP’s client.



## CHAPTER 4 – FINANCES & OPERATIONS

### 4.1 PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME

The ALCP investment support facility increased in the January 2019 revised budget by 623,742 (83%). Thus for the ALCP support lines<sup>100</sup> as of March 31<sup>st</sup>, 2019, the spending percentage of 67.65% is on track, reflecting programmatic expansion in line with budget increase. See 3.2 *References to Activities Proposed and Actual* for details. The percentages represent the rate for the full four-year phase.

**Table B Budget Support Funds and Spending Percentages**

ALCP Support Facilities (CHF)	Total Budget from Jan 2019	Funds remaining September 30 <sup>th</sup> 2019
Alliances Investment Support Facility (Including Gender and Governance)	1,377,136	448,753, (67.65% spent)
Technical and Transversal Themes Sub Contractors	33,600	9,143, (72.79%)

### 4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE

As noted above and taking into account the increased budget, spending is absolutely on track at the two and a half -year mark, showing that the programme has successfully accommodated the increase in funds and translated it into programming. Please see *Annex 3 List of Investments made in the reporting period*.

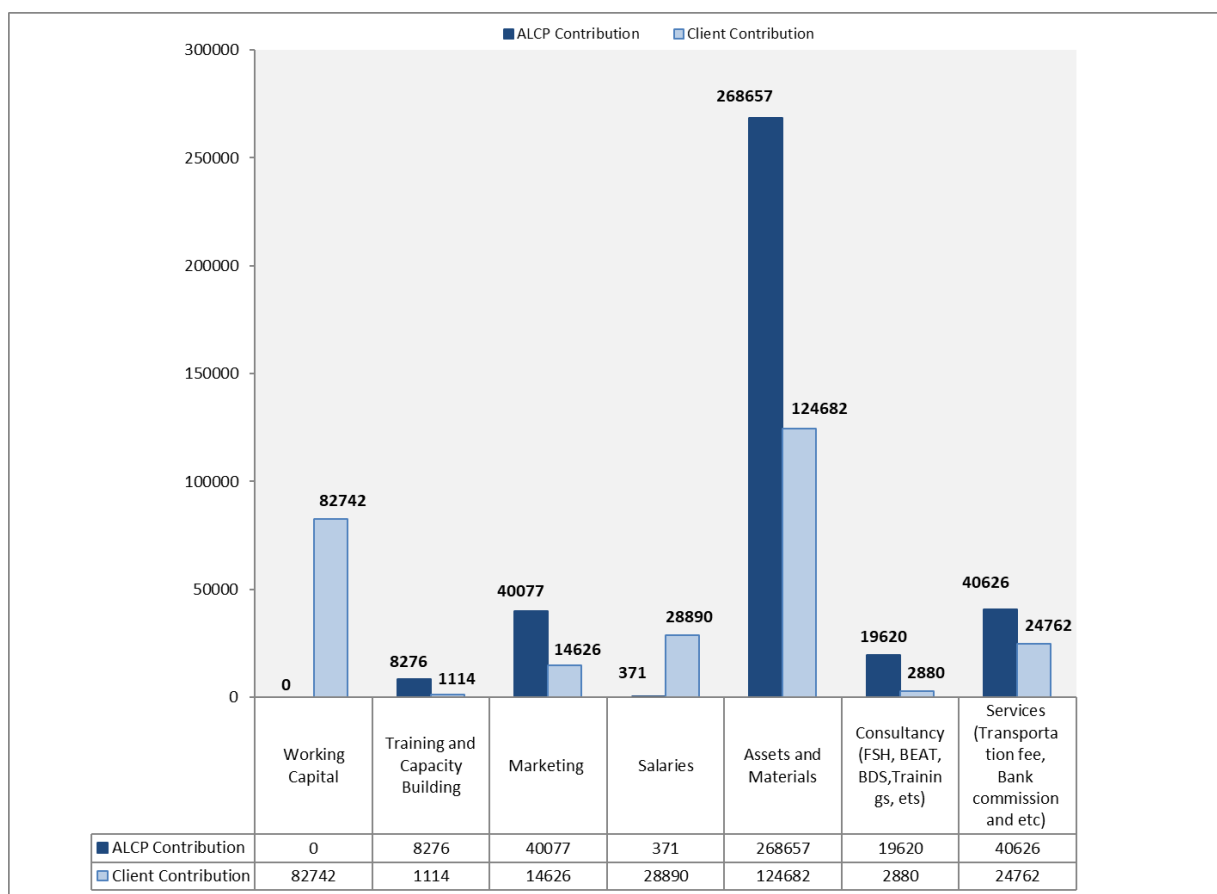
### 4.3 APPRAISAL ON HOW EFFICIENTLY INPUTS WERE CONVERTED INTO OUTPUTS

The efficiency of input conversion is enhanced through the use of the co-investment mechanism. Programme co-investment is currently running at an average of 57%, remaining the same as in the last annual report (March 31<sup>st</sup> 2019) reflecting the financing of applicable dairies to join the GMM, supporting experience sharing between Armenia and Georgia on animal disease management and biosecurity practices and the export of washed wool, chilled sheep meat and sheep sub-products to India, Iran/Dubai and other foreign markets.

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





#### 4.4 HUMAN RESOURCES & TEAM MANAGEMENT<sup>101</sup>

All offices are working successfully and maximizing the geographical synergy of their locations to enhance interventions. The new office in Telavi, Kakheti is working successfully and has integrated rapidly into the overall ALCP structure both in terms of strategy, programming and personnel. The current organogram reflecting minimal staff changes and new office organization is that submitted as part of the budget submission for January 1<sup>st</sup> 2019 and which has been re-submitted for the ADA submission just outside of the reporting period.

<sup>101</sup> NB: it must be continually noted that though requiring effort to manage and document, flexibility in staffing and altering staffing to suit needs as the programme develops rather than slavishly following fixed budgets is one of the key tenets of the organisational 'adaptive' culture that allows for effective MSD implementation.

## CHAPTER 5 – GOOD PRACTICE & LESSONS LEARNED

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

*Georgia:* The SDC MOLI in Kakheti programme finished in November 2018. However the MOLI staff member in charge of WR's has been hired as Kakheti Sub Office Coordinator and thus valuable institutional knowledge and contacts have been preserved, which is being seen in work with the Women's Rooms as well as in the dairy sector where the ALCP is now facilitating enterprises who worked with MOLI.

*SCO in Georgia:* Working relations with the NAITS programme and UN Women are ongoing. Support to UN Women intensified over the summer as the programme sought to maximize inputs into a sub-contractor survey, which will be used to develop the model for national expansion. Work with SCO concentrated on preparations for the visit of the First Speaker of the Swiss Parliament and delegation as well as on the ADA submission.

The USDA SQIL programme has been in ongoing communication with the ALCP. The programme is interested in contributing to the dairy sector in relation to the Georgian Milk Mark as well as the meat sector. Collaboration is ongoing to prevent overlapping.

*Cross border:* Coordination is ongoing with SDA in Armenia. April saw team members working on Armenia interventions meet with key opposite members at Lake Sevan. Concrete entry points for cross border initiatives were identified. More working meetings to push interventions forward were forthcoming and resulted in linking Roki Ltd with veterinary networks in Armenia for cross border expansion into Armenia.

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

*External Review:* Discussions, TOR preparation and preparatory research were conducted for ILO research to be conducted on the linkages between MSD, business formalization and decent work. The consultants visit occurred at the end of October, outside the reporting period and the final report will be available in the new year.

*Self-Evaluation:* Several new surveys have been conducted and published in the reporting period. [\*Impact in the Livestock Sector in Khulo\*](#) highlights the synergistic impact and local economic development stemming from clustered interventions. [\*Visualizing Results the ALCP in Infographics Book II\*](#) is an updated version with data to September 2019 of synthesized programme impact presented in infographics.

*Knowledge Sharing:* An SDC delegation led by the Head of the Asian division and SDC outgoing Regional Director, travelled with the ALCP through Samtskhe Javakheti, over the Goderdzi pass and down into Batumi in May. The visit was intended to provide a full overview of interventions in sustainable rural development, the honey sector, agricultural sector and wool. The SDC Programme officer to Georgia is keen to institute an exchange visit between the ALCP and the West Balkans for 2020. A delegation from Kyrgyzstan of an SDC Helvetas livestock programme including the SDC Programme officer, Aga Khan Representative and CD of Helvetas came from a week long study tour at the end of April. Linkages in the world of gender and WEE have led to the ALCP providing ongoing technical inputs and support to the DFID Arab Women's Enterprise Fund.

*Intra agency learning:* Key Mercy Corps technical support unit members travelled to Georgia to further develop learning from the ALCP for use in MC. The ALCP featured in a Mercy Corps webinar on Monitoring Evaluation and Learning (MEL) for MSD webinar in September.

*MSD Best Practices, Gender and WEE dissemination:* The Team Leader contributed to the SDC E+I [\*Forming Partnerships with the Private Sector: A Summary of Lessons Learned by Market Systems Development Practitioners\*](#) (May 2019) The Team Leader is continuing to teach the course<sup>102</sup> on integrating gender and WEE into market analysis on the Springfield Training course in Bangkok in November. In April the Team Leader also participated in a [\*DCED results measurement troubleshooting webinar\*](#) and in July was invited to speak at the [\*DCED Annual Meeting in Vienna\*](#) at the Results Measurement group on the practicalities of using the DCED standard and

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<sup>102</sup> Entitled Laying the Foundation for WEE: Conducting a gendered market analysis.

the WEE group were she presented on the topic of *Getting Beyond Champions: Making Women's Economic Empowerment the Norm*.

*Aggregated SDC Georgia Livestock Impact presented to high level delegation:* The aggregated impact of SDC livestock sector investment was presented outside the reporting period on October 29<sup>th</sup> 2019 in the form of GIS interactive maps<sup>103</sup>, infographics and field visits, to the President of the Swiss National Council Marina Carobbio Guscetti, First Vice President of the National Council Isabelle Moret, Second Vice President of the National Council Heinz Brand, Secretary General of the Federal Assembly at Swiss Parliament Philippe Schwab, Ambassador of Switzerland to Georgia Patric Franzen, Deputy Head of Embassy of Switzerland in Georgia Alvaro Borghi, and the Regional Director of the Swiss Cooperation Office in Georgia, Danielle Mewly Monteleone. Planning for the [visit](#) took place throughout the latter part of the reporting period and successfully conveyed a measure of ALCP's work in the livestock sector in the region.

## CONCLUSION

Team morale has been boosted in the previous and current reporting period by professional recognition and support from Mercy Corps, SDC and beyond, as well as financial commitment for all offices from 2019 to 2021 and what is at the time of writing another prospective funding commitment through the ADA third party contribution until March 2022. Motivation and commitment to continue to drive forward complex programming in new areas of intervention will continue apace. The prospect of funding which will add another year of facilitation means sophisticated interventions can be further nurtured and impact deepened in the drive to continue to build on sustainable impact accruing to SDC's and increasingly ADA's investments in the livestock sector in the Caucasus, rather than focussing on exit strategies. These gains being seen in the livestock sector many of which embody best practice in the development of sustainable rural livelihoods; including community based enterprises and supply chains, Bio certification and enhancing environmental assets as a public good (Goderdzi Alpine Garden,) should form a major contribution to discussions pertaining to the future sustainable development of climate sensitive rural, agricultural, and environmental development in the region.

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<sup>103</sup> Based on the initiative of SDC the data of RED, MOLI and the ALCP has been amalgamated into GIS interactive maps created by GeoLand in [dairy](#), [meat](#), [wool](#), [veterinary](#), [machinery](#) and [honey](#) was presented to the delegation of the First Speaker of the Swiss Parliament President Maria Users can disaggregate by village, regions, municipalities, village, programmes, enterprises, number of beneficiaries and countries where impact goes beyond Georgia.

## ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD<sup>104</sup>

QUALITATIVE IMPACT PER SECTOR March 31st 2019-September 30 <sup>th</sup> 2019	
VETERINARY	
BUSINESS	<ul style="list-style-type: none"> <li>* Roki Ltd is now improving their position in beekeeping as they see the demand from beekeepers. Roki is now producing four vet medicines against parasites and viruses; five feed additives and two disinfectants in beekeeping. In 2016 the company only produced one bee feed.</li> <li>* Roki is now supplying 418 vet pharmacies in total, distributing to fifty-six<sup>105</sup> new vet pharmacies throughout Georgia. The majority of them are the business expansion of existing vet pharmacies to new locations.</li> <li>* The majority of vet pharmacists have now studied an eight months course of veterinary medicine at vocational training centres in Kachreti and Akhaltsikhe. Roki Ltd provided them with information and contacts about the centres.</li> <li>* The Agroface mobile application is now being tested in addition to the web application which has</li> </ul>
NUTRITION	
BUSINESS	<ul style="list-style-type: none"> <li>* Combined feed Universal's share among other cattle feed is 20% per shop, from a baseline of zero.</li> <li>* Over the last five months, the Agro Trading 'distribution point in Zestaponi has increased sales of combined feed Universal from two tonnes to twenty-one tonnes/month. Combined feed is only slightly more expensive than bran and farmers are starting to prefer to buy CF.</li> </ul>
INFORMATION	
ARMENIA	<ul style="list-style-type: none"> <li>* Over the last seven months ALT TV in Armavir province, Armenia has broadcasted twenty-two agri reports<sup>106</sup>. The Journalism Resource Centre and Media Initiatives Centre in Armenia facilitated ALT TV to start agri reporting. Agri News translated these reports in Georgian and broadcasted them through seventeen local TVs.</li> </ul>
HONEY	
BEEKEEPERS	<ul style="list-style-type: none"> <li>* The majority of Jara beekeepers (19/24) have increased their Jara honey production by 30% after the usage of a new bio vet medicine recommended by the Jara Beekeepers Association (JBA) and consultant of BIO certification. The vet medicines have effectively worked against Varroa, which is the most common bee disease<sup>107</sup>.</li> <li>* Seven beekeepers in Ajara have started producing Jara honey after seeing the market opportunity.</li> <li>* All the Jara beekeepers are now selling their honey to Kakhetian Traditional Winemaking (KTW).</li> </ul>

<sup>104</sup> 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.

<sup>105</sup> Roki is now supplying 418 vet pharmacies in total.

<sup>106</sup> Dairy factories, spring preparatory works, tarragon growing, ostrich farm, irrigation problems, strawberry growing, agricultural school.

<sup>107</sup> The JBA members purchased the vet medicines at a wholesale price 0.3 Gel less/Jara hive treatment/season.

	<ul style="list-style-type: none"> <li>* The majority of honey suppliers of KTW have invested in beekeeping using the payment from KTW to make the investment. Before it took from six to eight months to sell the entire honey harvest; which hinders investment in beekeeping.</li> </ul>
BUSINESS	<ul style="list-style-type: none"> <li>* KTW honey is the only honey collector homogenizing local beekeepers' honey.</li> <li>* KTW honey has entered Carrefour, Goodwill and Europroduct supermarkets and three their own shops in Batumi, Mtskheta, and Patardzeuli.</li> <li>* KTW has exported 2.1 tonnes of honey to Japan, Germany, Canada, and the United Arab Emirates. Delivery of Honey consignments will take up to two months. Business offers on honey along with Georgian honey/Jara honey catalogues, have been disseminated among forty potential buyers abroad.</li> <li>* KTW has re-branded jams, compotes and sauces under Nena to be more sophisticated after the rebranding of honey.</li> </ul>
HONEY PROMOTION	<ul style="list-style-type: none"> <li>* Visitors at the <a href="#">46th Apimondia Congress 2019</a> were especially interested in chestnut honey and the packaging and labelling of Georgian honey.</li> <li>* Randox - quick testing results on the consistence of sulphonamide group of antibiotics, conducted for free at Apimondia, showed that Georgian honey was one of the cleanest samples of honey there.</li> </ul>
LEARNING (VET) IN BEEKEEPING	<ul style="list-style-type: none"> <li>* The Georgian Beekeepers Union has developed seasonal calendars in beekeeping and shared it with five vocational education colleges throughout Georgia.</li> <li>* The Ajara Beekeeping Business Association (ABBA) and the Jara beekeepers Association (JBA) are now working on a joint study module in Jara beekeeping to be added to courses in .</li> </ul>
GODERDZI ALPINE GARDEN	<ul style="list-style-type: none"> <li>* The International Association of Alpine Botanical Gardens has selected the Goderdzi Alpine Garden as (GAG) as a location for the International Congress of Alpine and Arctic Botanical Gardens 2022.</li> <li>* Botanists from twelve countries visited GAG within the International Symposium: Botanical Excursions in Colchis organized by the Batumi Botanical Garden in June. The beekeeping showcase was one of their favourite experiences.</li> <li>* The manager of GAG introduced the garden at the 5th International Congress of Alpine and Arctic Botanical Gardens in Villers-les-Nancy, France in May.</li> <li>* GAG hosted students of Tbilisi Free University and Tbilisi Agricultural University for field practices in order to increase awareness of protected areas and eco-systems. The students were also involved in cleaning, plant inventory and other work in the garden.</li> <li>* Ten Jara hives have been placed in the garden for on-site training courses with the help of the JBA Chairman.</li> </ul>
DAIRY	
FARMER	<ul style="list-style-type: none"> <li>* Indications from farmer surveys in three regions are that there has been a shift amongst farmers in areas both with and without the presence of ALCP facilitated factories to the regular sale of milk rather than self-processing and selling cheese and other dairy products. See below:</li> </ul>

	<ul style="list-style-type: none"> <li>* In August a survey was conducted to assess the current number of (now) GMM enterprise milk suppliers, in 3 regions (KK, K, SJ) in areas where GMM enterprises are collecting milk<sup>108</sup>, four villages were selected randomly<sup>109</sup> and twenty eight farmers randomly selected<sup>110</sup>, 75% of whom were women. Of these, 73% of farmers are selling milk to GMM dairy enterprises. 5% of farmers are selling milk to other enterprises and 3% are making cheese for home consumption or selling it<sup>111</sup> the remainder were not selling or processing milk and had jobs or were focused on crops such as potatoes or wine. The majority of these farmers are selling milk all year round. 95% of these farmers wish to continue livestock farming and selling milk.</li> <li>* In May, a survey was conducted in Marneuli, in a known non-direct beneficiary, mainly Azeri area, to ascertain what milk producers were doing with their milk. 70% were selling milk to milk collectors who are collecting for both compliant and incompliant dairy entities in KK or other regions, or selling milk to neighbours, 30% selling cheese to intermediaries or agro markets. In 2014 in the same region, 16% were selling raw milk to intermediaries, 2% raw milk to factories.</li> </ul>
<b>MEAT</b>	
FARMER	<ul style="list-style-type: none"> <li>* 80% of sheep farmers have increased the number of their sheep, as they see the market opportunity.</li> </ul>
<b>WOOL</b>	
FARMER	<ul style="list-style-type: none"> <li>* Wool House Company has seventy regular wool suppliers, from a baseline of seven.</li> <li>* Wool House Company pays the highest price for greasy wool 1.20 Gel/kg in Spring and 1.00 Gel/ kg in Autumn, last year it was 0.80 and 0.60 Gel/ kg in 2015 None of its greasy wool supplier farmers had any experience of selling wool, they either buried or threw it away.</li> <li>* Wool suppliers have improved sheep shearing practices and now have better quality wool after the director of Wool House instructed them on proper practices.</li> </ul>
BUSINESS	<ul style="list-style-type: none"> <li>* A wool dryer facility allowed the company to collect and wash wool in spring, which has increased production by 30%.</li> <li>* The company is now supplying up to twenty-five guesthouses and twelve kindergartens. From a baseline of five kindergartens.</li> <li>* The Director of the Wool House helped the owner of the Georgian Wool Company, who is ethnic Azeri, to set up wool collection points in Poka and Gorelovka villages of Ninotsminda municipality, based on the experience of working with Armenian communities. As a result, the Georgian Wool Company collected thirty-four tonnes of greasy wool from fifty-six farmers.</li> </ul>

<sup>108</sup> And to ground truth at farmer level baseline GMM data collected per enterprise.

<sup>109</sup> From an average of around four villages per enterprise.

<sup>110</sup> Farmers were interviewed in every third house, twenty one of whom were women.

<sup>111</sup> Interviews were conducted with farmers in areas where milk collectors for GMM factories are working. Villages were then randomly sampled in these areas. Twenty-one farmers were interviewed in in-depth interviews Kvemo Kartli, Samtskhe-Javakheti and Kakheti from four randomly selected villages.

## ANNEX 2 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 Attribution to the Programme	Changes to the
			Source	Verified/not Verified (& date if verified)						
1	Dairy in KK <i>Milkeni Ltd</i>	Business Expansion	Client/ STO	Verified/ September 2019	Y Direct Both	Rustavi	November/ 2018	<i>Milkeni Ltd</i> started producing ghee, 150kg/month and selling through their own and <i>Madagoni</i> shops in Rustavi. <i>Milkeni</i> also doubled the production of butter to 400kg/month.	Programme client	
2	Dairy in KK <i>Tsintskaro+Ltd</i>	Business Expansion	Client	Verified/ September 2019	Y Direct Both	Tsintskaro village, Tetrtskaro	May/2019	After demand from shops, <i>Tsintskaro+Ltd</i> started producing cream, 2.2 tonnes/month and supplying eight <i>Madagoni</i> shops and fifteen small vegetable shops in Tbilisi.	Programme client	
3	Machinery implements and spare parts distribution company <i>Mar-Mot Ltd</i>	Business Expansion	Client	Verified/ September 2019	Y Direct Both	Sumgait, Azerbaijan	July/2019	Aleksandre Vershinin, a machinery shop owner in Sumgait, has stopped importing rakes from Turkey after 10 years and is now buying from <i>Mar-Mot Ltd</i> instead. Alekasndre receives rakes at a 15% cheaper price with <i>Mar-Mot</i> compared to Turkey. Adil has a delivery service which additionally saves 4% of transportation costs for the importer.	<i>Mar-Mot</i> presented the programme facilitated rakes at an agricultural exhibition in Baku Aleksandre Vershinin was one of the exhibition visitors who negotiated with <i>Mar-Mot</i> to import rakes.	
4	Women's Business Forum	Crowding in	Client	Verified /September 2019	Y Indirect Both	Ozurgeti, Guria	September/ 2019	<i>Ozurgeti Municipality City Hall</i> organized a <i>Women's Business Forum</i> for up to forty local female entrepreneurs with the support of the <i>Agriculture Projects Management Agency (APMA)</i> ,	<i>City Hall</i> representatives attended the programme facilitated <i>Women's Business Forum</i> in Ajara and initiated the same model.	
5	Meat in KK <i>Alali Ltd</i>	Crowding in	STO	Verified/ August 2019	Y Indirect Both	Koda, Tetrtskaro	December 2018	A new <i>Slaughterhouse Akhali Khortsi 2018 Ltd</i> is slaughtering 100 cattle, 40 sheep and 600 pigs per month. Their clients are meat shops in Tbilisi.	The slaughterhouse owner Nodar Sigiashvili is a relative of the owner of <i>Alali Ltd</i> slaughterhouse. The owner provided him with information about equipment and business model and suggested that Ekaterine Burkadze	



									further help him to implement HACCP.
6	<i>Natural Produktsia Ltd</i>	Business Expansion	STO	<i>Verified/ July 2019</i>	Y Direct Both	Ajara	<i>August/ 2019</i>	<i>Natural Produktsia Ltd</i> is supplying 1.5 tonnes/month of Imeruli/Sulguni/Smoked cheese to one of the largest hotels in Georgia <i>the Paragraph Resort &amp; Spa Shekvetili</i> .	Programme client. The hotel was looking for a HACCP certified local producer.
7	<i>Journalist Resource Centre</i>	Business Expansion	Client/ STO	<i>Verified/ July 2019</i>	Y Direct Both	Georgia	<i>July/ 2019</i>	The <i>Journalism Resource Centre</i> and <i>Broadcasters Alliance</i> launched a new agri channel <i>Agro Garemo TV</i> . The TV has its agri programmes: weekly <i>Agri News</i> and the first live studio talks on agriculture. It also broadcasts agri programmes developed by <i>Deutsche Welle</i> .	Programme client
8	Wool in SJ IE Manana Tsikarishvili <i>Wool House</i>	Crowding In  Business Expansion	Client  Client	<i>Verified/ July 2019</i>  <i>Verified/ July 2019</i>	Y Indirect Both  Y Direct Both	Aspindza  Khashuri	2016  2018	<p>Nino Melikidze has been producing quilts, mattresses and pillows since 2016. <i>Produce in Georgia</i> awarded her 5,000 Gel, she also received a 3,600 Gel loan from <i>TBC Bank</i> to purchase wool processing and pillow making equipment. The majority of their customers are locals, visitors, and <i>Vardzia Resort Hotel</i>. She is buying washed wool from <i>Wool House</i>.</p> <p><i>Wool House</i> is now supplying wool to up to twenty-five guesthouses and twelve kindergartens, in 2015 the baseline was five kindergartens.</p> <p>In 2018, <i>Wool House</i> added a new service of the producing pillows for apiaries and is now supplying them to up to twenty beekeepers.</p> <p>In 2018, <i>Wool House</i> started supplying 450 kg of washed wool/month to <i>Wool Processing Enterprise in Khashuri</i>. Before, the enterprise used to buy washed wool in Lilo, now they prefer buying it from <i>Wool House</i> as it has a wool delivery service and higher quality \ wool than in Lilo.</p>	<p>Nino Melikidze started producing quilts, mattresses and pillows after her mother visited <i>Wool House</i> to get their service and decided to copy the business model.</p> <p>Programme client</p>

9	Women's Business Forum	Crowding in	STO	Verified/ June 2019	Y Indirect Both	Ajara	June/ 2019	Federation Women for Tomorrow, with the support of US Embassy in Georgia and UN Women held the Women's Business Forum on 15 <sup>th</sup> of June, 2019 in Batumi.	UN Women asked the Ajara Chamber of Commerce and Industry to help them with organizing the forum. They used the same agenda and invited the same speakers.
10	Meat in AJ Ori Gio Ltd	Business expansion	Client	Verified/ April 2019	Y Direct Both	Khulo	April/ 2019	ENPARD II awarded Ori Gio Ltd 174,000 Gel for the processing of entrails.	Programme client
11	Goderdzi Alpine Garden	Business Expansion	Client	Verified/ April 2019	Y Direct Both	Ajara	April/ 2019	ENPARD II awarded Goderdzi Alpine Garden 28,000 Gel to purchase solar panels for the office.	Programme client.

**APPENDIX 3: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD APRIL 1<sup>ST</sup> TO SEPTEMBER 30<sup>TH</sup> 2018**

	Intervention #	Name	Contact	Location	Type	Date	Total Investment & % Contribution		ALCP	Client	3rd Party	Rating
1	1.1.1 GMA/Theme 1 KK-1	GMA	Jaba Burjaliani	Tbilisi	Develop promotional activities of the Georgian Milk Mark (festivals, events, administering web and Facebook pages)	22/07/2019	\$	19,431	19,431			Good
							%	100%	100%			
2	1.2.1-3.4.1 The Georgian Beekeepers Union /Theme – 1 WG - 1	NNLE Georgian Beekeepers Union	Nino Glonti	Tbilisi	Creation and empowering of an umbrella association uniting nine beekeeping associations and three companies	03/04/2019	\$	22,352	15,187	7,165		Very Good
							%	100%	68%	32%		
3	1.5 Batumi Botanical Garden/WG-1	NNLP Batumi Botanical Garden	Irakli Archaia	Ajara	Development of Beekeeping zone in the Goderdzi Alpine Garden	05/08/2019	\$	16,029	6,558	9,471		Very Good
							%	100%	41%	59%		
4	1.5/3.1/3.2 Georgian Wool Company /Theme - 2 KK - 2	Georgian Wool Company Ltd	Zaur Kulievi	Tbilisi	Wool exporter product diversification /construction of a new wool washing facility	08/05/2019	\$	237,025	124,385	112,640		Very Good
							%	100%	52%	48%		
5	1.5.1 Natural Produktsia / Theme-1 WG-1	Natural Produktsia Ltd	Arkadi Kakhadze	Batumi	Market Diversification/ FS&H compliant dairy shop in Batumi	03/07/2019	\$	63,200	32,100	31,100		Good
							%	100%	51%	49%		
6	1.5.1 Kutaturi / Theme-1 WG-1	Kutaturi Ltd	Zurabi Bregadze	Kutaisi	Slaughterhouse - Product diversification	23/08/2019	\$	42,020	26,680	15,340		Good
							%	100%	63%	37%		
7	1.5.1/3.2.2 Akhmed Niazovi/Theme - 1 Kakheti - 1	IE Akhmed Niazovi	Akhmed Niazovi	Telavi	Sheep Slaughterhouse - to be HACCP certified and access to the export markets	06/09/2019	\$	27,370	13,610	13,760		Good
							%	100%	50%	50%		
8	1.5.2 Batumi Botanical Garden/WG-2	NNLP Batumi Botanical Garden	Irakli Archaia	Ajara	Eco-friendly sustainable development of the Goderdzi Alpine Garden	11/09/2019	\$	23,589	7,478	16,111		Good
							%	100%	32%	68%		
9	1.5.3 Cheese line/Theme - 1 KK-1	Cheese line Ltd	Zurab Dzmanashvili	Gardabani	Dairy company - to be HACCP certified and apply for GMM and sell GMM cheese at Agri Market	23/05/2019	\$	16,050	8,400	7,650		Good
							%	100%	52%	48%		

10	1.5.3 Alpuri Javakheti/Theme - 1 SJ - 1	Alpuri Javakheti Ltd	Simion Darbinyan	Ninotsminda	Dairy company - to be HACCP certified and apply for GMM	12/09/2019	\$	19,841	12,421	7,420		Good
							%	100%	63%	37%		
11	1.5.3 Dertseli's Nobati/Theme - 1 SJ - 1	Cooperative Dertseli's Nobati	Revaz Beridze	Adigeni	Dairy company - to be HACCP certified and apply for GMM	12/09/2019	\$	11,620	5,200	6,420		Good
							%	100%	45%	55%		
12	1.5.3 Hakob Hambaryan/Theme - 1 SJ - 1	IE Hakob Hambaryan	Hakob Hambaryan	Ninotsminda	Dairy company - to be HACCP certified and apply for GMM	12/09/2019	\$	24,563	15,143	9,420		Good
							%	100%	62%	38%		
13	1.5.3 Levan Bejanishvili/Theme - 1 Kakheti - 1	IE Levan Bejanishvili	Levan Bejanishvili	Telavi	Dairy company - upgrade equipment, to be HACCP certified and continue to use the Georgian Milk mark which is already being used by the enterprise	26/09/2019	\$	40,020	23,911	16,109		Good
							%	100%	60%	40%		
14	1.5.3 Tamaz Tagiashvili/Theme - 1 Kakheti - 1	IE Tamaz Tagiashvili	Tamaz Tagiashvili	Akhmeta	Dairy company - to be HACCP certified and apply for GMM and sell GMM cheese at Agri Market	26/09/2019	\$	22,434	13,261	9,173		Good
							%	100%	59%	41%		
15	1.5.3 Leanka/Theme - 1 Kakheti - 1	Leanka Ltd	Ketino Chalakhashvili	Dedoplistskaro	Dairy company - upgrade equipment, to be HACCP certified and to apply for GMM	26/09/2019	\$	34,387	17,040	17,347		Good
							%	100%	50%	50%		
16	1.7.1 MoU with FSIB of Armenia/KK-1, International Consultant Agreement, Ed Hamer Ltd	Food Safety Inspection Body of the Government of Armenia	Georgi Avetisyan, Ed Hamer Ltd	Erevan, Armenia, UK	Hire an international expert to study livestock transhumance system in Armenia and to plan infrastructure for animal disinfection against ectoparasites	04/06/2019	\$	6,600	6,600			Good
							%	100%	100%			

## Getting on Board with the Georgian Milk Mark



Georgian Milk Mark



**11,197**  
subscribers



**2,500**  
new likes



**998,000**  
posts views

88% of visitors are women, aged between 35-44, the majority of them are from Tbilisi, followed by Batumi

An article about unclear labeling of products containing milk powder was the most popular with 96,300 views



The majority of consumers on Facebook ask questions and look for more information as to how to find and buy a product made of raw milk. They are resharing consumer interest items with their friends. Some comment that they regularly visit shops where GMM cheese is sold and buy cheese with the mark

**3,212**  
unique  
visitors



The majority of visitors viewed *Tsezari* and *Milkeni* 's enterprises

[www.georgianmilk.ge](http://www.georgianmilk.ge)

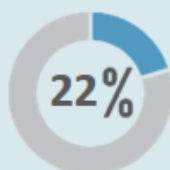


**948 people** checked the map of supermarkets & shops with cheese under the GMM

15 articles & videos published in media related to GMM since April



**23,000 leaflets** disseminated by the *Business Institute of Georgia* through *Spar*, *Zgapari* and *Madagoni* supermarkets



of the interviewees  
know about the  
GMM

The *International School of Economics at Tbilisi State University (ISET)* conducted a *Georgian Certification and Quality Standards* study, interviewed 361 consumers online in July



Six leading supermarket chains are promoting cheese under the GMM and getting positive feedback from consumers as they are now able to differentiate between cheese made of milk powder and raw milk. Following positive feedback from consumers the supermarkets are making cheese under GMM more visible in refrigerators.

### Business



- *Tsintksaro + Ltd* and *Tsivi's Kvili* and *Tsipora Samtskhe Ltd* participated in *Expo Cattle 2019* in October with high visibility for the mark, more than **600 guests** visited their GMM stands
- *Shuamta* started supplying cheese to a newly opened hotel *Holiday Inn Telavi*. The hotel contacted them after seeing information about the factory/GMM on Facebook.
- *Tsivi's Kvili* started supplying cheese to two newly opened *Carrefour* supermarkets in Tbilisi, who want to see products with the GMM in their shops.
- **Five jobs** were created out of which four are women to work for putting labels with the GMM

Ongoing observation of consumers' feedback



Some consumers say that they cannot find GMM cheese in their neighboring shops and supermarkets